INLAND WESTERN RETAIL REAL ESTATE TRUST INC
Form POS AM
October 13, 2004

As filed with the Securities and Exchange Commission on October 13, 2004
Registration No. 333-103799

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 6
TO
FORM S-11
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

INLAND WESTERN RETAIL REAL ESTATE TRUST, INC.
(Exact name of registrant as specified in governing instruments)

2901 BUTTERFIELD ROAD
OAK BROOK, ILLINOIS 60523
(630) 218-8000
(Address, including zip code, and telephone number, including, area code of principal executive offices)

ROBERT H. BAUM, ESQ.
VICE CHAIRMAN, EXECUTIVE VICE PRESIDENT AND GENERAL COUNSEL
THE INLAND GROUP, INC.
2901 BUTTERFIELD ROAD
OAK BROOK, ILLINOIS 60523
(630) 218-8000
(Name and address, including zip code, and telephone number, including area code of agent for service)

WITH A COPY TO:
DAVID J. KAUFMAN, ESQ.
DUANE MORRIS LLP
227 WEST MONROE STREET
SUITE 3400
CHICAGO, ILLINOIS 60606
(312) 499-6700

This Post-Effective Amendment No. 6 consists of the following:

1. Supplement No. 37 dated October 13, 2004 to the Registrant's Prospectus dated September 15, 2003, included herewith, which will be delivered as an unattached document along with the Prospectus dated September 15, 2003.

2. The Registrant's final form of Prospectus dated September 15, 2003, previously filed pursuant to Rule 424(b)(1) on September 15, 2003 and refiled herewith.

3. Part II, included herewith.

4. Signatures, included herewith.

SUPPLEMENT NO. 37
DATED OCTOBER 13, 2004
TO THE PROSPECTUS DATED SEPTEMBER 15, 2003
OF INLAND WESTERN RETAIL REAL ESTATE TRUST, INC.

We are providing this Supplement No. 37 to you in order to supplement our prospectus. This supplement updates information in the sections of our prospectus noted in the table of contents below. This Supplement No. 37 supplements, modifies or supersedes certain information contained in our prospectus, and prior Supplements No. 1 through 36 (dated October 23, 2003 through October 8, 2004) and must be read in conjunction with our prospectus.

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PROSPECTUS SUMMARY

THE TYPES OF REAL ESTATE THAT WE MAY ACQUIRE AND MANAGE.

THE FOURTH PARAGRAPH UNDER THIS SECTION ON "THE TYPES OF REAL ESTATE THAT WE MAY ACQUIRE AND MANAGE", WHICH STARTS ON PAGE 1 OF OUR PROSPECTUS IS SUPERCEDED IN

THE ENTIRETY TO READ AS FOLLOWS:

The geographic focus of our portfolio continues to be western U.S. markets; yet, at the present time, we believe that properties available for sale east of the Mississippi River are offering more favorable investment returns. Our objective continues to be to acquire properties primarily for income as distinguished from primarily for capital gain. As a result, many of our recently acquired properties are located in eastern U.S. markets. However, over the long-term, we expect the portfolio to consist of properties located primarily west of the Mississippi River. Where feasible, we will endeavor to acquire multiple properties within the same major metropolitan markets where the acquisitions result in efficient property management operations with the potential to achieve market dominance.

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OUR SPONSOR, OUR ADVISOR AND THE INLAND GROUP.

THE LAST PARAGRAPH UNDER THIS SECTION ON THE "OUR SPONSOR, OUR ADVISOR AND THE INLAND GROUP" WHICH STARTS ON PAGE 2 OF OUR PROSPECTUS IS SUPERCEDED IN THE ENTIRETY TO READ AS FOLLOWS:

Our sponsor is Inland Real Estate Investment Corporation, which is owned by The Inland Group, Inc. The Inland Group, together with its subsidiaries and affiliates, is a fully-integrated group of legally and financially separate companies that have been engaged in diverse facets of real estate for over 35 years providing property management, leasing, marketing, acquisition, disposition, development, redevelopment, syndication, renovation, construction, finance and other related services. Inland Western Retail Real Estate Advisory Services, Inc., is a wholly owned subsidiary of our sponsor and is our advisor. Inland Securities Corporation, another affiliate of The Inland Group, is the managing dealer of this offering. Inland Western Management Corp., Inland Northwest Property Management Corp., Inland Southwest Property Management Corp. and Inland Pacific Property Management Corp., our property managers, are entities owned principally by individuals who are affiliates of The Inland Group. The principal executive offices of The Inland Group, our sponsor, and our advisor are located at 2901 Butterfield Road, Oak Brook, Illinois 60523 and their telephone number is (630) 218-8000. The principal executive offices of our property managers are located at 2907 Butterfield Road, Oak Brook, Illinois 60523 and their telephone number is (630) 218-8000.

ORGANIZATIONAL CHART

THE ORGANIZATIONAL CHART UNDER THIS SECTION; WHICH IS LISTED ON PAGE 3 OF OUR PROSPECTUS IS SUPERCEDED WITH THE FOLLOWING:

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The following organizational chart depicts the services that affiliates or our sponsor will render to us and our organizational structure.

ORGANIZATIONAL CHART

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               Daniel L. Goodwin*            Robert H.           G. Joseph           Robert D.
                                               Baum*              Cosenza*            Parks*
               ------------------            ---------           ---------           ---------
                        ||                       ||                   ||                    ||
                       =====================================================================
                                                           ||
                                               -----------------------
                                               THE INLAND GROUP, INC.*
                                               -----------------------
                                                           ||
                                                           ||
        ==========================================================================================
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         ||                                    ||                                      ||
--------------------- -------------------------------------------------  -------------------------
The Inland Services           The Inland Property Management                      Inland Real
    Group, Inc.                         Group, Inc.                      Estate Investment Corpor
                                                                                  (our sponsor)
--------------------- -------------------------------------------------  -------------------------
         ||                                      ||                                              ||
         ||             ==============================================================           ||
         ||             ||                  ||                 ||                    ||          ||
         ||             ||                  ||                 ||                    ||          ||
--------------- ------------------ ------------------ ------------------- ---------------------||
Inland Risk and   Inland Western    Inland Northwest    Inland Southwest    Inland Pacific      ||
   Insurance        Management         Management     Property Management Property Management   ||
  Management           Corp.              Corp.             Corp.                Corp.          ||
 Services, Inc. (property manager) (property manager) (property manager)  (property manager)    ||
--------------- ------------------ ------------------ ------------------- ---------------------||
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          |             |                   |                   |                     |         ||
          |             ==============================================================          ||
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          |                  |              ||                         ||
          |                  |      ----------------- ------------------------------ ------------
          |                  |      Inland Securities   Inland Western Retail Real   Inland Partn
          |                  |         Corporation    Estate Advisory Services, Inc.   Property S
          |                  |                                 (our advisor)            Corporati
          |                  |      ----------------- ------------------------------ ------------
          |                  |          |                 |
          |                  |          |                 |        ===============================
          |                  |          |                 |         ||           ||
          |                  |          |                 |    -----------   -----------   --------
    ------------             |          |                 |    Inland Real   Inland Real       Inl
      Insurance              |          |                 |       Estate        Estate           E
      Services               |          |                 |    Sales, Inc.   Development   Acquisi
    ------------             |          |                 |    -----------   -----------   --------
          |                  |          |                 |         |             |
          |                  |          |                 |         |             |
          |                  |          |                 |         |             |
          |                  |          |                 |    -----------        |
          |                  |          |                 |    Real Estate        |
          | -----------------------     |                 |    -----------        |
          | Property Management and     |                 |         |             |
          |     Related Services        |                 |         |             |
          | -----------------------     |                 |         |             |
          |                  |          |                 |         |             |
          |                  |          |                 |         |             |
          |                  | ----------------  -----------------  |    ----------------      --
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        |                  | Securities Sales   Organization,     |     Construction and      P
        |                  |                    Advisory and Real |       Development        Ac
        |                  |                    Estate Services   |        Services           S
        |                  | ----------------   ----------------- |     ----------------      --
        |                  |          |                 |         |             |
        |                  |          |                 |         |             |
        |                  |          |                 |         |             |
  -----------------------------------------------------------------------------------------------
                                           Inland Western Retail Real Estate Trust, Inc.
            We will be principally owned by public investors. Ownership is represented by share
  -----------------------------------------------------------------------------------------------
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* The four indicated individuals control The Inland Group, Inc. and own substantially all of its stock.

Solid lines indicate 100% ownership.
Broken lines indicate service.

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CONFLICTS OF INTEREST

THE SECOND BULLET POINT UNDER THIS SECTION UNDER "CONFLICTS OF INTEREST" ON PAGE 5 OF OUR PROSPECTUS IS SUPERCEDED IN THE ENTIRETY TO READ AS FOLLOWS:

- substantial compensation payable by us to Inland Securities Corporation, Inland Western Retail Real Estate Advisory Services, Inc., Inland Western Management Corp., Inland Northwest Property Management Corp., Inland Southwest Property Management Corp. and Inland Pacific Property Management Corp. for their various services which may not be on market terms and is payable, in most cases, whether or not our stockholders receive distributions;

COMPENSATION TO BE PAID TO OUR ADVISOR AND AFFILIATES

THE DISCUSSION UNDER THIS SECTION ON THE "ACQUISITION EXPENSES", WHICH STARTS ON PAGE 6 OF OUR PROSPECTUS, SHOULD READ:

We will reimburse Inland Real Estate Acquisitions, Inc. for costs incurred, on our behalf, in connection with the acquisition of properties. We will pay an amount, estimated to be up to 0.5% of the total of (1) the gross offering proceeds from the sale of 250,000,000 shares, (2) the gross proceeds from the sale of up to 20,000,000 shares pursuant to the distribution reinvestment programs. The acquisition expenses for any particular property will not exceed 6% of the gross purchase price of the property.

THE DISCUSSION UNDER THIS SECTION ON THE "INCENTIVE ADVISORY FEE", WHICH STARTS ON PAGE 7 OF OUR PROSPECTUS, SHOULD READ:

After our stockholders have first received a 10% cumulative, non-compounded return and a return of their net investment, an incentive advisory fee equal to 15% on net proceeds from the sale of a property will be paid to our advisor.

RISK FACTORS

THE LAST SENTENCE OF THE FIRST PARAGRAPH ON PAGE 12, UNDER THIS HEADING, IS MODIFIED TO READ AS FOLLOWS:

We will be acquiring properties that are located primarily west of the Mississippi River and single user net lease properties located anywhere in the United States and therefore our geographic diversity will be limited.

THE SECOND PARAGRAPH ON PAGE 13, UNDER THIS HEADING, IS DELETED.

THE SECOND TO LAST SENTENCE OF THE THIRD PARAGRAPH ON PAGE 19, UNDER THIS HEADING IS MODIFIED TO READ AS FOLLOWS:

Our advisor receives fees based on the book value including acquired intangibles of the properties under management.

THE FIFTH SENTENCE OF THE FIRST PARAGRAPH ON PAGE 20, UNDER THIS HEADING IS MODIFIED TO READ AS FOLLOWS:

Our advisor received fees based on the book value including acquired intangibles of the properties under management.

CONFLICTS OF INTEREST

THE LAST SENTENCE OF THE FOURTH PARAGRAPH ON PAGE 36, UNDER THIS HEADING, IS MODIFIED TO READ AS FOLLOWS:

If Inland Retail Real Estate Trust, Inc., does not purchase the prospective property, it will then be offered to us.

THE SIXTH SENTENCE OF THE FIFTH PARAGRAPH ON PAGE 37, UNDER THIS HEADING IS MODIFIED TO READ AS FOLLOWS:

Our advisor received fees based on the book value including acquired intangibles of the properties under management.

COMPENSATION TABLE

THE DISCUSSION UNDER THIS SECTION "NONSUBORDINATED PAYMENTS - OFFERING STAGE" ON THE MARKETING CONTRIBUTION AND DUE DILIGENCE EXPENSE ALLOWANCE PAID TO THE MANAGING DEALER AND SOLICITING DEALERS, WHICH STARTS ON PAGE 40 OF OUR PROSPECTUS, SHOULD READ AS FOLLOWS:

TYPE OF COMPENSATION AND RECIPIENT	METHOD OF COMPENSATION	ES
Marketing contribution and due diligence expense allowance paid to the managing dealer and soliciting dealers.	We will pay an amount equal to 2.5% of the gross offering proceeds to the managing dealer, all or a portion of which may be passed on to soliciting dealers, in lieu of reimbursement of specific expenses associated with marketing. We may pay an additional 0.5% of the gross offering proceeds to the managing dealer, which may be passed on to the soliciting dealers, for due diligence expenses. We will not pay the marketing contribution and	The actual am number of sha special sales following amo marketing con diligence exp - $60,000 if number of - $75,000,00 number of

due diligence expense allowance in connection with any special sales, except those receiving volume discounts and those described in "Plan of Distribution - Volume Discounts."

THE DISCUSSION UNDER THIS SECTION "SUBORDINATED PAYMENTS - OPERATIONS STAGE" ON THE ADVISOR ASSET MANAGEMENT FEE PAID TO OUR ADVISOR, WHICH STARTS ON PAGE 43 OF OUR PROSPECTUS, SHOULD READ AS FOLLOWS:

TYPE OF COMPENSATION AND RECIPIENT	METHOD OF COMPENSATION	EST D
	OPERATIONAL STAGE	
Advisor asset management fee payable to our advisor.	We pay an annual advisor asset management fee of not more than 1% of our average assets. Our average assets means the average of the total book value including acquired intangibles of our real estate assets plus the total value of our loans receivables secured by real estate, before reserves for depreciation or bad debts or other similar non-cash reserves. We will compute our average assets by taking the average of these values at the end of each month during the quarter for which we are calculating the fee. The fee is payable quarterly in an amount equal to 1/4of 1% of average assets as of the last day of the immediately preceding quarter. For any year in which we qualify as a REIT, our advisor must reimburse us for the following amounts if any: (1) the amounts by which our total operating expenses, the sum of the advisor asset management fee plus other operating expenses, paid during the previous fiscal year exceed the greater of: - 2% of our average assets for that fiscal year, or - 25% of our net income for that fiscal year. (2) plus an amount, which will not exceed the advisor asset management fee for that year, equal to any difference between	The actual am depend upon t properties an determined at acquire the a management fe

the total amount of distributions to stockholders for that year and the 6% annual return on the net investment of stockholders.

Items such as organization and offering expenses, property expenses, interest payments, taxes, non-cash expenditures, the incentive advisory fee and acquisition expenses are excluded from the definition of total operating expenses.

See "Management -- Our Advisory Agreement" for an explanation of circumstances where the excess amount specified in clause (1) may not need to be reimbursed.

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THE DISCUSSION UNDER THIS SECTION "COMPENSATION TO OFFICERS AND DIRECTORS" ON THE DIRECTOR FEES, WHICH STARTS ON PAGE 45 OF OUR PROSPECTUS SHOULD READ AS FOLLOWS:

TYPE OF COMPENSATION AND RECIPIENT	METHOD OF COMPENSATION	EST D
Director fees	Independent directors receive an annual fee of $5,000 (increasing to $10,000 effective October 1, 2004) and a fee of $500 for attending each meeting of the board or one of its committees in person and $350 for attending a meeting via the telephone. Our officers who are also our directors do not receive director fees.	We will pay t directors $25 (increasing t October 1, 20 attending mee 2004 our five were paid fee $69,250. The received for upon the numb attendance an determined at

THE DISCUSSION UNDER THIS SECTION ON THE "NONSUBORDINATED PAYMENTS - OPERATIONAL STAGE", WHICH STARTS ON PAGE 41 OF OUR PROSPECTUS, IS MODIFIED AS FOLLOWS:

The last entry "Advisor asset management fee" at the bottom of the page is deleted.

THE LAST SENTENCE OF THE DISCUSSION ON "ESTIMATED MAXIMUM DOLLAR AMOUNT" UNDER THIS SECTION ON THE "SUBORDINATED PAYMENTS - OPERATIONAL STAGE", WHICH STARTS ON PAGE 43 OF OUR PROSPECTUS, IS MODIFIED AS FOLLOWS:

If we acquire the advisor, the advisor asset management fee will cease.

PRIOR PERFORMANCE OF OUR AFFILIATES

PRIOR INVESTMENT PROGRAMS

During the 10-year period ending June 30, 2004, The Inland Group and its affiliates have sponsored two other REITs and 25 real estate exchange private placements, which altogether have raised more than $3,093,000,000 from over 75,000 investors. During that period, Inland Real Estate Corporation and Inland Retail Real Estate Trust, Inc., the other REITs, have raised over $2,959,000,000 from over 75,000 investors. Inland Real Estate Corporation and Inland Retail Real Estate Trust, Inc. have investment objectives and policies similar to ours and have invested principally in shopping centers that provide sales of convenience goods and personal services to neighboring communities in the Midwest and Southeast areas. However, Inland Real Estate Corporation is now a self-administered REIT and is no longer affiliated with The Inland Group. Our investment objectives and policies are similar to those of several of the other prior investment programs sponsored by our affiliates which have owned and operated retail properties. However, the vast majority of the other investment programs sponsored by our affiliates were dissimilar from our operation in that the prior programs owned apartment properties, pre-development land and whole or partial interests in mortgage loans.

The information in this section and in the Prior Performance Tables included in this Post-effective amendment as APPENDIX A shows relevant summary information concerning real estate programs sponsored by our affiliates. The purpose is to provide information on the prior performance of these programs so that you may evaluate the experience of the affiliated companies in sponsoring similar

programs. The following discussion is intended to briefly summarize the objectives and performance of the prior programs and to disclose any material adverse business developments sustained by them. Past performance is not necessarily indicative of future performance.

SUMMARY INFORMATION

The table below provides summarized information concerning prior programs sponsored by our affiliates for the 10-year period ending June 30, 2004, and is qualified in its entirety by reference to the introductory discussion above and the detailed information appearing in the Prior Performance Tables in APPENDIX A of this post-effective amendment. YOU SHOULD NOT CONSTRUE INCLUSION OF THE SUCCEEDING TABLES AS IMPLYING IN ANY MANNER THAT WE WILL HAVE RESULTS COMPARABLE TO THOSE REFLECTED IN THE TABLES BECAUSE THE YIELD AND CASH AVAILABLE AND OTHER FACTORS COULD BE SUBSTANTIALLY DIFFERENT FOR OUR PROPERTIES. YOU SHOULD NOTE THAT BY ACQUIRING OUR SHARES, YOU WILL NOT BE ACQUIRING ANY INTERESTS IN ANY PRIOR PROGRAMS.

	INLAND RETAIL REAL ESTATE TRUST, INC.	INLAND REAL ESTATE CORPORATION

	REIT PROGRAM AS OF JUNE 30, 2004	REIT PROGRAM AS OF JUNE 30, 2004
Number of programs sponsored	1	1
Aggregate amount raised from investors	$ 2,262,634,000	696,827,000
Approximate aggregate number of investors	59,000	16,000
Number of properties purchased	271	146
Aggregate cost of properties	$ 4,016,367,000	1,276,000,000
Number of mortgages/notes	0	0
Principal amount of mortgages/notes	$ 0	0
Principal of properties (based on cost) that were:		
Commercial--		
Retail	90.00%	86.00%
Single-user retail net-lease	10.00%	14.00%
Nursing homes	0.00%	0.00%
Offices	0.00%	0.00%
Industrial	0.00%	0.00%
Health clubs	0.00%	0.00%
Mini-storage	0.00%	0.00%
Total commercial	100.00%	100.00%
Multi-family residential	0.00%	0.00%
Land	0.00%	0.00%
Percentage of properties (based on cost) that were:		
Newly constructed (within a year of acquisition)	36.00%	40.00%
Existing construction	64.00%	60.00%
Number of properties sold in whole or in part	0	8
Number of properties exchanged	0	0

Of the programs included in the above table, Inland Real Estate Corporation and Inland Retail Real Estate Trust, Inc. have investment objectives similar to ours. Inland Real Estate Corporation and Inland Retail Real Estate Trust, Inc. represent approximately 97% of the aggregate amount raised from investors, approximately 99% of the aggregate number of investors, approximately 95% of the properties purchased, and approximately 95% of the aggregate cost of the properties.

During the three years prior to June 30, 2004, Inland Real Estate Corporation purchased 24 commercial properties and Inland Retail Real Estate Trust, Inc. purchased 249 commercial properties. Upon written request, you may obtain, without charge, a copy of Table VI filed with the Securities and Exchange Commission in Part II of our post-effective amendment.. The table provides more information about these acquisitions.

PUBLICLY REGISTERED REITS

INLAND REAL ESTATE CORPORATION. Through a total of four public offerings, the last of which was completed in 1999, Inland Real Estate Corporation sold a total of 51,642,397 shares of common stock. In addition, as of June 30, 2004, Inland Real Estate Corporation issued 13,937,881 shares of common stock through its distribution reinvestment program. As of June 30, 2004, Inland Real Estate Corporation repurchased

5,256,435 shares of common stock through its share repurchase program for an aggregate amount of $49,159,202. As a result, Inland Real Estate Corporation has realized total gross offering proceeds of approximately $696,827,000 as of June 30, 2004. On June 9, 2004, Inland Real Estate Corporation listed its shares on the New York Stock Exchange and began trading under the ticker "IRC".

Inland Real Estate Corporation's objective is to purchase shopping centers that provide convenience goods, personal services, wearing apparel and hardware and appliances located within an approximate 400-mile radius of its headquarters in Oak Brook, Illinois, and to provide, at a minimum, cash distributions on a quarterly basis and a hedge against inflation through capital appreciation. It may also acquire single-user retail properties throughout the United States. As of June 30, 2004, the properties owned by Inland Real Estate Corporation were generating sufficient cash flow to cover operating expenses plus pay an annual cash distribution of $0.94 per share paid monthly.

As of June 30, 2004, Inland Real Estate Corporation owned 138 properties for a total investment of approximately $1,276,000,000. These properties were purchased with proceeds received from the above described offerings of shares of its common stock and financings. As of June 30, 2004, Inland Real Estate Corporation financed approximately $642,783,000 on its properties and had $110,000,000 outstanding through an unsecured line of credit.

On July 1, 2000, Inland Real Estate Corporation became a self-administered REIT by completing its acquisition of Inland Real Estate Advisory Service, Inc., its advisor, and Inland Commercial Property Management, Inc., its property manager. The acquisition was accomplished by merging its advisor and its property manager into two wholly owned subsidiaries of Inland Real Estate Corporation. As a result of the merger, Inland Real Estate Corporation issued to our sponsor, the sole shareholder of the advisor, and The Inland Property Management Group, Inc., the sole shareholder of its property manager, an aggregate of 6,181,818 shares of Inland Real Estate Corporation's common stock at $11 per share, or approximately 9.008% of its common stock.

INLAND RETAIL REAL ESTATE TRUST, INC. Through a total of three public offerings, the last of which was completed in 2003, Inland Retail Real Estate Trust, Inc. sold a total of 213,699,534 shares of its common stock. In addition, as of June 30, 2004, Inland Retail Real Estate Trust, Inc. issud 16,028,707 shares through its distribution reinvestment program, and has repurchased a total of 2,246,611 shares through the share reinvestment program. As a result, Inland Retail Real Estate Trust Inc. has realized total gross offering proceeds of approximately $2,262,634,000 as of June 30, 2004.

Inland Retail Real Estate Trust, Inc.'s objective is to purchase shopping centers east of the Mississippi River in addition to single-user retail properties in locations throughout the United States, and to provide regular cash distributions and a hedge against inflation through capital appreciation. As of June 30, 2004, the properties owned by Inland Retail Real Estate Trust, Inc. were generating sufficient cash flow to cover operating expenses plus pay an annual cash distribution of $.83 per share per annum paid monthly.

As of June 30, 2004, Inland Retail Real Estate Trust, Inc. owned 271 properties for a total investment of approximately $4,016,368,000. These properties were purchased with proceeds received from the above described offerings of shares of its common stock and financings. As of June 30, 2004, Inland Retail Real Estate Trust, Inc. financed approximately $2,246,899,000 on its properties.

The following table summarizes distributions for each of the publicly registered REITS through June 30,2004:

REIT PERFORMANCE

Distributions through June 30, 2004

INLAND REAL ESTATE CORPORATION
OFFERING COMPLETED 1999

	Total Distribution ($)	Ordinary Income ($) *	Non taxable Distribution ($) **	Capital Gain Distribution ($) ***	Average Annualized Distribution for Purchases at $10 per Share ($)	Average Annualized Distribution for Purchases at $11 per Share ($)
1995	736,627	694,213	42,414	-	7.6	N/A
1996	3,704,943	3,093,525	611,418	-	8.1	N/A
1997	13,127,597	9,739,233	3,388,364	-	8.6	N/A
1998	35,443,213	27,015,143	8,428,070	-	8.8	7.9
1999	48,379,621	35,640,732	12,738,889	-	8.9	8.0
2000	52,964,010	40,445,730	12,518,280	-	9.0	8.1
2001	58,791,604	45,754,604	12,662,414	374,586	9.3	8.4
2002	60,090,685	41,579,944	18,315,640	195,101	9.4	8.5
2003	61,165,608	47,254,096	13,577,679	333,833	9.4	8.6
2004	30,897,781	30,897,781	*	-	9.4	8.6
	365,301,689	282,115,001	82,283,168	903,520		

INLAND RETAIL REAL ESTATE TRUST, INC.
OFFERING COMPLETED 2003

	Total Distribution ($)	Ordinary Income ($) *	Non Taxable Distribution ($) **	Average Annualized Distribution (%)
1999	1,396,861	318,484	1,078,377	7.2
2000	6,615,454	3,612,577	3,002,877	7.7
2001	17,491,342	10,538,534	6,952,808	8.0
2002	58,061,491	36,387,136	21,674,355	8.2
2003	160,350,811	97,571,099	62,779,712	8.3
2004	93,266,206	93,266,206	*	8.3
	337,182,165	241,694,036	95,488,129	

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ON JUNE 9, 2004 INLAND REAL ESTATE CORPORATION LISTED ITS SHARES ON THE NEW YORK STOCK EXCHANGE AND BEGAN TRADING UNDER THE SYMBOL "IRC."

* The breakout between ordinary income and return of capital is finalized on an annual basis after the calendar year end.
** Represents a return of capital for federal income tax purposes.
*** Represents a capital gain distribution for federal income tax purposes.

PRIVATE PARTNERSHIPS

Since our inception and through June 30, 2004, our affiliates have sponsored 514 private placement limited partnerships which have raised more than $524,201,000 from approximately 17,000 investors and invested in properties for an aggregate price of more than $1 billion in cash and notes. Of the 522 properties purchased, 93% have been in Illinois. Approximately 90% of the funds were invested in apartment buildings, 6% in shopping centers, 2% in office buildings and 2% in other properties. Including sales to affiliates, 475 partnerships have sold their original property investments. Officers and employees of our sponsor and its affiliates invested more than $17,000,000 in these private placement limited partnerships.

From July 1, 1995 through June 30, 2004, investors in The Inland Group private partnerships have received total distributions in excess of $271,882,700, consisting of cash flow from partnership operations, interest earnings, sales and refinancing proceeds and cash received during the course of property exchanges.

Following a proposal by the former corporate general partner, which was an affiliate of The Inland Group, investors in 301 private partnerships voted in 1990 to make our sponsor the corporate general partner for those partnerships.

Beginning in December 1993 and continuing into the first quarter of 1994, investors in 101 private limited partnerships for which our sponsor is the general partner received letters from it informing them of the possible opportunity to sell the 66 apartment properties owned by those partnerships to a to-be-formed REIT in which affiliates of our sponsor would receive stock and cash and the limited partners would receive cash. The underwriters of this apartment REIT subsequently advised our sponsor to sell to a third party its management and general partner's interests in those remaining limited partnerships not selling their apartment properties to the apartment REIT. Those not selling their apartment properties constituted approximately 30% of the Inland-sponsored limited partnerships owning apartment buildings. The prospective third-party buyers of our sponsor's interests in the remaining partnerships, however, would make no assurance to support those partnerships financially. As a result, in a March 1994 letter, our sponsor informed investors of its decision not to go forward with the formation of the apartment REIT.

Following this decision, two investors filed a complaint in April 1994 in the Circuit Court of Cook County, Illinois, Chancery Division, purportedly on behalf of a class of other unnamed investors, alleging that our sponsor had breached its fiduciary responsibility to those investors whose partnerships would have sold apartment properties to the apartment REIT. The complaint sought an accounting of information regarding the apartment REIT matter, an unspecified amount of damages and the removal of our sponsor as general partner of the partnerships that would have participated in the sale of properties. In August 1994, the court granted our sponsor's motion to dismiss, finding that the plaintiffs lacked standing to bring the case individually. The plaintiffs were granted leave to file an amended complaint. Thereafter, in August 1994, six investors filed an amended complaint, purportedly on behalf of a class of other investors, and derivatively on behalf of six limited partnerships of which our sponsor is the general partner. The derivative counts sought damages from our sponsor for alleged breach of fiduciary duty and breach of contract, and asserted a right to an accounting. Our sponsor filed a motion to dismiss in response to the amended complaint. The suit was dismissed in March 1995 with prejudice. The plaintiffs filed an appeal in April 1996. After the parties briefed the issue, arguments were heard by the Appellate Court in February 1997. In September 1997, the Appellate Court affirmed the trial court decision in favor of our sponsor.

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Inland Real Estate Investment Corporation is the general partner of twenty-seven private limited partnerships and one public limited partnership that own interests in fifteen buildings that are net leased to Kmart. The fourteen Kmarts owned by the private limited partnerships are all cross collateralized. Relating to the Kmart bankruptcy, the status of the fifteen is as follows:

- CATEGORY 1 - The leases of nine of the Kmarts are current and have been accepted by Kmart under their Chapter 11 reorganization plan.

- CATEGORY 2 - Kmart assigned its designation rights in one lease to Kohl's. The lease was amended and extended for Kohl's by IREIC, the general partner on behalf of the owners and lender; and Kohl's began paying rent February 12, 2003.

- CATEGORY 3 - Under Kmart's Chapter 11 reorganization plan and upon emergence from bankruptcy on April 22, 2003, Kmart has rejected the remaining four property leases, one of which is subject to a ground lease to Kimco. Kmart ceased paying rent as of May 1, 2003.

IREIC, the General Partner has agreed with the note holders who own the loan to conduct a liquidation of the 14 properties which comprise Categories 1, 2 and 3. The Category 2 property, which is leased by Kohl's, was sold on February 19, 2004. As of June 30, 2004, three of the Category 1 K-Mart properties have been sold. Offers have been received on the remaining six, five of which are under contract. One of the Category 3 properties has been sold, one is under contract and two have offers pending as of June 30, 2004.

- CATEGORY 4 - Under Kmart's Chapter 11 reorganization, Kmart rejected the lease for the property owned by the public limited partnership and ceased paying rent as of June 29, 2002. The general partner plans to either re-tenant or sell this facility.

1031 EXCHANGE PRIVATE PLACEMENT OFFERING PROGRAM

In March of 2001, Inland Real Estate Exchange Corporation (IREX) was established as a subsidiary of Inland Real Estate Investment Corporation. The main objective of IREX is to provide replacement properties for people wishing to complete an IRS Section 1031 real estate exchange. Through June 30, 2004, IREX offered the sale of twenty-five properties with a total property value of $294,474,000.

LANDINGS OF SARASOTA DBT. Inland Southern Acquisitions, Inc., a Delaware corporation and an affiliate of IREX acquired The Landings, a multi-tenant shopping center located in Sarasota, Florida in December 1997 for $9,800,000. In August 2001, Inland Southern Acquisitions, Inc. contributed 100% of its interest in the property into Landings of Sarasota DBT, a Delaware business trust, refinanced the property with a loan of $8,000,000 from Parkway Bank & Trust Co., an Illinois banking corporation, and began offering all of its beneficial interests in the trust to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price was $12,000,000, which consisted of $8,000,000 in debt assumption and $4,000,000 in equity investment. $200,000 of the offering proceeds were allocated to a property reserve account. The offering was completed in May 2002 when the maximum offering amount was raised.

SENTRY OFFICE BUILDING, DBT, a Delaware business trust, purchased a newly constructed, single-tenant office building in Davenport, Iowa in December 2001 from Ryan Companies US Inc., a Minnesota corporation. The trust financed its acquisition of the property with a $7,500,000 first mortgage loan from Parkway Bank & Trust Co., an Illinois banking corporation. In January 2002, Sentry Office Building Corporation, a Delaware corporation and the initial beneficiary of the trust, began offering all of its

beneficial interests in the trust to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price was $11,000,000, which consisted of $7,500,000 in debt assumption and $3,500,000 in equity investment. $100,000 of the offering proceeds obtained from the new owners was allocated to a property reserve account. The offering was completed in April 2002 when the maximum offering amount was raised.

PETS BOWIE DELAWARE BUSINESS TRUST purchased a single-tenant retail building leased to PETsMART in Bowie, Maryland in October 2001 from PETsMART, Inc. and Wells Fargo Bank Northwest, N.A. The trust initially financed its acquisition of the property with a temporary loan of $2,625,305 from Parkway Bank & Trust Co., an Illinois banking corporation, and then replaced this loan with a permanent loan of $1,300,000 with the same lender. In May 2002, Pets Bowie Delaware Business Trust began offering all of its beneficial interests to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price was $3,900,000, which consisted of $1,300,000 in debt assumption and $2,600,000 in equity investment. $90,000 of the offering proceeds obtained from the new owners was allocated to a property reserve account. The offering was completed in July 2002 when the maximum offering amount was raised.

1031 CHATTANOOGA DBT, a Delaware business trust, acquired a retail property currently leased to Eckerd in Chattanooga, Tennessee in May 2002. The trust financed the property with a loan of $1,500,000 from Parkway Bank & Trust Co., an Illinois banking corporation. In July 2002, 1031 Chattanooga, L.L.C., the initial beneficiary of 1031 Chattanooga DBT, began offering all of the beneficial interests of the trust to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price was $3,400,000, which consisted of $1,500,000 in debt assumption and $1,900,000 in equity investment. The offering was completed in May 2003 when the maximum offering amount was raised.

LANSING SHOPPING CENTER, DBT a Delaware business trust, purchased a newly constructed, multi-tenant retail shopping center in Lansing, Illinois in June

2002 from LaSalle Bank National Association, as trustee under trust agreement dated May 22, 2001 and known as Trust No. 127294. The trust financed its acquisition of the property with a $5,900,000 first mortgage loan from Parkway Bank & Trust Co., an Illinois banking corporation. In August 2002, Lansing Shopping Center, L.L.C., a Delaware limited liability company and the initial beneficiary of Lansing Shopping Center, DBT, began offering all of the beneficial interests of the trust to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price was $10,900,000, which consisted of $5,900,000 in debt assumption and $5,000,000 in equity investment. $80,000 of the offering proceeds was allocated to a property reserve account. The offering was completed in September 1001 when the maximum offering amount was raised.

INLAND 220 CELEBRATION PLACE DELAWARE BUSINESS TRUST purchased a single-tenant office building currently leased to Walt Disney World Co., a Florida corporation, in Celebration, Osceola County, Florida, in June 2002 from Walt Disney World Co. in a sale/leaseback transaction. The trust financed its acquisition of the property with an $18,000,000 first mortgage loan from Bank of America, N.A., a national banking association. In September 2002, Inland 220 Celebration Place, L.L.C., a Delaware limited liability company and the initial beneficiary of Inland 220 Celebration Place Delaware Business Trust, began offering all of the beneficial interests of the trust to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price was $33,800,000, which consisted of $18,000,000 in debt assumption and $15,800,000 in equity investment. $50,000 of the offering proceeds was allocated to a property reserve account. The offering was completed in September 2003 when the maximum offering amount was raised.

TAUNTON CIRCUIT DELAWARE BUSINESS TRUST acquired a retail property currently leased to Circuit City in Taunton, Massachusetts in July 2002. The Trust financed the property with a first mortgage of $2,800,000 from MB Financial Bank. In September 2002, Inland Taunton Circuit, L.L.C., the initial beneficiary of Taunton Circuit Delaware Business Trust, offered all of its interest in the trust to a qualified person in need of a replacement property to complete a 1031 tax-deferred exchange. The total price was $6,550,000, which consisted of $2,800,000 in debt assumption and $3,750,000 in equity investment. The offering was completed in September 2002.

BROADWAY COMMONS DELAWARE BUSINESS TRUST acquired a multi-tenant retail center located in Rochester, Minnesota, in July 2002. The Trust financed the property with a first mortgage of $8,850,000 from Parkway Bank & Trust Co., an Illinois banking corporation. In October 2002, Broadway Commons, L.L.C., the initial beneficiary of Broadway Commons Delaware Business Trust, began offering all of its beneficial interests in the trust to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price was $17,250,000, which consisted of $8,850,000 in debt assumption and $8,400,000 in equity investment. $100,000 of the offering proceeds was allocated to a property reserve account. The offering was completed in December 2003 when the maximum offering amount was raised.

BELL PLAZA 1031, LLC. REHAB ASSOCIATES XIII, INC., an Illinois corporation and an affiliate of IREX acquired Bell Plaza, a multi-tenant shopping center in Oak Lawn, IL on August 28, 1998 for $1,675,000. In October 2002, Rehab Associates XIII contributed 100% of its interest in the property into Bell Plaza 1031, LLC, a Delaware single member limited liability company, and then offered all of its membership interests in Bell Plaza, LLC to North Forsyth Associates, a North Carolina general partnership, which was in need of a replacement property to complete a 1031 tax-deferred exchange. The total price was $4,030,000, which consisted of $3,140,000 in debt assumption and $890,000 in equity investment. $25,000 of the offering proceeds was allocated to a property reserve account. The offering was completed in November 2002.

INLAND 210 CELEBRATION PLACE DELAWARE BUSINESS TRUST purchased a single-tenant office building, currently leased to Walt Disney World Co., a Florida corporation, in Celebration, Osceola County, Florida, in June 2002 from Walt Disney World Co .in a sale/leaseback transaction. The trust financed its acquisition of the property with a $5,700,000 first mortgage loan from Bear Stearns Commercial Mortgage, Inc. In January 2003, Inland 210 Celebration Place Delaware Business Trust sold its fee simple interest in 210 Celebration Place to Old Bridge Park Celebration, LLC, a Delaware limited liability company, which was in need of a replacement property to complete a 1031 tax-deferred exchange. The total price was $12,000,000, which consisted of $5,700,000 in debt assumption and $6,300,000 in equity investment.

COMPUSA RETAIL BUILDING. Lombard C-USA, L.L.C., a Delaware limited liability company, purchased a single-tenant retail building leased to CompUSA, Inc. in Lombard, Illinois in January 2003 from an unrelated third party. The L.L.C. financed its acquisition of the property with a $4,000,000 loan from Bear Stearns Commercial Mortgage, Inc. In April 2003, Lombard C-USA, L.L.C. began offering 99% of the undivided tenant in common interests in the real estate and improvements thereon located at 2840 S. Highland Avenue, Lombard, DuPage County, Illinois for $3,910,500 in cash plus the assumption of the existing indebtedness to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price was $7,950,000, which consisted of $4,000,000 in debt assumption and $3,950,000 in equity investment. As required by the lender, Lombard C-USA, L.L.C. shall retain at least a 1% tenant in common interest, which is included in the $3,950,000 equity investment. $75,000 of the offering proceeds was allocated to a property reserve account. The offering was completed in February 2004 when the maximum offering amount was raised.

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DEERE DISTRIBUTION FACILITY IN JANESVILLE, WISCONSIN. Janesville 1031, L.L.C., a Delaware limited liability company, purchased a single-tenant, light industrial distribution center leased to Deere & Company, a Delaware corporation, in Janesville, Wisconsin in February 2003 from Ryan Janesville, L.L.C., a Minnesota corporation and an affiliate of Ryan Companies US, Inc. The L.L.C. financed its acquisition of the property with a $10,450,000 loan from Bear Stearns Commercial Mortgage, Inc. In May 2003, Janesville 1031, L.L.C. began offering 99% of the undivided tenant in common interests in the real estate and improvements thereon located at 2900 Beloit Avenue, Janesville, Rock County, Wisconsin for $9,949,500 in cash plus the assumption of the existing indebtedness to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price, $20,500,000, consisted of $10,450,000 in debt assumption and $10,050,000 in equity investment, 1% of which was required by the lender to be retained by Janesville 1031, L.L.C. $100,000 of the offering proceeds was allocated to a property reserve account. The offering was completed in January 2004 when the maximum offering was raised.

FLEET OFFICE BUILDING. Westminster Office 1031, L.L.C., a Delaware limited liability company, purchased a single-tenant office building leased entirely to Fleet National Bank, a national banking association, in Providence, Rhode Island in April 2003 from Fleet National Bank in a sale/leaseback transaction. The L.L.C. financed its acquisition of the property with a $12,900,000 loan from Bear Stearns Commercial Mortgage, Inc. In June 2003, Westminster Office 1031, L.L.C. began offering 99% of the undivided tenant in common interests in the real estate and improvements thereon located at 111 Westminster Street, Providence, Providence County, Rhode Island for $9,900,000 in cash plus the assumption of the existing indebtedness to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price, $22,900,000, consisted of $12,900,000 in debt assumption and $10,000,000 in equity investment, 1% of which was required by the lender to be retained by Westminster Office 1031, L.L.C. $150,000 of the offering proceeds was allocated to a property reserve account. The offering was completed in January 2004 when the maximum offering was raised.

DEERE DISTRIBUTION FACILITY IN DAVENPORT, IOWA. Davenport 1031, L.L.C., a Delaware limited liability company, purchased a single-tenant, light industrial distribution center leased to Quad Cities Consolidation and Distribution, Inc., an Illinois corporation, in Davenport, Iowa in April 2003 from Ryan Companies US, Inc., a Minnesota corporation. The lease is fully guaranteed by Deere & Company, a Delaware corporation. The L.L.C. financed its acquisition of the property with a loan from Bear Stearns Commercial Mortgage, Inc. In August 2003, Davenport 1031, L.L.C. began offering 99% of the undivided tenant in common interests in the real estate and improvements thereon located at 2900 Research Parkway, Davenport, Scott County, Iowa for $15,543,000 in cash plus the assumption of the existing indebtedness to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price, $28,200,000, consisted of $12,500,000 in debt assumption and $15,700,000 in equity investment, 1% of which was required by the lender to be retained by Davenport 1031, L.L.C. $100,000 of the offering proceeds was allocated to a property reserve account. The offering was completed in April 2004 when the maximum offering was raised.

GRAND CHUTE DST, a Delaware statutory trust, purchased a multi-tenant retail shopping center in Grand Chute, Wisconsin in October 2002 from Continental 56 Fund Limited Partnership. The trust funded the acquisition of the property with cash from the sale of 100% of the beneficial interests in the trust to Grand Chute, L.L.C., a Delaware limited liability company. Subsequent to the acquisition of the property, the trust obtained a $5,678,350 loan from Bank of America, N.A. and the proceeds of the loan were distributed to Grand Chute, L.L.C. as a partial return of its capital contribution. In January 2003, Grand Chute, L.L.C. began offering all of its beneficial interests in the trust to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price was $12,048,350 which consisted of $5,678,350 in debt assumption and $6,370,000 in equity investment. $478,350 of the offering proceeds was allocated to four separate property reserve accounts, three of which

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were required by the lender. In September 2003, certain information in the offering was amended and supplemented through the release of the First Supplement to Private Placement Memorandum. The offering was completed in March 2004 when the maximum offering amount was raised.

MACON OFFICE DST, a Delaware statutory trust, purchased a single-tenant office complex in Macon, Georgia in October 2002 from UTF Macon, L.L.C. The trust funded the acquisition of the property with cash from the sale of 100% of the beneficial interests in the trust to Macon Office, L.L.C., a Delaware limited liability company. Subsequent to the acquisition of the property, the trust obtained a $5,560,000 loan from Bank of America, N.A. and the proceeds of the loan were distributed to Macon Office, L.L.C. as a partial return of its capital contribution. In October 2003, Macon Office, L.L.C. began offering all of its beneficial interests in the trust to certain qualified persons seeking a cash investment, in addition to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price was $12,160,000 which consisted of $5,560,000 in debt assumption and $6,600,000 in equity investment. $100,000 of the offering proceeds was allocated to a property reserve account. The offering was completed in March 2004 when the maximum offering amount was raised.

WHITE SETTLEMENT ROAD INVESTMENT, LLC, a Delaware limited liability company, acquired a retail property currently leased to Eckerd Corporation in Fort Worth, Texas in July 2003. The LLC funded the acquisition of the property with cash from an affiliate and with a short-term loan from Parkway Bank and Trust Co., an Illinois banking corporation, in the amount of $2,041,000. In November 2003, Fort Worth Exchange, LLC, a Delaware limited liability company and initial beneficiary of White Settlement Road Investment, LLC, offered its entire membership interest in the LLC to a qualified person in need of a replacement property to complete a 1031 tax-deferred exchange. The total price was $2,840,000, which consisted of $1,420,000 in debt assumption and $1,420,000 in equity investment. The offering was completed in December 2003. Simultaneous with the completion of the offering, the short-term loan with Parkway was converted to a permanent loan and the terms of the loan documents were modified in accordance with a loan commitment from Parkway.

PLAINFIELD MARKETPLACE. Plainfield 1031, L.L.C., a Delaware limited liability company, purchased a multi-tenant shopping center located in Plainfield, IL on December 16, 2003 from Ryan Companies US, Inc., a Minnesota corporation. The L.L.C. financed its acquisition of the property with a loan from Bear Stearns Commercial Mortgage, Inc, a New York corporation. In January 2004, Plainfield 1031, L.L.C. began offering 99% of the undivided tenant in common interests in the real estate and improvements thereon located at 11840 South Route 59, Plainfield, Will County, Illinois for $12,350,250 in cash plus the assumption of the existing indebtedness to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price, $24,400,000, consisted of $11,925,000 in debt assumption and $12,475,000 in equity investment, 1% of which was required by the lender to be retained by Plainfield1031, L.L.C. The difference between the real estate acquisition price of $21,700,000 and the total price of $24,400,000 consists of $950,000 acquisition fee, $150,000 for a property reserve account, and $1,600,000 of estimated costs and expenses.

PIER 1 RETAIL CENTER. Butterfield-Highland 1031, L.L.C., a Delaware limited liability company, purchased a multi-tenant retail shopping center on December 30, 2003 from the beneficiary of Trust No. 2314, an unrelated third party, which trust was held by North Side Community Bank as Trustee under the Trust Agreement dated December 12, 2003. The L.L.C. financed its acquisition of the property with a loan from Bear Stearns Commercial Mortgage, Inc, a New York corporation. In March 2004, Butterfield-Highland 1031, L.L.C. began offering 99% of the undivided tenant in common interests in the real estate and improvements thereon located at 2830 S. Highland Avenue, Lombard, Illinois for $4,257,000 in cash plus the assumption of the existing indebtedness to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price, $8,150,000, consisted of $3,850,000 in debt assumption and $4,300,000 in equity investment, a minimum of 1% of which is required by the

lender to be retained by Butterfield-Highland 1031, L.L.C. The difference between the real estate acquisition price of $7,025,000 and the total price of $8,150,000 consists of $350,000 acquisition fee, $100,000 for a property reserve account, and $675,000 of estimated costs and expenses.

LONG RUN 1031, L.L.C. LR 1031, L.L.C., a Delaware limited liability company, purchased a multi-tenant retail shopping center on January 27, 2003 from Ryan Lemont, L.L.C., the third party seller and developer of the property. The L.L.C. financed its acquisition of the property with cash and, on April 24, 2003, placed a loan on the Property in the amount of $4,700,000 from Principal Commercial Funding, LLC. In June 2004, LR 1031, L.L.C. a Delaware limited liability company and initial beneficiary of Long Run 1031, L.L.C offered its entire membership interest in the LLC to a qualified person in need of a replacement property to complete a 1031 tax-deferred exchange. The total price was $4,960,000 in cash plus the assumption of the existing indebtedness to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price, $9,660,000 consisted of $4,700,000 in debt assumption and $4,960,000 in equity investment. The difference between the real estate acquisition price of $8,500,000 and the total price of $9,660,000 consists of $451,347 acquisition fee, $50,000 for a property reserve account, and $658,653 of estimated costs and expenses.

FORESTVILLE 1031, L.L.C. Forestville Exchange, L.L.C., a Delaware limited liability company, purchased a single-tenant retail shopping center on November 13, 2003 from Silver Hill, L.L.C., a North Carolina limited liability company, the property's developer. The L.L.C. financed its acquisition of the property with cash. In May 2004, Forestville Exchange, L.L.C. a Delaware limited liability company and initial beneficiary of Forestville 1031, L.L.C offered its entire membership interest in the LLC to a qualified person in need of a replacement property to complete a 1031 tax-deferred exchange. The total price was $3,900,000 in cash plus the assumption of the existing indebtedness to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price, $3,900,000000 consisted of $1,793,630 in debt assumption and $2,106,370 in equity investment. The difference between the real estate acquisition price of $3,450,000 and the total price of $3,900,000 consists of $172,500 acquisition fee and $277,500 of estimated costs and expenses.

BED BATH & BEYOND RETAIL CENTER. BBY Schaumburg 1031, L.L.C., a Delaware limited liability company, purchased a multi-tenant retail shopping center on April 20, 2004 from the American Real Estate Holdings, L.P. a Delaware limited partnership, an unrelated third party. The L.L.C. financed its acquisition of the property with a loan from Bear Stearns Commercial Mortgage, Inc, a New York corporation. In June 2004, BBY Schaumburg 1031, L.L.C. began offering 99% of the undivided tenant in common interests in the real estate and improvements thereon located at 905-915 East Golf Road, Schaumburg, Illinois for $6,633,000 in cash plus the assumption of the existing indebtedness to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. Total price, $12,605,000, consisted of $6,905,000 in debt assumption and $5,700,000 in equity investment, 1% of which was required by the lender to be retained by BBY Schaumburg 1031, L.L.C. The difference between the real estate acquisition price of $11,655,110 and the total price of $13,605,000 consists of $600,000 acquisition fee, $400,000 for property reserve accounts, and $949,890 of estimated costs and expenses.

CROSS CREEK COMMONS SHOPPING CENTER. Cross Creek 1031, L.L.C., a Delaware limited liability company, purchased a multi-tenant retail shopping center on February 17, 2004 from Buckley Shuler Real Estate, L.L.C., a Georgia limited liability company, an unrelated third party. The L.L.C. financed its acquisition of the property with cash and subsequently placed a loan from bear Stearns Commercial Mortgage on the property. In March 2004, Cross Creek 1031, L.L.C. began offering 99% of the undivided tenant in common interests in the real estate and improvements thereon located at 10920-10948 Cross Creek Boulevard, Tampa, Florida for $6,930,000 in cash plus the assumption of the existing indebtedness to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. As of June 30, 2004 the L.L.C. had raised $2,788,000. Total price, $12,078,762, consisted of $5,078,762 in debt assumption and $7,000,000 in equity investment, 1% of which was required by the lender to be retained by Cross Creek 1031, L.L.C. The difference between the real estate acquisition price of $10,319,583 and the total price of $12,078,762 consists of $520,000 acquisition fee, $150,000 for a property reserve account, and $1,089,179 of estimated costs and expenses.

BJ'S SHOPPING CENTER EAST SYRACUSE, NEW YORK. BJS Syracuse 1031, L.L.C., a Delaware limited liability company, purchased a multi-tenant retail shopping center on April 30, 2004 from the American Real Estate Holdings, L.P. a Delaware limited partnership, an unrelated third party. The L.L.C. financed its acquisition of the property with a loan and cash. In June 2004, BJS Syracuse 1031, L.L.C. began offering 99% of the undivided tenant in common interests in the real estate and improvements thereon located at 2-4 Chevy Drive, East Syracuse, New York for $8,365,500 in cash plus the assumption of the existing indebtedness to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. The total price of the purchase was $15,850,000. Total price, $15,850,000, consisted of $7,400,000 in debt assumption and $8,450,000 in equity investment, 1% of which was required by the lender to be retained by BJS Syracuse 1031, L.L.C. The difference between the real estate acquisition price of $13,500,000 and the total price of $15,850,000 consists of $675,000 acquisition fee, $150,000 for a property reserve account, and $1,525,000 of estimated costs and expenses.

BARNES & NOBLE RETAIL CENTER CLAY, NEW YORK. Clay 1031, L.L.C., a Delaware limited liability company, purchased a multi-tenant retail shopping center on April 15, 2004 from the Clay First Associates, L.L.C., an unrelated third party. The L.L.C. financed its acquisition of the property with an assumed mortgage and note for $3,175,000 and cash. In June 2004, Clay 1031, L.L.C. began offering 99% of the undivided tenant in common interests in the real estate and improvements thereon located at 3954-3956 Route 31, Clay, New York for $3,930,300 in cash plus the assumption of the existing indebtedness to certain qualified persons in need of replacement properties to complete a 1031 tax-deferred exchange. Total price, $7,145,000, consisted of $3,175,000 in debt assumption and $3,970,000 in equity investment, 1% of which was required by the lender to be retained by BJS Syracuse 1031, L.L.C. The difference between the real estate acquisition price of $6,100,000 and the total price of $7,145,000 consists of $305,000 acquisition fee, $100,000 for a property reserve account, and $640,000 of estimated costs and expenses.

The following summary table describes the fees and expenses incurred by each of our entities in our 1031 Exchange Private Placement Offering Project.

	Landings of Sarasota DBT	Sentry Office Building DBT	Pets Bowie DBT	1031 Chattanoo DBT

Commissions & Fees(1)	Up to 8.5%	Up to 8.5%	Up to 8.5%	Up to 8
Selling Commission To 3rd Party Reps	6.00%	6.00%	6.00%	6.
Due Diligence Fee	0.50%	0.50%	0.50%	0.
Marketing Expenses	1.00%	1.50%	1.50%	1.
Offering & Organization	1.00%	0.50%	0.50%	0.
Mortgage Broker Fee (IMC)(2)	0.50%	0.50%	0.50%	0.
Acquisition Fee & Carrying Costs(3)				
Acquisition Fee	N/A	0.71%	0.77%	0.
Bridge Financing Fees	N/A	N/A	1.49%	0.
Total Load(4)	11.25%-12.75%	14.23%	13.68%	14.
Asset Management Fees(5)	N/A	0.75%	1.00%	0.
Property Management Fees(6)	4.5%	5.0%	Paid by Asset Mgr.	5
Backend Sales Commission	3.5%	3.5%	3.5%	3

	Taunton Circuit DBT	Broadway Commons DBT	Bell Plaza 1031 LLC	Inland 2 Celebrati Place DBT
Commissions & Fees(1)	Up to 8.0%	Up to 8.77%	Up to 9.19%	Up to 5.
Selling Commission To 3rd Party Reps	6.00%	6.00%	6.00%	3.
Due Diligence Fee	0.50%	0.50%	0.50%	0.
Marketing Expenses	1.00%	1.00%	1.00%	0.
Offering & Organization	0.50%	1.27%	1.69%	0.
Mortgage Broker Fee (IMC)(2)	0.61%	0.50%	0.50%	0.
Acquisition Fee & Carrying Costs(3)				
Acquisition Fee	0.69%	0.75%	N/A	0.
Bridge Financing Fees	0.07%	0.23%	N/A	0.
Total Load(4)	11.89%	12.98%	23.02%	10.
Asset Management Fees(5)	0.57%	N/A	0.53%	0.
Property Management Fees(6)	4.0%	5.0%	5.0%	4
Backend Sales Commission	N/A	N/A	3.5%	N

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	Fleet Office Building 1031 LLC	Davenport Deere Distribution Facility 1031 LLC	Grand Chute DST	Macon Office DST
Commissions & Fees(1)	Up to 8.52%	Up to 8.42%	Up to 8.82%	Up to 8
Selling Commission To 3rd Party Reps	6.00%	6.00%	6.00%	6

Due Diligence Fee	0.50%	0.50%	0.50%	0
Marketing Expenses	1.00%	1.00%	1.00%	1
Offering & Organization	1.02%	0.92%	1.32%	1
Mortgage Broker Fee (IMC)(2)	0.50%	0.71%	0.50%	0
Acquisition Fee & Carrying Costs(3)				
Acquisition Fee	0.85%	0.77%	0.84%	0
Bridge Financing Fees	0.35%	0.72%	0.13%	0
Total Load(4)	14.57%	13.18%	12.96%	14
Asset Management Fees(5)	0.49%	0.50%	0.66%	0
Property Management Fees(6)	4.5%	4.5%	5.0%	
Backend Sales Commission	N/A	NA	NA	

	Pier 1 Retail Center 1031 LLC	Long Run 1031 LLC	Forestville 1031 LLC	Bed, Bath Beyond 1031 LLC
Commissions & Fees(1)	Up to 8.73%	Up to 8.37%	Up to 8.40%	Up to 8.7
Selling Commission To 3rd Party Reps	6.00%	5.84%	5.54%	6.0
Due Diligence Fee	0.50%	0..49%	0.46%	0.5
Marketing Expenses	1.00%	0.97%	0.93%	1.0
Offering & Organization	1.23%	1.07%	1.46%	1.2
Mortgage Broker Fee (IMC)(2)	0.50%	0.47%	0.43%	0.5
Acquisition Fee & Carrying Costs(3)				
Acquisition Fee	4.29%	5.31%	5.00%	5.1
Bridge Financing Fees	0.94%			
Total Load(4)	8.28%	22.38%	21.34%	23.1
Asset Management Fees(5)	0.06%	0.20%	0.00%	0.1
Property Management Fees(6)	5.0%	5.0%	5.0%	5.
Backend Sales Commission	NA	NA	NA	N/

	BJ's Shopping Center 1031 LLC	Barnes & Noble Retail Center 1031 LLC
Commissions & Fees(1)	Up to 8.59%	Up to 8.69%
Selling Commission To 3rd Party Reps	6.00%	6.00%
Due Diligence Fee	0.50%	0.50%
Marketing Expenses	1.00%	1.00%
Offering & Organization	1.09%	1.19%
Mortgage Broker Fee (IMC)(2)	0.50%	0.40%
Acquisition Fee & Carrying Costs(3)		
Acquisition Fee	5.00%	5.00%

Bridge Financing Fees		
Total Load(4)	26.04%	23.80%
Asset Management Fees(5)	0.12%	0.13%
Property Management Fees(6)	5.0%	5.0%
Backend Sales Commission	NA	NA

(1) Commissions and fees are calculated as a percentage of the equity portion of each deal.

(2) The Mortgage Broker Fee is calculated as a percentage of the debt portion of each deal.

(3) Acquisition & Carrying Costs are calculated as a percentage of the real estate acquisition price.

(4) The Total Load is calculated as a percentage of the equity portion of each deal. The Total Load includes the Commissions & Fees, Mortgage Broker Fee, Acquisition Fee & Carrying Costs, as well as any other non-affiliated third party expenses.

(5) Asset Management Fees are calculated as a percentage of the value of the assets under management. However, for The Landings and Broadway Commons, which are both Master Lease deals, the Master Tenant Income is the residual cash flow from the Property after payment of the Master Lease Rent. As a result, it is not possible to accurately represent the Master Tenant Income as a percentage of the value of the assets under management.

(6) Property Management Fees are calculated as a percentage of Gross Income from the property.

The following additional fees are the same for each deal:

Loan Servicing Fee - IMSC will be compensated with a monthly fee equal to the outstanding principal balance of the loan at the beginning of every month multiplied by 1/8% then divided by 12. This figure, however, shall never exceed $10,000, nor be less than $1,200 monthly.

Termination Fees - (i) MASTER LEASE: 8.333% of the last 12 Months of NOI less Rent payments for the same 12 months multiplied by the number of months remaining on the then-current term of the Master Lease and (ii) ASSET & PROPERTY MANAGEMENT AGREEMENTS: The sum of the current monthly AM & PM fees times the number of months remaining on the term.

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The following table summarizes cash distributions to investors for each of the 1031 Exchange Private Placement Offering Projects through June 30, 2004:

1031 EXCHANGE PERFORMANCE
DISTRIBUTIONS THROUGH JUNE 30, 2004

Name of Entity	Number of Investors	Offering Equity ($)	Offering Completed ($)	Distributions To Date ($)	2001 Annual Distribut (%)

Landings of Sarasota DBT	9	4,000,000	05/ 2002	807,036	8.00
Sentry Office Building DBT	7	3,500,000	04/ 2002	676,396	
Pets Bowie DBT	7	2,600,000	07/ 2002	463,278	
1031 Chattanooga DBT	9	1,900,000	05/ 2002	317,728	
Lansing Shopping Center DBT	5	5,000,000	09/ 2001	742,590	
Inland 220 Celebration Place DBT	35	15,800,000	09/ 2003	1,821,875	
Taunton Circuit DBT	1	3,750,000	09/ 2002	522,750	
Broadway Commons DBT	32	8,400,000	12/ 2003	645,185	
Bell Plaza 1031, LLC	1	890,000	11/ 2003	183,074	
Inland 210 Celebration Place DBT	1	6,300,000	01/ 2003	762,125	
CompUSA Retail Building, LLC	11	3,950,000	02/ 2004	226,939	
Janesville Deere Distribution Facility 1031, LLC	35	10,050,000	01/ 2004	489,369	
Fleet Office Building 1031, LLC	30	10,000,000	01/ 2004	440,971	
Davenport Deere Distribution Facility 1031, LLC	35	15,700,000	04/ 2004	492,322	
Grand Chute DST	29	5,370,000	03/ 2004	129,906	
Macon Office DST	29	6,600,000	03/ 2004	245,266	
White Settlement Road Investment, LLC	1	1,420,000	12/ 2003	55,849	
Plainfield Marketplace 1031, LLC	31	12,475,000	06/ 2004	1,163	
Pier 1 Retail Center 1031, LLC	22	4,300,000	06/ 2004	-	
Long Run 1031, LLC	1	4,935,000	05/ 2004	-	
Forestville 1031, LLC	1	3,900,000	05/ 2004	12,918	
Bed, Bath & Beyond 1031, LLC	0	6,633,000	*	-	
Cross Creek Commons 1031, LLC	11	6,930,000	*	-	
BJ's Shopping Center 1031, LLC	0	8,365,000	*	-	
Barnes & Noble Retail Center 1031, LLC	0	3,930,000	*	-	
		156,698,000		9,036,740	

Name of Entity	2004 Annual Distribution (%)
Landings of Sarasota DBT	8.39
Sentry Office Building DBT	9.25
Pets Bowie DBT	9.12
1031 Chattanooga DBT	8.26
Lansing Shopping Center DBT	8.96
Inland 220 Celebration Place DBT	8.10
Taunton Circuit DBT	8.31
Broadway Commons DBT	8.26
Bell Plaza 1031, LLC	16.05
Inland 210 Celebration Place DBT	8.23
CompUSA Retail Building, LLC	8.17
Janesville Deere Distribution Facility 1031, LLC	7.35
Fleet Office Building 1031, LLC	7.19
Davenport Deere Distribution Facility 1031, LLC	7.36
Grand Chute DST	8.49
Macon Office DST	8.20
White Settlement Road Investment, LLC	8.34

Plainfield Marketplace 1031, LLC	7.09
Pier 1 Retail Center 1031, LLC	-
Long Run 1031, LLC	-
Forestville 1031, LLC	7.55
Bed, Bath & Beyond 1031, LLC	-
Cross Creek Commons 1031, LLC	-
BJ's Shopping Center 1031, LLC	-
Barnes & Noble Retail Center 1031, LLC	-

* Offering was not complete as of June 30, 2004

MANAGEMENT

INLAND AFFILIATED COMPANIES

THE DISCUSSION UNDER THIS SECTION WHICH STARTS ON PAGE 64 OF OUR PROSPECTUS IS MODIFIED AND SUPPLEMENTED BY THE FOLLOWING:

Inland Western Management Corporation, Inland Northwest Property Management Corp., Inland Southwest Property Management Corp. and Inland Pacific Property Management Corp., our management companies, were formed to segregate responsibility for management of our properties from Inland Property Management companies' growing management portfolio of retail properties. Our property management companies are responsible for collecting rent, leasing, and maintaining the retail properties they manage. These properties are primarily intended to be our properties in our primary geographical area of investment. Our property management companies are owned primarily by individuals who are affiliates of Inland.

OUR DIRECTORS AND EXECUTIVE OFFICERS

THE DISCUSSION UNDER THIS SECTION, WHICH STARTS ON PAGE 68 OF OUR PROSPECTUS, IS MODIFIED AND SUPPLEMENTED BY THE FOLLOWING:

Effective April 1, 2004, Catherine L. Lynch resigned from her position as Treasurer of our advisor. Effective April 30, 2004, Kelly E. Tucek resigned from her position as our Treasurer, Principal Accounting Officer and Principal Financial Officer. Steven P. Grimes has been appointed as our Treasurer and Principal Financial Officer, and Lori Foust has been appointed as our Principal Accounting Officer.

COMPENSATION OF DIRECTORS AND OFFICERS

THE DISCUSSION UNDER THIS SECTION WHICH IS LOCATED ON PAGE 71 OF OUR PROSPECTUS IS MODIFIED AND SUPPLEMENTED BY THE FOLLOWING:

We pay our independent directors an annual fee of $5,000 (increasing to $10,000 effective October 1, 2004) plus $500 for each in person meeting and $350 for each meeting of the board or a committee of the board attended by telephone, and reimbursement of their out-of-pocket expenses incurred. Our two other directors, Robert D. Parks and Brenda G. Gujral, do not receive any fees or other remuneration for serving as directors.

OUR ADVISOR

THE DISCUSSION UNDER THIS SECTION, WHICH STARTS ON PAGE 73 OF OUR PROSPECTUS, IS MODIFIED AND SUPPLEMENTED BY THE FOLLOWING INFORMATION:

Our advisor, Inland Western Retail Real Estate Advisory Services, Inc., is an Illinois corporation and a wholly owned subsidiary of our sponsor. Our advisor/business manager reviews and updates our mission statement, determines our businesses' direction, selects the criteria for acquisitions and financing, adjusts the demographic and geographic parameters, analyzes strategic alternatives, adjusts our rate of growth to maximize shareholder value, and updates our business plan that is performed by Inland employees on our behalf involving the combined efforts of highly skilled technical people with many years of experience.

Mr. Steven Grimes (age 37) joined our advisor as its Chief Financial Officer on February 18, 2004. He is responsible for our finances and borrowings. Prior to joining the advisor, Mr. Grimes was a director with Cohen Financial and was a senior manager with Deloitte and Touche. Mr. Grimes received his B.S. Degree in Accounting from Indiana University.

Ms. Lori Foust (age 39) joined our advisor as Vice President on November 17, 2003. Ms. Foust is responsible for our financial and SEC reporting. Prior to joining the advisor, Ms. Foust was a senior manager in the real estate division with Ernst and Young, LLP. She received her B.S. Degree in Accounting and her M.B.A. Degree from University of Central Florida.

Ms. Debra J. Randall (age 48) joined our advisor as assistant vice president on January 30, 2004. Ms. Randall is responsible for our financial and SEC reporting. Prior to joining the advisor, Ms. Randall was a corporate controller for a privately held real estate company and has over 10 years of real estate experience at several public accounting firms. She received her B.A. Degree in Liberal Arts and is in the process of completing her M.A. Degree from DePaul University. She is a certified public accountant and a member of the Illinois CPA Society.

The Property Manager and the Management Agreement.

THE DISCUSSION UNDER THIS SECTION WHICH STARTS ON PAGE 77 OF OUR PROSPECTUS IS DELETED IN ITS ENTIRETY AND SUPPLEMENTED BY THE FOLLOWING:

THE PROPERTY MANAGERS AND THE MANAGEMENT AGREEMENTS

Our present property managers provide property management services to us under the terms of the management agreements. The property managers provide services in connection with the rental, leasing, operation and management of the properties. Our property managers are each Delaware corporations, owned principally by individuals who are affiliates of The Inland Group. We have agreed to pay the property managers a monthly management fee in an amount no greater than 90% of the fee which would be payable to an unrelated party providing such services, which fee will initially be 4.5% of gross income, as defined in the relevant management agreement, from the properties managed for the month for which the payment is made. In addition, we have agreed to compensate each property managers if it provides us with services other than those specified in the management agreement. There is a separate management agreement for each property for an initial term ending as of December 31 in the year in which the property is acquired, and each management agreement is subject to three successive three-year renewals, unless either party notifies the other in writing of its intent to terminate between 60 and 90 days prior to the expiration of the initial or renewal term. We may terminate with 30 days prior written notice in the event of gross negligence or malfeasance by the property manager. The property managers may subcontract the required property management services for less than the management fee provided in the management agreement. See "Compensation Table -- Nonsubordinated Payments -- Operational Stage." Our property managers may form additional property management companies as necessary to manage the properties we acquire, and may approve of the change of management of a property from one manager to another.

Our property manager, Inland Western Management Corp., Inland Northwest Management Corp., Inland Southwest Property Management Corp, and Inland Pacific Property Management Corp, conduct their activities at their principal executive office at 2907 Butterfield Road in Oak Brook, Illinois.

See "--The Advisory Agreement" above in this section and "Conflicts of Interest" for a discussion of our option to acquire or consolidate with the business conducted by the property managers.

The following sets forth information with respect to the executive officers and directors of Inland Western Management Corp.

NAME	AGE*	POSITION AND OFFICE WITH INLAND WESTERN MANAGEMENT CORP.
Thomas P. McGuinness	47	President and director
Robert M. Barg	50	Senior vice president/treasurer, secretary and director
James H. Neubauer	62	Senior vice president and director
Linda Centanni	49	Vice president
Elizabeth D. McNeely	49	Vice president
Frank Natanek	36	Vice president
Lawrence R. Sajdak, Jr.	24	Assistant vice president
Matthew G. Fiascone	40	Director
Alan F. Kremin	57	Director

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*As of January 1, 2004

THOMAS P. MCGUINNESS joined Inland Property Management in 1982 and became president of Mid-America Management Corporation in July 1990 and chairman in 2001. He is also president of Inland Property Management, Inc. as well as a director of Inland Commercial Property Management. He is chairman and a director of Inland Mid-Atlantic Management Corp. Mr. McGuinness is a licensed real estate broker; and is past president of the Chicagoland Apartment Association, and past regional vice president of the National Apartment Association. He is currently on the board of directors of the Apartment Building Owners and Managers Association, and is a trustee with the Service Employees' Local No. 1 Health and Welfare Fund, as well as the Pension Fund and holds CLS and CSM accreditations from the International Council of Shopping Centers.

ROBERT M. BARG joined the Inland organization in 1986 and is currently the treasurer of Inland Property Management Group, Inc. Since 2003 he has been a senior vice president, secretary and treasurer of Inland Western Management

Corp. In July 2004 he became a director of Inland Western Management Corp. as well as a senior vice president , secretary, treasurer, and a director of Inland Northwest Management Corp., Inland Pacific Management Corp., and Inland Southwest Management Corp. He is also a director, senior vice president, and treasurer of Mid-America Management Corp., and secretary and treasurer of Inland Southern Management Corp. He was secretary and treasurer of Inland Southeast Property Management Corp. from 1998 to 2001. Prior to joining the Inland organization, Mr. Barg was an accounting manager of the Charles H. Shaw Co. He received his B.S. Degree in Business Administration from the University of Illinois at Chicago and a Masters Degree from Western Illinois University. Mr. Barg is a certified public accountant and is a member of the Illinois CRP Society.

JAMES H. NEUBAUER joined Inland Property Management in 1978 as an on-site manager. In 1981, he was promoted to the position of director of purchasing. Subsequently, in 1983, he became an on-site property manager and, in 1984, he became the president of Inland Western Property Management. From 1985 to 1996, Mr. Neubauer was president and senior vice president of Mid-America Management where he was responsible for all rental property operations outside the Chicagoland metropolitan area, which included New Hampshire, Arizona, Indiana, Wisconsin and Peoria, Moline and Danville, Illinois. He left Inland in 1996 to pursue other opportunities and rejoined Inland Southeast Property Management Corp. in 1999 as senior vice president and in May 2002 was promoted to president. In June 2004, he became a senior vice president of Inland Northwest Management Corp., Inland Pacific Management Corp., Inland Southwest Management Corp. and Inland Western Management Corp. He is a licensed real estate broker in Florida and holds a B.A. degree from the University of Maryland, a M.A. degree from Ball State University and a M.B.A. degree from Benedictine College.

LINDA CENTANNI joined Mid-America Management Corp. in 1978 in the business office and in 1979 she began working in the accounting department specializing in the area of property management accounts receivable. In 1997 she was promoted to assistant vice president. Her current responsibilities include supervision of 12 people as department head of both accounts receivable and records. In July 2004 she was promoted to a vice president of Inland Northwest Management Corp., Inland Pacific Management Corp., Inland Southwest Management Corp., and Inland Western Management Corp. Ms. Centanni holds an Illinois real estate salesperson license.

ELIZABETH D. MCNEELEY joined Inland Southeast Property Management as a property accountant in January of 2002. In January of 2003 she was promoted to senior property accountant for Inland Western Management Corp., and in July of 2003 was promoted to a vice president of Inland Northwest Management Corp., Inland Pacific Management Corp., Inland Southwest Management Corp., and Inland Western Management Corp. Prior to joining Inland , Ms. McNeeley was an accountant for the Burlington Northern Railroad, Pinnacle Relocation and Trase Miller Teleservices. She also taught mathematics at both the Middle School and Jr. College level. Ms. McNeeley holds a BA from North Central College and an MA from DePaul University. She is a licensed Real Estate Sales Agent.

FRANK NATANEK joined The Inland Group in July 2004 as a vice president of Inland Northwest Property Management Corp., Inland Pacific Management Corp., Inland Southwest Management Corp., and Inland Western Management Corp. Prior to joining Inland, Mr. Natanek worked for the Hallmark Greeting Card Company from October 2002 to March 2004. Mr. Natanek has a degree from St. Xavier, and a law degree from Loyola University. In addition Mr. Natanek holds an MBA from the University of Chicago.

LAWRENCE R. SAJDAK. Mr. Sajdak joined The Inland Group in September 1998 as a college intern, working every summer and holiday season. He started in the marketing department and soon became proficient in other departments in management. He has degrees in chemistry and business from North Central College.

Prior to joining Inland he was

employed Cintas Corporation. Mr. Sajdak returned to Inland in December 2002 as a department head in the business management department, and subsequently became a property manager. In July 2004 Mr. Sajdak was promoted to an assistant vice president of Inland Western Property Management Corp. and an assistant vice president of Inland Northwest Property Management Corp. He is a member of the International Council of Shopping Centers.

MATTHEW G. FIASCONE joined The Inland Group in January 1986 and is currently senior vice president and a director of Inland Real Estate Development Corporation. In that position, Mr. Fiascone is responsible for the purchase, entitlement, development and sale of land owned by investment programs sponsored by Inland Real Estate Investment Corporation and corporate owned land. He holds a B.S. degree in economics from Bradley University where as an alumnus he was named the 2002 Outstanding Young Graduate. Real Estate Chicago magazine named him to their inaugural "40 under 40" list of the most influential people in Chicago real estate under 40. He has testified as an expert in the field of land use and zoning and is a member of the Northern Illinois Commercial Association of Realtors, the Village of Hinsdale Zoning Board of Appeals, The Urban Land Institute and is a licensed real estate broker in the state of Illinois.

ALAN F. KREMIN joined The Inland Group in 1982. Mr. Kremin was promoted to treasurer of The Inland Group, Inland Commercial Property Management, Inc., and various other Inland Group subsidiaries in March 1991. In his current capacity as the chief financial officer of The Inland Group, a position he has held since 1991, his responsibilities include financial management, cash budgeting and corporate taxes for the consolidated group and serving as a director for various Inland Group subsidiaries and outside affiliated entities, for which he also serves as treasurer. He is a director of Inland Southeast Property Management Corp., and in March 2002 he became a director, secretary and treasurer of Inland Southern Management LLC. In November 2002, he became a director of Mid-Atlantic Management, LLC. Prior to his current position, Mr. Kremin was treasurer of Inland Real Estate Investment Corporation from 1986 to 1990, where he supervised the daily operations of its accounting department. That department encompasses corporate accounting for the general partner of the Inland Real Estate Investment Corporation-sponsored limited partnership investment programs. Prior to joining The Inland Group, Mr. Kremin served for one year as a controller of CMC Realty and three years as assistant controller of JMB Realty Corporation. Prior to his real estate experience, Mr. Kremin worked eight years in public accounting, including four years at Arthur Young & Company. He received his B.S. degree in accounting from Loyola University. Mr. Kremin is a certified public accountant, holds securities and insurance licenses and is a licensed real estate broker.

The following sets forth information with respect to the executive officers and directors of Inland Northwest Management Corp.

NAME	AGE*	POSITION AND OFFICE WITH INLAND NORTHWEST MANAGEMENT CORP.
Thomas P. McGuinness	47	President and director
Robert M. Barg	50	Senior vice president/treasurer, secretary and

		director
James H. Neubauer	62	Senior vice president
Linda Centanni	49	Vice President
Elizabeth D. McNeely	49	Vice President
Frank Natanek	30	Vice President
Lawrence R. Sajdak, Jr.	24	Assistant vice president
Steven Yee	37	Assistant vice president
Anthony A. Casaccio	48	Director
Alan F. Kremin	57	Director
Pamela C. Stewart	47	Director

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*As of January 1, 2004

The biographies of Mr. McGuinness, Mr. Barg, Mr. Neubauer, Ms. Centanni, Ms. McNeely, Mr. Natanek, Mr. Sajdak and Mr. Kremin are set forth above.

STEVEN YEE joined The Inland Group in February of 2004 as a senior property manager, and in July 2004, Mr. Yee was promoted to assistant vice president of Inland Northwest Property Management Corp. Prior to joining Inland he

worked for Manulife Financial. His was also the director of operations for MB real estate and a retail property manager for Trammel Crow. His real estate experience includes managing and leasing retail shopping centers in the greater Chicagoland area. Mr. Yee attended DePaul University, receiving a degree in real estate finance. He is a licensed real estate broker, and a member of the International Council of Shopping Centers, and holds CPM and CCIM designations.

ANTHONY A. CASACCIO joined The Inland Group in 1984 working for Inland Condo Association Management. From 1987 to 1991 he was president of Partnership Asset Sales Corporation, and in 1991 when Inland Real Estate Development Corporation was formed, Mr. Casaccio became the president and a director. Mr. Casaccio holds a B.S. degree in accounting from DePaul University. He is a member of the DuPage Association of Realtors, the National Association of Realtors, Northern Illinois Commercial Association of Realtors, the National Home Builders Association, the Realtor Association of the Western Suburbs, The Urban Land Institute and the Oswego Economic Development Corporation. Mr. Casaccio is a licensed real estate broker in the state of Illinois.

PAMELA C. STEWART joined Midwest Real Estate Equities, Inc., an affiliate of The Inland Group in 1995 as an acquisition specialist. Prior to joining Midwest Equities, Ms. Stewart worked for another affiliate company, New Directions Housing Corporation (NDHC), a not-for-profit organization that develops affordable housing. In 2002, Ms. Stewart became an assistant vice president and in 2004, she was promoted to vice president of Midwest Real Estate Equities, Inc. Ms. Stewart is responsible for acquiring commercial real estate properties for the company's portfolio and investing corporate funds into redevelopment projects, including rental properties, shopping centers, office buildings and industrial buildings. Ms. Stewart is also the corporate asset management director for The Inland Real Estate Group of Companies. Ms. Stewart has a B.A. degree in Marketing from Roosevelt University. She is a member of the National Association of Realtors, the Northern Illinois Commercial Association of Realtors and she is a Certified Commercial Investment Member (CCIM) and Candidate. She holds a real estate broker's license in the state of Illinois.

The following sets forth information with respect to the executive officers and directors of Inland Pacific Management Corp.

NAME	AGE*	POSITION AND OFFICE WITH INLAND PACIFIC MANAGEMENT CORP.
Thomas P. McGuinness	47	President and director
Robert M. Barg	50	Senior vice president/treasurer, secretary and director
James H. Neubauer	62	Senior vice president and director
Linda Centanni	49	Vice President
Elizabeth D. McNeely	49	Vice President
Frank Natanek	30	Vice President
David M. Benjamin	49	Director
Alan F. Kremin	57	Director

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*As of January 1, 2004

The biographies of Mr. McGuinness, Mr. Barg, Mr. Neubauer, Ms. Centanni, Ms. McNeely, Mr. Natanek and Mr. Kremin are set forth above.

DAVID M. BENJAMIN joined The Inland Group in 1983 in the accounting department and is controller of The Inland Real Estate Group. Mr. Benjamin has spent his entire accounting career in the real estate industry, working for American Invesco and Draper and Kramer before coming to Inland. Mr. Benjamin is responsible for the accounting and corporate income tax preparation of various Inland entities and he assists in the day to day oversight of The Inland Real Estate Group accounting department. Mr. Benjamin is a CPA.

The following sets forth information with respect to the executive officers and directors of Inland Southwest Management Corp.

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NAME	AGE*	POSITION AND OFFICE WITH INLAND SOUTHWEST MANAGEMENT CORP.
Thomas P. McGuinness	47	President and director
Robert M. Barg	50	Senior vice president/treasurer, secretary and director
James H. Neubauer	62	Senior vice president
Linda Centanni	49	Vice President
Elizabeth D. McNeely	49	Vice President
Frank Natanek	30	Vice President
Alan F. Kremin	57	Director
Ulana B. Horalewskyj	57	Director
Frances C. Panico	54	Director

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*As of January 1, 2004

The biographies of Mr. McGuinness, Mr. Barg, Mr. Neubauer, Ms. Centanni, Ms. McNeely, Mr. Natanek and Mr. Kremin are set forth above.

ULANA B. HORALEWSKYJ joined The Inland Group in 1990 and is currently treasurer of Inland Real Estate Exchange Corporation, vice president of Inland Real Estate Investment Corporation and president of Partnership Ownership Corporation. In her capacity as vice president of Inland Real Estate Investment Corporation, Ms. Horalewskyj oversees the cash management and accounting for over 250 Inland private limited partnerships. Prior to joining Inland, she spent four years working for an accounting firm and 10 years in the banking industry. Ms. Horalewskyj received her B.A. from Roosevelt University in Chicago.

FRANCES C. PANICO joined The Inland Group in 1972 and is president of Inland Mortgage Servicing Corporation and senior vice president of Inland Mortgage Corporation and Inland Mortgage Investment Corporation. Ms. Panico oversees the operation of loan services, which has a loan portfolio in excess of $4,200,000,000. She previously supervised the origination, processing and underwriting of single-family mortgages, and she packaged and sold mortgages to secondary markets. Ms. Panico's other primary duties for The Inland Group have included coordinating collection procedures and overseeing the default analysis and resolution process. Ms. Panico received her BA Degree in Business and Communication from Northern Illinois University.

Inland Securities Corporation

THE DISCUSSION UNDER THIS SECTION WHICH STARTS ON PAGE 80 OF OUR PROSPECTUS IS SUPPLEMENTED BY THE FOLLOWING INFORMATION:

ROBERT J. BABCOCK (age 28) joined Inland Securities Corporation as a vice president in March 2004. Prior to joining Inland, Mr. Babcock was an external wholesaler with AEI Fund Management, Inc. and was responsible for wholesaling public and private net lease real estate investments and 1031 property exchanges to financial planners. Mr. Babcock began his career as a financial advisor with American Express Financial Advisors in 1999. He received his bachelor's degree from Gustavus Adolphus College. Mr. Babcock holds Series 7 and 63 licenses with the National Association of Securities Dealers, Inc.

FRANK V. PINELLI (age 57) joined Inland Securities Corporation in 2004 as a vice president. He was previously employed with The Inland Group from 1973-1983 where he worked in property management, real estate sales, and real estate acquisitions. Prior to rejoining the Inland staff, from 1984-2003 Mr. Pinelli was a principal in his own real estate firm and developed an international marketing organization. Mr. Pinelli is a graduate of Southern Illinois University. He holds Series 7 and 63 licenses with the National Association of Securities Dealers, Inc and also is licensed as a real estate broker in Illinois and Oregon.

MATTHEW PODOLSKY (age 32) joined Inland Securities Corporation as a vice president in April 2003. Mr. Podolsky started his career in real estate in 1994 on the commercial sales and leasing side with Cushman and Wakefield of California, Inc. Prior to joining Inland Securities Corporation he was a vice president at CB Richard Ellis, Inc. Mr. Podolsky

graduated from the University of Arizona with a B.S. in Regional Development/Urban Planning. He holds Series 7 and 63 licenses with the National Association of Securities Dealers, Inc. and a real estate license in the state of California.

DARRELL RAU (age 48) joined Inland Securities Corporation in 2004 as a vice president of the midwest region where he develops sales and new broker/dealer relationships. Prior to joining Inland in 2004, Mr. Rau was vice president of developing markets at CTE Pension Advisors. Mr. Rau graduated magna cum laude from Northwood University in Midland, Michigan with a degree in Business Administration. He holds Series 6,7,62 and 63 licenses with the National Association of Securities Dealers, Inc.

THE SUBSECTION BELOW IS ADDED UNDER THE MANAGEMENT SECTION AND WILL START ON PAGE 82 IN THE PROSPECTUS AND IS INCLUDED IN ITS ENTIRETY:

COMPLIANCE AND GOVERNANCE

On October 12, 2004, our board of directors unanimously adopted a Code of Business Conduct and Ethics, Nonretaliation Policy, and Complaint Procedures for Accounting and Auditing Matters.

PRINCIPAL STOCKHOLDERS

THE FOLLOWING REPLACES THE INFORMATION CONTAINED ON PAGE 85 OF OUR PROSPECTUS UNDER THE HEADING "PRINCIPAL STOCKHOLDERS".

The following table provides information as of October 7, 2004 regarding the number and percentage of shares beneficially owned by each director, each executive officer, all directors and executive officers as a group and any person known to us to be the beneficial owner of more than 5% of our outstanding shares. As of October 7 2004, no stockholder beneficially owned more than 5% of our outstanding shares. As of October 7, 2004, we had approximately 41,000 stockholders of record and approximately 152,126,358 shares of common stock outstanding. Beneficial ownership includes outstanding shares and shares which are not outstanding that any person has the right to acquire within 60 days after the date of this table. However, any such shares which are not outstanding are not deemed to be outstanding for the purpose of computing the percentage of outstanding shares beneficially owned by any other person. Except as indicated, the persons named in the table have sole voting and investing power with respect to all shares beneficially owned by them.

BENEFICIAL OWNER	NUMBER OF SHARES BENEFICIALLY OWNED	PERCENT CLA
Robert D. Parks	96,843.8258(1)	
Roberta S. Matlin	174.8127	
Scott W. Wilton	0	
Steven P. Grimes	0	
Lori J. Foust	0	
Brenda G. Gujral	0	
Frank A. Catalano, Jr.	2,000(2)	
Kenneth H. Beard	2,000(2)	
Paul R. Gauvreau	113,731.8436(2)	
Gerald M. Gorski	3,979.4431(2)	
Barbara A. Murphy	2,000(2)	
All directors and executive officers as a group (12 persons)	220,729.9252(1)	

*Less than 1%

(1) Includes 20,000 shares owned by our advisor. Our advisor is a wholly-owned

subsidiary of our sponsor, which is an affiliate of The Inland Group. Mr. Parks is a control person of The Inland Group and disclaims beneficial ownership of these shares owned by our advisor.

(2) Includes 2,000 shares issuable upon exercise of options granted to each independent director under our independent director stock option plan, to the extent that such options are currently exercisable or will become exercisable within 60 days after the date of this table.

INVESTMENT OBJECTIVES AND POLICIES

DISTRIBUTIONS

THE DISCUSSION UNDER THIS SECTION, WHICH STARTS ON PAGE 88 OF OUR PROSPECTUS, IS SUPPLEMENTED BY THE FOLLOWING:

At the March 19, 2004 regularly scheduled Board meeting, the Board of Directors unanimously approved a resolution to delegate to our management committee the authority to make monthly distributions to stockholders on our common stock in an amount between 6.0% and 7.25% on an annualized basis, for the remainder of the 2004 calendar year.

Our Board of Directors approved the following distributions payable to holders of our common stock:

- $.30 per share per annum for the stockholders of record on October 31, 2003, payable on November 10, 2003
- $.50 per share per annum for the stockholders of record on November 30, 2003, payable on December 10, 2003
- $.70 per share per annum for the stockholders of record on December 31, 2003, payable on January 10, 2004
- $.70 per share per annum for the stockholders of record on January 31, 2004, payable on February 10, 2004
- $.70 per share per annum for the stockholders of record on February 29, 2004, payable on March 10, 2004
- $.70 per share per annum for the stockholders of record on March 31, 2004, payable on April 10, 2004
- $.67 per share per annum for the stockholders of record on April 30, 2004, payable on May 10, 2004
- $.675 per share per annum for the stockholders of record on May 31, 2004, payable on June 10, 2004
- $.675 per share per annum for the stockholders of record on June 30, 2004, payable on July 10, 2004
- $.65 per share per annum for the stockholders of record on July 31, 2004, payable on August 10, 2004
- $.65 per share per annum for the stockholders of record on August 31, 2004, payable on September 10, 2004; and
- $.65 per share per annum for the stockholders of record on September 30, 2004, payable on October 10, 2004.

BORROWING

THE DISCUSSION UNDER THIS SECTION, WHICH STARTS ON PAGE 91 OF OUR PROSPECTUS, IS MODIFIED AND SUPPLEMENTED BY THE FOLLOWING INFORMATION REGARDING OUR BORROWING POLICIES.

Our board of directors unanimously approved that consistent with our borrowing policies, we may commit up to the aggregate of $25 million in cash for letters of credit in order to obtain financing for properties.

Our board of directors adopted a policy to delegate to management the ability to obtain unsecured general financing facilities up to $150,000,000 requiring a deposit not to exceed 3% of the facility amount without prior approval by the board of directors. These facilities would then be matched with specific properties, which would secure the amounts due under the specific financings.

OTHER INVESTMENTS

THE DISCUSSION UNDER THIS SECTION, WHICH STARTS ON PAGE 93 OF OUR PROSPECTUS, IS MODIFIED AND SUPPLEMENTED BY THE FOLLOWING:

Our advisor has informed our board of directors that it is increasingly concerned about the potential that mortgage interest rates we can borrow at will increase during 2004. Our board of directors, including all of the independent directors, unanimously approved a resolution for the following:

We may invest in interest rate futures, an interest rate hedging strategy designed to offset the risks of potential interest rate increases on our long-term borrowings. Should conditions warrant, this interest rate hedging strategy will be implemented over a period of time. We intend to invest in up to $100 million in interest rate futures, both five and seven year treasuries, with maturities of 90 days. Our initial cash outlay in this interest rate hedging strategy is expected to be between 1 to 2% of the value of our investment in the interest rate futures. Risks associated with this interest rate hedging strategy are primarily associated with declines in interest rates. As rates decline, we risk having to increase our initial cash outlay, and may incur losses on our investments in interest rate futures.

1) An affiliate of our advisor, Inland Investment Advisors, Inc., the investment advisor, will be managing this interest rate hedging strategy. Fees paid to the investment advisor are expected to be similar to those incurred using a third party investment advisor.

2) We may also retain the investment advisor to invest up to $10 million of our cash in publicly traded investment securities. Fees paid to the investment advisor are expected to be similar to those incurred using a third party investment advisor.

3) We may enter into an initial $50 million (which could increase to $100 million) twelve month credit facility with an affiliate of our advisor, Inland Real Estate Exchange Corporation (IREX) for its 1031 exchange program. IREX will use the funds to purchase real estate investments that meet the criterion consistent with our real estate investment policies.

REAL PROPERTY INVESTMENTS

THE DISCUSSION UNDER THIS SECTION, WHICH STARTS ON PAGE 98 OF OUR PROSPECTUS, IS MODIFIED AND SUPPLEMENTED BY THE FOLLOWING INFORMATION REGARDING PROPERTIES WE HAVE ACQUIRED OR INTEND TO ACQUIRE.

BED, BATH & BEYOND PLAZA, MIAMI, FLORIDA

On October 5, 2004, we purchased a shopping center newly constructed during 2003 and 2004 known as Bed, Bath & Beyond Plaza, containing 97,447 gross leasable square feet. This center has entered into a 65-year ground lease with the owner of the real property. We are not acquiring the underlying real property but only the buildings on the real property and will continue to be under a 65 year ground lease. The center is located at Northwest 107th Avenue and Northwest 19th Street in Miami, Florida.

We purchased this center from an unaffiliated third party. Our total acquisition cost was approximately $20,350,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $209 per square foot of leasable space.

We purchased this center with our own funds. However, we expect to place financing on the center at a later date.

We do not intend to make significant repairs and improvements to this center over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Four tenants, Bed, Bath & Beyond, Office Depot, Pier 1 Imports and Party City, will lease more than 10% of the total gross leasable area of the center. The leases with these tenants require the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Bed, Bath & Beyond	28,053	29	14.80	03/04	01/20
Office Depot	16,175	17	23.32	08/04	08/09
Pier 1 Imports	10,582	11	27.65	11/03	02/14
Party City	10,930	11	18.12	12/03	08/14

For federal income tax purposes, the depreciable basis in this center will be approximately $15,263,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Bed, Bath & Beyond Plaza is a newly constructed center completed during 2003 and 2004. As of September 1, 2004, the property was 100% leased to 16 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Current Annual Rent ($)	Base Rent Per Square Foot Per Annum ($)
Sally Beauty Supplies	1,368	05/09	40,632	29.70
A+ Nails	1,301	05/09	41,333	31.77
Bo Concept	5,100	06/09	69,193	13.57
Office Depot	16,175	08/09	377,201	23.32
Young Eye Associates	1,299	08/09	36,372	28.00
Cold Stone Creamery	1,592	09/09	48,556	30.50
Pier 1 Imports	10,582	02/14	292,621	27.65
Starbucks	1,402	03/14	55,382	39.50
Sprint PCS	3,622	12/10	118,657	32.76
Moe's Southwestern Grill	2,400	05/14	72,072	30.03
Doral Dentist Partners	1,707	07/14	25,523	14.95
Party City	10,930	08/14	198,052	18.12
Bed, Bath & Beyond	28,053	01/20	415,184	14.80
Fuddruckers	6,000	*	192,444	32.07
Quiznos	1,360	*	38,082	28.00
Cargo Kids!	4,556	*	129,406	28.40

* Lease term information is not currently available.

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

GMAC INSURANCE OFFICE BUILDING, WINSTON-SALEM, NORTH CAROLINA

On September 29, 2004, we purchased a commercial office complex, containing approximately 501,064 of gross leasable square feet. The property is comprised of an 18-story office building, a six-story office building and various parcels of land that are used as surface and deck parking lots. The complex is located at 500 West 5th Street in Winston-Salem, North Carolina.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $60,000,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $120 per square foot of leasable space.

We purchased this property with our own funds. On September 29, 2004, we obtained financing in the amount of $33,000,000. The loan requires interest only payments at an annual interest rate of 4.61% and matures October 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenant would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, GMAC Insurance, leases 100% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis over the next ten years.

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
GMAC Insurance	501,064	100	10.31	10/04	09/09
			10.51	10/09	09/10
			10.72	10/10	09/11
			10.93	10/11	09/12
			11.14	10/12	09/13
			11.36	10/13	09/14

For federal income tax purposes, the depreciable basis in this property is approximately $45,000,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

BOULEVARD AT THE CAPITAL CENTRE, LANDOVER, MARYLAND

On September 8, 2004, we entered into a joint venture with the current owners of a newly constructed shopping center known as Boulevard at the Capital Centre, containing 482,377 gross leasable square feet. The center is located on the Washington D.C. Beltway (I-495 and I-95), in Landover, Maryland. The property is on a long term ground lease with the Revenue Authority of Prince George's County for approximately 70 years.

We entered into a joint venture agreement with the current owners of this property, who are unaffiliated third parties. We made a capital contribution in the amount of $121,000,000 to this joint venture and received an equity interest representing a majority ownership and operating control of the joint venture.

We made our capital contribution to the joint venture with our own funds. On September 8, 2004, we obtained financing in the amount of $71,500,000. The loan requires interest only payments at an annual rate of 5.12% and matures October 2009. Through additional joint ventures, the joint venture partners may acquire additional properties, which would be managed by our joint venture partner.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Lowe's Theaters Magic Johnson, will lease more than 10% of the total gross leasable area of the property. The lease term has been projected in accordance with the tenant's lease commencement date. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Lowe's Theaters Magic Johnson*	52,500	11	22.00	10/04	09/24

For federal income tax purposes, the depreciable basis in this property will be approximately $90,750,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Boulevard at the Capital Centre was newly constructed in 2004. The property has been in a leasing up phase and nine tenants have executed leases for retail space within the shopping center whose leases have not yet commenced. As of September 1, 2004, this property was 73% occupied with a total of 352,804 square feet occupied by 57 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Current Annual Rent ($)	Base Rent Per Square Foot Per Annum ($)
EB Game World	1,200	11/08	40,800	34.00
Claire's Boutique	1,166	11/08	34,980	30.00
Sprint Spectrum	1,965	11/08	49,161	25.02
Nextel	1,871	11/08	74,840	40.00
Kay Jewelers	1,552	12/08	60,000	38.66
Cold Stone Creamery	1,157	02/09	42,809	37.00
Capital Nails	1,500	02/09	60,000	40.00
Sweet Tooth Cakes & Pastries	1,400	02/09	49,000	35.00
Casual Male Big & Tall	3,500	03/09	84,000	24.00
The Classic Woman	2,200	04/09	63,800	29.00
Next Day Blinds *	3,000	09/09	93,000	31.00
Head 2 Head	2,568	12/10	65,484	25.50
Oxford Street	3,400	12/10	85,000	25.00
T-Mobile	1,800	01/11	72,000	40.00
Jilliano Shoes	1,998	01/11	40,955	20.50
Gallery of African Wildlife	2,000	03/11	58,000	29.00
Qdoba Mexican Grill	3,000	11/13	97,500	32.50
LensCrafters	4,653	11/13	139,590	30.00
Pier 1 Imports	10,000	11/13	181,224	18.12
Foot Locker	3,433	11/13	99,557	29.00
Yankee Candle Company	2,000	11/13	48,000	24.00
Men's Wearhouse	6,400	11/13	147,200	23.00
Changes at Capital Centre	4,000	12/13	104,000	26.00
Lucaya	3,000	12/13	63,000	21.00
Quiznos	1,562	12/13	51,546	33.00
Panda Express	2,100	11/13	73,500	35.00
Footaction USA	3,500	11/13	98,000	28.00
Drake's Place	2,000	11/13	48,000	24.00
Penner Clothing	5,194	11/13	142,835	27.50
Shoe City	7,700	11/13	180,950	23.50
Teaming Up/Expressions	3,103	12/13	40,339	13.00
Total Sport	3,756	01/14	103,553	27.57
The Big Screen Store	4,500	01/14	103,500	23.00
Cambridge Beauty Supply	2,900	01/14	75,400	26.00
Payless Shoesource	2,800	01/14	78,400	28.00
The Children's Place	6,000	01/14	132,012	22.00

Lane Bryant	5,000	01/14	120,000	24.00
Starbucks	1,250	02/14	37,500	30.00
Mattress Warehouse	4,112	02/14	102,800	25.00
Honeycomb Hideout	2,500	02/14	68,750	27.50
Technicolor Salon & Spa	4,413	03/14	110,325	25.00
Five Guys Restaurant	1,500	03/14	48,000	32.00
African Stargina	1,500	03/14	47,250	31.50
Babalu/Carraba's Glory Days*	6,085	04/14	146,040	24.00
Kobe Japanese Steakhouse*	7,520	04/14	172,960	23.00
McHunu House of Style	2,900	04/14	76,850	26.50

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Current Annual Rent ($)	Base Rent Per Square Foot Per Annum ($)
Reggiano's *	2,000	05/14	50,000	25.00
DSW Shoe Warehouse	25,000	07/14	331,250	13.25
Stonefish Grill	6,085	08/14	212,975	35.00
Red Star Tavern	7,661	08/14	268,135	35.00
Soul Fixins'*	2,085	08/14	62,550	30.00
Infusions Cafe*	3,350	09/14	83,750	25.00
Anne Taylor Loft	5,471	01/15	75,000	13.71
Linens 'N Things	34,440	01/15	430,512	12.50
Sports Authority	40,500	01/15	506,250	12.50
Pizzeria Uno	5,719	10/18	110,000	19.23
Bugaboo Creek Steakhouse	6,400	11/18	110,000	17.19
Provident Bank of Maryland	3,215	11/18	95,000	29.55
Borders Books & Music	22,915	11/18	441,801	19.28
Chuck E Cheese	11,300	02/19	95,000	8.41
Office Depot*	18,000	07/19	234,000	13.00
Blu Bambu*	4,050	09/19	113,250	27.96
Circuit City	33,828	01/20	490,506	14.50
Chick-Fil-A	4,250	11/23	85,000	20.00
Golden Corral	11,967	12/23	112,500	9.40
Lowe's Theaters Magic Johnson*	52,500	09/24	1,155,000	22.00

* As of September 1, 2004, the tenant's lease term had not yet commenced.

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

HARRIS TEETER STORE #158, WILMINGTON, NORTH CAROLINA

On September 8, 2004, we purchased a freestanding retail building leased to a Harris Teeter grocery store, containing 57,230 gross leasable square feet. The center is located at Wilshire Boulevard and Kerr Avenue in Wilmington, North Carolina.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $7,200,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $126 per square foot of leasable space.

We purchased this property with our own funds. However, we expect to place financing on the property at a later date.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of its lease.

One tenant, Harris Teeter Store #158, leases 100% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Harris Teeter Store # 158	57,230	100	9.76	05/95	05/15

For federal income tax purposes, the depreciable basis in this property will be approximately $5,400,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

HARVEST TOWNE CENTER, KNOXVILLE, TENNESSEE

On September 8, 2004, we purchased an existing shopping center known as Harvest Towne Center, containing 32,965 gross leasable square feet. The center is located at 4824 N. Broadway Street in Knoxville, Tennessee.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $8,950,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $272 per square foot of leasable space.

We purchased this property with our own funds. However, we expect to place financing on the property at a later date.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Four tenants, CVS Drug Store, Pet Supplies Plus, Northside Properties and Ross the Boss, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
CVS Drug Store	10,125	31	24.50	09/99	01/20
Pet Supplies Plus	8,120	25	14.08	02/96	02/06
Northside Properties	3,480	11	7.64	08/01	Month-to-Month
Ross the Boss	4,104	12	14.50	10/01	10/06

For federal income tax purposes, the depreciable basis in this property will be approximately $6,713,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Harvest Towne Center was built in 1996 to 1999. As of September 1, 2004, this property was 100% occupied, with a total 32,965 square feet leased to nine tenants and three ground lease tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Current Annual Rent ($)	Base Rent Per Square Foot Per Annum ($)
Northside Properties	3,480	Month-to-Month	26,587	7.64
Krispy Creme Donuts (Ground Lease)	*	06/05	47,600	N/A
Pet Supplies Plus	8,120	02/06	114,365	14.08
Vacuums Unlimited	986	05/06	11,832	12.00

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Ross the Boss	4,104	10/06	59,508	14.50	
Stuart R. Humberg D.C	1,000	11/06	15,815	15.82	
US Cleaners, Inc.	1,427	11/07	20,691	14.50	
Beneficial Tennessee, Inc.	1,670	07/08	23,380	14.00	
Briano's Pizza	2,053	01/08	29,769	14.50	
Ruby Tuesday (Ground Lease)	*	12/12	59,400	N/A	

Taco Bell (Ground Lease)	*	11/14	39,996	N/A
CVS Drug Store	10,125	01/20	248,063	24.50

* The ground lease square footage is not currently available.

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

LINCOLN PARK, DALLAS, TEXAS

On September 7, 2004, we purchased an existing shopping center known as Lincoln Park, containing 148,806 gross leasable square feet. The center is located at 7700 W. Northwest Highway in Dallas, Texas.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $47,550,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $320 per square foot of leasable space.

We purchased this property with our own funds. On October 8, 2004, we obtained financing int he amount of $26,153,000. The loan requires interest only payments at an annual rate of 4.61% and matures in November 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, Tom Thumb, Barnes & Noble and The Container Store, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Tom Thumb	50,000	34	11.50	08/98	07/23
Barnes & Noble	29,485	20	21.00	05/98	01/09
The Container Store	25,000	17	29.00	02/00	01/15

For federal income tax purposes, the depreciable basis in this property will be approximately $35,663,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Lincoln Park was built in 1998. As of September 1, 2004, this property was 100% occupied, with a total 148,806 square feet leased to 14 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Current Annual Rent ($)	Base Rent Per Square Foot Per Annum ($)
Marvin Brown	4,408	05/05	141,000	31.99
T-Mobile	1,402	10/05	68,698	49.00
Maggie Moo's Ice Cream	1,375	12/07	48,125	35.00
Romies Nail Boutique	1,098	12/07	40,626	37.00
Mother's Work	4,012	03/08	144,432	36.00
Blue Mesa Grill	8,250	12/08	235,950	28.60
Elizabeth Arden	6,058	12/08	151,450	25.00
Eyemasters	3,000	12/08	134,400	44.80
Barnes & Noble	29,485	01/09	619,185	21.00
Up in Smoke	1,164	01/09	58,200	50.00
Bag N Baggage	3,554	04/09	106,620	30.00
The Container Store	25,000	01/15	725,000	29.00
Cheesecake Factory	10,000	09/18	347,500	34.75
Tom Thumb	50,000	07/23	575,000	11.50

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

SAUCON VALLEY SQUARE, BETHLEHEM, PENNSYLVANIA

On September 7, 2004, we purchased an existing shopping center known as Saucon Valley Square, containing 80,695 gross leasable square feet. The center is located on I-78 and Rouse 378 in Bethlehem, Pennsylvania.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $16,092,600. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $199 per square foot of leasable space.

We purchased this property with our own funds. On September 7, 2004, we obtained financing in the amount of $8,850,900. The loan requires interest only payments at an annual rate of 5.115% and matures in October 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Super Fresh Food Market, leases more than 10% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Base Rent

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Per Square Foot Per Annum ($)	Lease Term Beginning	To
Super Fresh Food Market	47,827	59	13.75	01/99	12/18

For federal income tax purposes, the depreciable basis in this property will be approximately $12,069,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

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Saucon Valley Square was built in 1999. As of September 1, 2004, this property was 99% occupied, with a total 79,495 square feet leased to 13 tenants and one ground lease tenant. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Current Annual Rent ($)	Base Rent Per Square Foot Per Annum ($)
Lafayette Ambassador	2,800	03/08	42,900	15.32
Adam's Outdoor Advertising (Ground Lease)	N/A	07/08	3,750	N/A
Kiki Rio's Restaurant	6,208	12/08	88,000	14.18
Holiday Hair	1,200	01/09	20,790	17.33
Casa Mia Pizzeria	2,000	01/09	24,650	12.33
Subway	1,200	02/09	22,050	18.38
Foxes Hallmark	5,200	02/09	96,200	18.50
Blockbuster Video	5,140	03/09	103,468	20.13
No. 1 Chinese Restaurant	1,200	03/09	25,080	20.90
Radio Shack	2,320	03/09	36,800	15.86
Buena Bistro	1,600	05/09	29,840	18.65
Werkheiser Jewelers	1,200	12/13	20,790	17.33
Saucon Valley Cleaners	1,600	01/14	27,720	17.33
Super Fresh Food Market	47,827	12/18	657,621	13.75

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

QUAKERTOWN SHOPPING CENTER, QUAKERTOWN, PENNSYLVANIA

We anticipate purchasing a newly constructed shopping center known as Quakertown Shopping Center, containing 61,832 gross leasable square feet (which includes 3,500 of ground leased space). The center is located at Route 309 and Tollgate Road in Quakertown, Pennsylvania.

On August 25, 2004, we funded the initial installment of a $12,664,794 first mortgage in the amount of $11,398,314. The remaining $1,266,480 is expected to be funded in 2004. The interest rate of this first mortgage is 7.5573% and it matures in August 2005. We anticipate purchasing the center when the mortgage matures for approximately $12,665,000. We will use the funds from repayment of the first mortgage towards our purchase price.

One tenant, Giant Food Stores, leases more than 10% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Giant Food Stores	54,332	88	15.86	05/04	02/24

For federal income tax purposes, the depreciable basis in this property will be approximately $9,499,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Quakertown Shopping Center was constructed in 2004. As of September 1, 2004, this property was 100% occupied, with a total 61,832 (including ground leased space) square feet leased to five tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Current Annual Rent ($)	Base Rent Per Square Foot Per Annum ($)
Best Cuts	1,200	02/09	25,200	21.00
Electronics Boutique	1,200	02/14	25,200	21.00
Dry Cleaner Drop Off	1,600	02/14	33,600	21.00
Giant Food Stores	54,332	02/24	861,706	15.86
Perkasie Bank (Ground Lease)	3,500	02/24	90,000	N/A

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

THE COLUMNS SHOPPING CENTER, JACKSON, TENNESSEE

On August 24, 2004, we purchased 128,600 square feet of a 173,587 square foot newly constructed shopping center known as The Columns Shopping Center, consisting of three phases. The center is located at 1300 Vann Drive in Jackson, Tennessee.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $20,770,000. These amounts may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $162 per square foot of leasable space.

We purchased this property with our own funds. On October 5, 2004, we obtained financing in the amount of $11,423,300. The loan requires interest only payments at an annual rate of 4.91% and matures November 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Four tenants, Best Buy, Ross Dress for Less, Marshalls and Bed, Bath & Beyond, will lease more than 10% of the total gross leasable area of the property. The lease term will be determined in accordance with the tenant's commencement date. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Begn
Best Buy	30,000	17	16.00	08/
			16.50	10/
Ross Dress for Less*	30,187	17	9.75	*
Marshalls	28,000	16	7.75	10/0
			8.10	11/0
Bed, Bath & Beyond	20,000	12	9.75	11/0

* Lease term information is based on the date the tenant begins occupancy and is not currently available.

For federal income tax purposes, the depreciable basis in this property will be approximately $15,578,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

The Columns Shopping Center was constructed in 2003/2004. As of September 1, 2004, the property was 100% leased to 16 tenants. The following table sets forth certain information with respect to those leases:

	Approximate GLA Leased	Lease	Renewal	Current Annual	Base Rent Square

Lessee	(Sq. Ft.)	Ends	Options	Rent ($)	Per Annu
Best Buy	30,000	01/14	4/5 yr	480,000	16.00
Old Navy*	14,800	*	--	186,480	12.60
Ross Dress for Less*	30,187	*	--	294,323	9.75
Bed, Bath & Beyond	20,000	01/14	3/5 yr	195,000	9.75
Books A Million	12,500	1/09	4/3 yr	134,375	10.75
Dress Barn	7,700	12/08	3/4 yr	102,795	13.35
Rack Room Shoes	6,000	03/09	3/5 yr	85,500	14.25
Spoil Me Rotten	2,000	03/09	--	31,000	15.50
Rue 21	4,000	12/09	2/4 yr	60,000	15.00
Don Panchos Restaurant	4,000	04/09	1/5 yr	60,000	15.00
Grass Monkey	1,600	03/09	1/5 yr	24,000	15.00
Wells Fargo	2,400	05/09	1/5 yr	37,200	15.50
Oreck Vacuums	1,600	11/08	1/5 yr	24,800	15.50
Quizno's	1,600	03/14	2/5 yr	28,800	18.00
Shop Space*	7,200	--	--	115,200	16.00
Marshalls	28,000	10/13	3/5 yr	217,000	7.75

* Lease term information is based on the date the tenant begins occupancy and is not currently available.

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

MITCHELL RANCH PLAZA, NEW PORT RICHEY, FLORIDA

On August 23, 2004, we purchased 200,404 square feet of a portion of a 324,108 square foot newly constructed shopping center known as Mitchell Ranch Plaza. The center is located at State Road 54 and Little Road in New Port Richey, Florida.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $34,003,300. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $170 per square foot of leasable space.

We purchased this property with our own funds. On September 2, 2004, we obtained financing in the amount of $18,700,000. The loan requires interest only payments at an annual rate of 4.53% and matures October 2007.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, Publix, Marshalls and Ross Dress for Less, each leases more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Publix	44,840	22	9.85	07/03	07/23
Marshalls	30,000	15	7.95	07/03	07/13
Ross Dress for Less	30,176	15	9.75	07/03	01/14

For federal income tax purposes, the depreciable basis in this property will be approximately $25,503,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Mitchell Ranch Plaza was constructed in 2003. As of September 1, 2004, this property was 93% occupied, with a total 185,873 square feet leased to 35 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Current Annual Rent ($)	Base Rent Per Square Foot Per Annum ($)
Cottage Florist	1,200	08/06	22,212	18.51
Cruise Warehouse	900	08/06	18,228	20.25
Pocket Change	1,200	08/06	26,400	22.00
Vitamin Tree	1,200	09/06	22,800	19.00
Tampa Bay Insurance	900	09/06	16,656	18.51
Curves for Women	1,200	09/06	21,900	18.25
Brazilian Tan	1,800	10/06	32,856	18.25
Charles Pope Cellular	1,200	08/08	22,380	18.65
Magic Touch Cleaners	900	08/08	22,800	25.33
La Bebe's Salon	900	08/08	16,428	18.25
Working Cow	1,200	08/08	22,200	18.50
Cellular	1,200	08/08	22,116	18.43
Christos	2,400	09/08	43,200	18.00
Great Clips	1,000	09/08	19,248	19.25
Payless Shoesource	2,400	09/08	60,000	25.00
Aspasia Nails	1,200	09/08	22,200	18.50
Sally Beauty Supply	1,200	09/08	21,300	17.75
George Josef Salon	1,200	09/08	21,900	18.25
China Express	1,200	10/08	23,100	19.25
Trinity Spirits	3,950	10/08	53,280	13.49
American Family Dentist	1,200	10/08	21,780	18.15
VIP Martial Arts	4,050	12/08	67,836	16.75
Carlucci's	3,600	12/08	64,800	18.00
EB Games	1,200	01/09	26,400	22.00
Hallmark Gold Crown	3,950	01/09	65,172	16.50
Beefs O'Brady's	2,800	02/09	50,400	18.00
The Mattress Firm	3,000	02/09	72,300	24.10
The UPS Store	1,200	02/09	21,600	18.00
Cingular Wireless	900	04/09	27,000	30.00
Marshalls	30,000	07/13	238,500	7.95

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Ross Dress for Less	30,176	01/14	294,216	9.75	
Starbucks	1,500	01/14	42,000	28.00	
Pier 1 Imports	10,000	02/14	161,796	16.18	
PETsMART	19,107	01/19	211,128	11.05	
Publix	44,840	07/23	441,672	9.85	

* Lease renewal information not currently available.

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

GOVERNOR'S MARKETPLACE SHOPPING CENTER, TALLAHASSEE, FLORIDA

On August 17, 2004, we purchased an existing shopping center known as Governor's Marketplace Shopping Center, containing 265,541 gross leasable square feet. The center is located on Governor's Square Boulevard, in Tallahassee, Florida.

We purchased this property from an unaffiliated third party with our own funds. Our total acquisition cost was approximately $32,654,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $123 per square foot of leasable space.

On August 17, 2004, we obtained financing on the property in the amount of $20,625,000. The loan requires interest only payments at an annual rate of 5.185% and matures in September 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, Bed, Bath & Beyond, Sports Authority and Marshalls, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To

Bed, Bath & Beyond	35,000	13	10.50	07/00	01/12
			11.00	02/12	01/17
Sports Authority	34,775	13	0	08/03	01/04
			11.91	01/04	08/08
Marshalls	30,000	11	7.75	05/01	05/06
			8.25	06/06	05/11

For federal income tax purposes, the depreciable basis in this property will be approximately $24,491,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Governor's Marketplace was built in 2001. As of September 1, 2004, this property was 84% occupied, with a total 223,902 square feet leased to 21 tenants. The following table sets forth certain information with respect to those leases:

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Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Re Square Per Ann
Famous Footwear	10,070	07/06	2/5 yr.	156,085	15
Student Body	3,721	08/06	1/5 yr.	81,321	21
Old Navy	20,000	09/06	2/5 yr.	230,000	11
Clark's Maytag	3,466	05/07	2/5 yr.	67,587	19
Life's Uniforms	1,217	06/07	1/5 yr.	26,774	22
Cingular Wireless	1,200	06/07	2/5 yr.	30,600	25
Sprint PCS	4,206	12/07	1/5 yr.	75,708	18
Sports Authority	34,775	08/08	5/5 yr.	414,170	11
Nextel Communications	1,443	09/08	1/5 yr.	36,075	25
ALLTEL	2,000	04/09	1/5 yr.	48,000	24
Michaels	23,965	02/11	4/5 yr.	251,633	10
Marshalls	30,000	05/11	2/5 yr.	232,500	7
Lifeway Christian	6,324	09/11	2/5 yr.	132,804	21
Atlanta Bread Company	4,000	11/11	2/5 yr.	94,520	23
Boston Market	3,800	11/12	4/5 yr.	60,000	15
David's Bridal	9,000	05/13	2/5 yr.	133,200	14
Petco	13,750	05/13	3/5 yr.	212,025	15
Bombay Company	8,500	08/13	1/5 yr.	208,250	24
Qdoba	2,000	04/14	2/5 yr.	42,000	21
Cargo Kids	5,465	08/14	-	124,602	22
Bed, Bath & Beyond	35,000	01/17	3/5 yr.	367,500	10

* The tenant is currently in bankruptcy proceedings and the space has not been re-leased.

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

MANCHESTER MEADOWS, TOWN AND COUNTRY, MISSOURI

On August 12, 2004, we purchased an existing shopping center known as Manchester Meadows, containing 454,172 gross leasable square feet (which includes 3,412 square feet of ground lease space). The center is located at 13901 Manchester Road in Town and Country, Missouri.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $56,481,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $124 per square foot of leasable space.

We purchased this property with our own funds. On August 23, 2004, we obtained financing in the amount of $31,064,550. The loan requires interest only payments at an annual rate of 4.48% and matures September 2007.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Two tenants, Wal-Mart and Home Depot, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Beginning	Term To
Wal-Mart	154,717	34	7.00	04/95	04/15
Home Depot	111,175	24	7.47	11/94	11/19

For federal income tax purposes, the depreciable basis in this property will be approximately $42,361,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Manchester Meadows was built in 1994 and 1995. As of September 1, 2004, this property was 96% occupied, with a total 434,772 square feet leased to 22 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)

Sears Portrait Studio	2,123	03/05	-	39,063
Linens 'N Things	34,917	01/05	3/5 yr.	340,441
HobbyTown USA	2,450	07/05	-	44,100
Chic Nails	1,400	05/06	-	28,000
Town & Country Tobacco	1,400	01/07	-	26,600
Fast Track Fitness	3,000	02/07	-	54,000
St. Louis Playscapes	3,000	04/07	-	54,000
United States Postal Service	3,570	04/07	1/5 yr.	63,225
Cobblestone Shoe Repairs	1,400	04/07	-	27,300
3 Day Blinds	4,550	03/08	1/5 yr.	104,640
Art & Frame	1,400	11/08	-	28,000
St. Louis Playscapes	7,500	12/08	1/5 yr.	150,000
99 Cent Only Store	3,000	01/09	1/5 yr.	49,500
Great Clips	1,400	04/09	-	29,400
Memories Unlimited	2,500	04/09	-	43,750
OfficeMax	23,920	11/09	3/5 yr.	239,200
PETsMART	27,438	03/10	4/5 yr.	240,083
The Sports Authority	40,500	11/14	10/5 yr.	324,000
Wal-Mart	154,717	04/15	6/5 yr.	1,083,018
Home Depot	111,175	11/19	10/5 yr.	830,088
Boston Chicken (Ground Lease)	3,412	08/05	7/5 yr.	79,200

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

THE VILLAGE SHOPPES AT SIMONTON, LAWRENCEVILLE, GEORGIA

On August 9, 2004, we purchased a newly constructed shopping center known as The Village Shoppes at Simonton, containing 66,415 gross leasable square feet. The center is located at New Hope Road and Simonton Road in Lawrenceville, Georgia.

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We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $13,749,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $207 per square foot of leasable space.

We purchased this property with our own funds. On September 30, 2004, we obtained financing in the amount of $7,561,700. The loan requires interest only payments at an annual rate of 4.96% and matures October 2009. We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Publix, will lease more than 10% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Base Rent

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Per Square Foot Per Annum ($)	Lease Term Beginning	To
Publix	44,271	67	10.95	05/04	05/24

For federal income tax purposes, the depreciable basis in this property will be approximately $10,312,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

The Village Shoppes at Simonton was newly constructed in 2004. As of September 1, 2004, this property was 85% occupied with a total of 56,615 square feet leased to nine tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base R Squar Per An
Subway Real Estate Corp.	1,400	04/09	3/5 yr.	32,900	2
Dollar Store	2,644	06/09	1/5 yr.	60,812	2
South Eastern Dry Cleaners	1,500	07/09	1/5 yr.	42,000	2
Pak Mail Center	1,400	07/09	1/5 yr.	35,000	2
Nails and Tanning	1,200	07/09	1/5 yr.	30,000	2
Pizza Hut of America	1,400	07/10	*	32,900	2
Supercuts	1,400	08/09	1/5 yr.	33,600	2
New China	1,400	08/09	*	32,200	2
Publix	44,271	05/24	*	484,767	1

* Lease renewal option information not currently available.

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

REISTERSTOWN ROAD PLAZA, BALTIMORE, MARYLAND

On August 4, 2004, we entered into a joint venture agreement with the current owners of an existing shopping center known as Reisterstown Road Plaza, containing 779,397 gross leasable square feet. The center is located at 6500-6512 Reisterstown Road, Baltimore, Maryland

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We entered into a joint venture agreement with the current owners of this property, who are unaffiliated third parties. We made a capital contribution in the amount of $88,500,000 to this joint venture and received an equity interest representing a majority ownership and operating control of this joint venture.

We made our capital contribution to the joint venture with our own funds. On

August 11,2004, we obtained financing in the amount of $49,650,000. The loan requires interest only payments at an annual rate of 5.30% and matures September 2009. Through additional joint ventures, the joint venture partners may acquire additional properties, which would be managed by our joint venture partner.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, Home Depot, Public Safety Service and National Wholesale Liquidators, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease T Beginning
Home Depot	115,289	15	5.20	11/02
Public Safety Service	107,705	14	12.00	01/98
National Wholesale Liquidators	91,129	12	4.00	05/00

For federal income tax purposes, the depreciable basis in this property will be approximately $66,375,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Reisterstown Road Plaza was built in 1986 and renovated in 2004. As of September 1, 2004, this property was 86% occupied, with a total 668,369 square feet leased to 72 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Current Annual Rent ($)	Base Rent P Square Foo Per Annum (
African Art and Craft	222	Month To Month	10,800	48.65
Shingar	2,250	09/04	41,333	18.37
Perfumery International, Inc.	200	01/05	16,000	80.00
Injury Treatment Center	3,501	03/05	50,660	14.47
Hip Hop One Stop	238	06/05	10,800	45.38
Baltimore City Community College (BCCC)	14,620	05/06	189,329	12.95
Royal Gems & Jewelry	330	09/06	13,530	41.00
Time and More	787	09/06	13,355	16.97
Changes	4,500	09/06	27,720	6.16
Burlington Coat Factory	60,000	10/06	342,000	5.70
Gifts and Balloons	238	12/06	12,000	50.42
Avenue	5,000	01/07	71,250	14.25

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Current Annual Rent ($)	Base Rent P Square Foo Per Annum (
Popeyes	3,523	01/07	59,891	17.00
Bank of America	5,250	01/07	77,976	14.85
Payless Shoes	4,985	07/07	43,519	8.73
Sally Beauty Supply	1,500	11/07	27,000	18.00
Power Gamer	1,902	12/07	31,954	16.80
Nuvo	2,017	12/07	25,213	12.50
Furniture Palace	39,243	12/07	247,231	6.30
Accent Hair	1,690	01/08	35,152	20.80
Rent-A-Center	4,300	01/08	73,100	17.00
Juvenile Justice	7,291	01/08	98,428	13.50
Revelations Shoe Shop	845	03/08	11,314	13.39
Jackson Hewitt Tax Service	1,217	04/08	30,425	25.00
Gallo	5,143	04/08	42,790	8.32
Vogue Hair Supply	1,050	05/08	20,066	19.11
Park West Medical	7,783	06/08	92,229	11.85
Thi Delight	588	08/08	17,640	30.00
Economy Shoes	3,293	09/08	32,930	10.00
Vital Records	11,500	11/08	154,675	13.45
Sepia Sand & Sable	1,267	12/08	20,272	16.00
Shoe Crazy	4,655	02/09	93,100	20.00
An Angel's Touch	1,598	02/09	19,751	12.36
Board of Nursing	15,232	02/09	195,731	12.85
Dollar City	5,181	04/09	51,810	10.00
Curves For Women	1,600	06/09	22,400	14.00
His and Hers	3,478	06/09	76,516	22.00
The Great Cookie	751	06/09	14,344	19.10
Chic Nails	839	08/09	17,770	21.18
New Direction Barber Shop	1,086	12/09	22,372	20.60
Gold Lagoon	839	03/10	13,827	16.48
Provident Bank	2,593	11/10	57,046	22.00
National Wholesale Liquidators	91,129	01/11	364,516	4.00
Public Safety Service	107,705	04/11	1,292,400	12.00
Subway	250	05/12	27,000	108.00
Vision Beauty Supply	2,832	07/12	43,896	15.50
All Eyes	1,857	07/12	28,691	15.45
Plaza Podiatry	1,964	08/12	39,280	20.00
DHMN State (BCCC)	23,250	10/12	290,625	12.50
Mattress Warehouse	4,000	11/12	76,000	19.00
Mall Spirits	2,236	01/13	27,637	12.36
Footlocker	3,000	03/13	54,000	18.00
Square Circle	651	03/13	10,416	16.00
KS Alterations	500	03/13	15,750	31.50
Cobblers And Cleaners	1,374	04/13	27,480	20.00
Social Security Administration	14,885	06/13	145,873	9.80
Evergreen Cafe	835	07/13	25,050	30.00
Sausage Plus	386	07/13	8,492	22.00
Steak Busters	855	07/13	34,200	40.00
Harbor City Bake Shop	1,061	05/13	25,464	24.00
Blackstone Men's Wear	3,540	07/13	46,020	13.00
Lot Stores	5,335	07/13	34,678	6.50

Pick-A-Pretzel	318	07/13	7,950	25.00

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Current Annual Rent ($)	Base Rent P Square Foo Per Annum (
Burgundy Park Seafood	544	07/13	26,112	48.00
Total Health Center	1,050	09/13	15,750	15.00
Metro II	1,453	10/13	24,701	17.00
Shoe City	6,740	01/14	89,979	13.35
Marshalls	28,500	04/14	299,607	10.50
Original Mamma Lucia	1,695	05/14	59,325	35.00
Baltimore City Community College WBJC Radio Station	5,010	06/14	64,629	12.90
Applebee's Neighborhood Grill & Bar	6,000	02/18	88,020	14.67
Home Depot	115,289	01/33	600,000	5.20

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

WAL-MART SUPERCENTER, JONESBORO, ARKANSAS

On August 4, 2004, we purchased an existing freestanding retail center known as Wal-Mart Supercenter, containing 149,704 gross leasable square feet. The center is located at 1911 West Parker Road in Jonesboro, Arkansas.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $10,853,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $72 per square foot of leasable space.

We purchased this property with our own funds. On August 6, 2004, we obtained financing in the amount of $6,088,500. The loan requires interest only payments at an annual rate of 5.085% and matures September 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Wal-Mart Supercenter, will lease 100% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Approximate	Current	Base Rent Per Square

Lessee	GLA Leased (Sq. Ft.)	% of Total GLA	Annual Rent ($)	Foot Per Annum ($)	Renewal Options
Wal-Mart Supercenter	149,704	100	808,402	5.40	5/5 yr.

For federal income tax purposes, the depreciable basis in this property will be approximately $8,140,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

ACADEMY SPORTS & OUTDOORS, HOUMA, LOUISIANA

On July 30, 2004, we purchased a newly constructed freestanding retail center known as Academy Sports & Outdoors, containing 60,001 gross leasable square feet. The center is located at 1777 Martin Luther King Boulevard in Houma, Louisiana.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $5,250,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $88 per square foot of leasable space.

We purchased this property with our own funds. On August 4, 2004, we obtained financing for this property in the amount of $2,920,000. The loan requires interest only payments at an annual rate of 5.12% and matures September 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Academy Sports & Outdoors, will lease 100% of the total gross leasable area of the property. The lease term will be determined in accordance with the tenant's commencement date. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Current Annual Rent ($)	Base Rent Per Square Foot Per Annum ($)	Rene Opti
Academy Sports & Outdoors	60,001	100	420,000	7.00 7.70	4/5

For federal income tax purposes, the depreciable basis in this property will be approximately $3,937,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

FORKS TOWN CENTER, EASTON, PENNSYLVANIA

On July 27, 2004, we purchased an existing shopping center known as Forks Town Center, containing 92,660 gross leasable square feet (which includes 5,100 square feet of ground lease space). The center is located at 301 Town Center Boulevard in Easton, Pennsylvania.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $18,198,700. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $196 per square foot of leasable space.

We purchased this property with our own funds. On August 13, 2004, we obtained financing in the amount of $10,395,000. The loan requires interest only payments at an annual rate of 4.97% and matures August 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Giant Food Stores, leases more than 10% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Ter Beginning
Giant Food Stores	54,300	59	16.04	08/02

			17.04	09/12
			18.04	09/17

For federal income tax purposes, the depreciable basis in this property will be approximately $13,649,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Forks Town Center was built in 2002. As of September 1, 2004, this property was 96% occupied, with a total 88,660 square feet leased to 14 tenants and ground lease space leased to two tenants. The following table sets forth certain information with respect to those leases:

Approximate Cur

Lessee	GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	An Ren
Movie Gallery	3,200	08/07	3/5 yr.	4
Vista Bank United Trust	2,500	12/07	3/5 yr.	5
Subway	1,600	11/07	1/5 yr.	2
H & R Block	1,600	01/08	1/3 yr.	3
Hollywood Tans	2,400	02/08	1/5 yr.	4
PL Nails	1,200	04/08	1/5 yr.	2
China Moon	3,200	04/08	1/5 yr.	4
Catanzaretti's Pizza	2,400	05/08	-	4
Something Different	1,600	09/08	1/5 yr.	3
Holiday Hair	1,600	09/08	-	3
D & J Cleaners	1,200	11/08	1/5 yr.	1
Data Danz Wireless	1,360	03/09	-	2
Fox Hallmark	5,400	08/09	2/5 yr.	12
Giant Food Stores	54,300	08/22	8/5 yr.	87
Giant Gas Station (Ground Lease)	2,400	01/23	8/5 yr.	1
Dunkin Donuts (Ground Lease)	2,700	08/13	3/5 yr. & 1/4 yr.	4

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

PLAZA AT MARYSVILLE, MARYSVILLE, WASHINGTON

On July 26, 2004, we purchased an existing shopping center known as Plaza at Marysville, containing 115,656 gross leasable square feet and one ground lease space. The center is located at State Avenue and Grove Street, in Marysville, Washington.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $21,266,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $184 per square foot of leasable space.

We purchased this property with our own funds. On July 30, 2004, we obtained financing in the amount of $11,800,000. The loan requires interest only payments at an annual rate of 5.085% and matures August 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

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One tenant, Safeway, leases more than 10% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Base Rent

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Per Square Foot Per Annum ($)	Lease Term Beginning	To
Safeway	53,850	47	11.00	07/01	07/21

For federal income tax purposes, the depreciable basis in this property will be approximately $15,950,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Plaza at Marysville was built in 1995. As of September 1, 2004, this property was 95% occupied, with a total 110,356 square feet leased to 24 tenants and one ground lease space. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Option	Current Annual Rent ($)
Alderwood Auto Glass	1,500	07/05	-	20,112
Northwest Credit Union	1,300	11/05	1/2 yr.	24,050
Supercuts	1,300	11/05	2/5 yr.	24,696
GNC	1,422	01/06	-	25,344
Marysville Daycare	7,345	01/06	-	97,321
Alta's Pet Gallery	3,375	05/06	1/5 yr.	45,563
Papa Murphy's	1,300	07/06	1/5 yr.	26,004
Safeway District Office	901	07/06	2/5 yr.	12,468
Mail Box Junction	904	09/06	-	16,272
Alpha Denture Clinic	904	10/06	-	17,172
Hi-Tek Nails	863	11/06	1/5 yr.	18,120
Play It Again Sports	3,000	11/06	1/5 yr.	49,173
Fowlds Cleaners	1,500	12/06	1/5 yr.	24,000
Sally Beauty Supplies	1,300	01/07	1/5 yr.	24,696
The Everett Clinic	1,200	03/07	-	24,600
Cigar Land	1,050	03/07	1/5 yr.	22,281
Check into Cash	1,546	07/07	1/3 yr.	30,920
Edward Jones	1,500	07/08	1/5 yr.	27,750
Rent-A-Center	3,961	09/08	-	51,492
The Sun Factory	1,803	09/08	1/5 yr.	32,454
Hollywood Video	6,540	08/09	2/5 yr.	98,100
Party City	7,992	01/10	2/5 yr.	107,892
Safeway Fuel Site (Ground Lease)	N/A	01/11	10/5 yr.	50,000
Home Street Bank	4,000	12/20	-	80,004
Safeway	53,850	07/21	8/5 yr.	592,356

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

WRANGLER COMPANY, WESTERN HEADQUARTERS AND DISTRIBUTION FACILITY, EL PASO, TEXAS

On July 22, 2004, we purchased an existing freestanding office and distribution center leased to Wrangler Company, containing 316,800 gross leasable square feet. The center is located at 12173 Rojas Drive in El Paso, Texas.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $18,476,800. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $58 per square foot of leasable space.

We purchased this property with our own funds. On July 26, 2004, we obtained financing in the amount of $11,300,000. The loan requires interest only payments at an annual rate of 5.09% and matures August 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Wrangler Company, will lease 100% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Current Annual Rent ($)	Base Rent Per Square Foot Per Annum ($)	Renewal Options
Wrangler Company	316,800	100	1,504,800	4.75	3/7 yr.

For federal income tax purposes, the depreciable basis in this property will be approximately $13,858,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

GATEWAY PLAZA SHOPPING CENTER, SOUTHLAKE, TEXAS

On July 21, 2004, we purchased an existing shopping center known as Gateway Plaza Shopping Center, containing 358,501 gross leasable square feet. The center is located on State Highway 114 and Southlake Boulevard, in Southlake, Texas.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $33,025,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $92 per square foot of leasable space.

We purchased this property with our own funds. On September 1, 2004, we obtained financing in the amount of $18,163,000. The loan requires interest only payments at an annual rate of 5.10% and matures September 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Kohl's, leases more than 10% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	Lease Term To
Kohl's	87,423	24	5.74	08/00	01/21

For federal income tax purposes, the depreciable basis in this property will be approximately $24,769,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Gateway Plaza Shopping Center was built in 2000. As of September 1, 2004, this property was 90% occupied, with a total 324,240 square feet leased to 25 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	B P
Cool Cuts for Kids	1,194	09/05	1/5 yr.	28,656	
Old Navy	25,000	09/05	3/5 yr.	225,000	
Mattress Firm	4,008	09/05	2/5 yr.	88,176	
Rack Room	7,996	09/05	2/5 yr.	147,926	
Carpet Mills of America	3,493	11/05	1/5 yr.	76,846	
Dress Barn	8,127	12/05	3/5 yr.	121,905	
Baker Brothers	3,000	12/05	-	75,000	
Calico Corners	5,278	12/05	2/5 yr.	126,672	
Chipotle Mexican Grill	2,432	12/05	3/5 yr.	59,025	
Fitness Headquarters	2,500	01/06	2/5 yr.	62,500	
Home Theater Store	6,000	02/08	1/6 mo.	156,000	
Shogun Shushi	4,253	05/09	2/5 yr.	114,831	
Michaels	23,838	02/10	4/5 yr.	262,218	
T.J. Maxx	30,600	08/10	3/5 yr.	267,750	
Ultra Cosmetics & Salon	11,250	10/10	3/5 yr.	202,500	
Thomasville Home Furniture	18,615	12/10	2/5 yr.	252,792	
Bed Bath & Beyond	30,000	01/11	4/5 yr.	330,000	
Anamia's Retail	5,058	02/11	2/5 yr.	126,450	
Aaron Brothers Art & Frame	6,500	02/11	2/5 yr.	143,000	
Starbucks	1,830	03/11	2/5 yr.	54,900	
Pearle Vision	3,027	10/12	2/5 yr.	71,437	
Zales	3,587	11/13	3/5 yr.	60,979	
OfficeMax	23,801	01/16	4/5 yr.	261,250	

Bank of America	5,430	12/20	3/5 yr.	190,000
Kohl's	87,423	01/21	6/5 yr.	502,187

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

WAL-MART SUPERCENTER, BLYTHEVILLE, ARKANSAS

On July 21, 2004, we purchased an existing retail store known as Wal-Mart Supercenter, containing 183,211 gross leasable square feet. The store is located at 3700 Highway 18, in Blytheville, Arkansas.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $12,935,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $71 per square foot of leasable space.

We purchased this property with our own funds. On August 31, 2004, we obtained financing in the amount of $7,100,000. The loan requires interest only payments at an annual rate of 4.39% and matures September 2007.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Wal-Mart Supercenter, leases 100% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Current Annual Rent ($)	Base Rent Per Square Foot Per Annum ($)	Renewal Options
Wal-Mart Supercenter	183,211	100	902,422	4.93	6/5 yr.

For federal income tax purposes, the depreciable basis in this property will be approximately $9,701,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

GATEWAY VILLAGE, ANNAPOLIS, MARYLAND

On July 21, 2004, we entered into a joint venture agreement with the current owners of an existing shopping center known as Gateway Village, containing 273,788 gross leasable square feet. The center is located at Housley Road and Defense Highway in Annapolis, Maryland.

We entered into a joint venture agreement with the current owners of this property who are unaffiliated third parties. We made a capital contribution in the amount of $49,513,455 to this joint venture and received an equity interest representing a majority ownership and operating control of this joint venture.

We made our capital contribution to the joint venture with our own funds. On July 21, 2004, we obtained financing in the form of two loans totaling $31,458,000. The first loan requires interest only payments on $27,233,000 at an annual rate of the three month LIBOR Rate and 113 basis points and matures July 2009. The second loan requires interest only payments on $4,225,000 at an annual interest rate of the three month LIBOR Rate and 200 basis points and matures August 2005. Through additional joint ventures, the joint venture partners may acquire additional properties, which would be managed by our joint venture partner.

Three tenants, Safeway, Burlington Coat Factory and Best Buy, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Leas Beginning
Safeway	53,000	19	10.00	06/02
Burlington Coat Factory	68,400	25	6.00	03/99
			6.29	03/04
Best Buy	58,000	21	16.00	04/96
			17.00	05/01
			18.00	05/06

For federal income tax purposes, the depreciable basis in this property will be approximately $37,135,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Gateway Village was built in 1996. As of September 1, 2004, this property was 100% occupied, with a total 273,788 square feet leased to 16 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)
Rugged Wearhouse	9,981	01/05	2/5 yr.	129,753
Big Screen Store	3,525	10/05	2/5 yr.	88,125
Regional Acceptance Corp	2,000	02/06	1/5 yr.	41,524

Career Partners	1,600	02/06	1/5 yr.	36,716
Chesapeake Open MRI	3,000	04/06	1/5 yr.	72,120
Annapolis Hair	6,400	03/07	-	92,383
US Army	2,877	04/07	1/5 yr.	63,294
Standard Carpet	3,975	08/07	1/5 yr.	113,279
Burlington Coat Factory	68,400	02/09	4/5 yr.	430,543
Jenny Craig	3,200	03/09	1/5 yr.	51,200
Best Buy	58,000	04/11	3/5 yr.	986,000
Staples	24,491	08/11	3/5 yr.	404,101
Sakura	4,600	12/11	2/5 yr.	82,800
PETsMART	25,416	01/12	5/5 yr.	419,364
Safeway	53,000	06/22	6/5 yr.	530,000
Beneficial Maryland	3,323	Month To Month	-	63,137

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

TOWSON CIRCLE, TOWSON, MARYLAND

On July 21, 2004, we entered into a joint venture agreement with the current owners of an existing shopping center known as Towson Circle, containing 116,366 gross leasable square feet of which 8,838 is a ground lease. The center is located at York, Dulaney Valley and Joppa Roads, in Towson, Maryland.

We entered into a joint venture agreement with the current owners of this property, who are unaffiliated third parties. We made a capital contribution in the amount of $28,450,000 to this joint venture and received an equity interest representing a majority ownership and operating control of this joint venture.

We made our capital contribution to the joint venture with our own funds. On July 21, 2004, we obtained financing in the form of two loans totaling $19,197,500. The first loan requires interest only payments on $15,647,500 at an annual rate of 5.10% and matures July 2009. The second loan requires interest only payments on $3,550,000 at an annual rate of 3.60% for the first ninety days and thereafter at the three month LIBOR Rate and 200 basis points. The loan matures August 2005. Through additional joint ventures, the joint venture partners may acquire additional properties, which would be managed by our joint venture partner.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Four tenants, Barnes & Noble, Trader Joe's East, Bally Total Fitness and Pier 1 Imports, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

	Approximate	Base Rent Per Square

Lessee	GLA Leased (Sq. Ft.)	% of Total GLA	Foot Per Annum ($)	Lease Ter Beginning
Barnes & Noble	31,222	27	20.42	11/98
Trader Joe's East	11,875	10	*	09/00
Bally Total Fitness	21,713	19	20.50	12/99
			21.50	01/05
			22.50	01/10
Pier 1 Imports	12,252	10	17.06	12/98
			19.62	01/04

* This tenant's lease pays percentage rent only on a monthly basis.

For federal income tax purposes, the depreciable basis in this property will be approximately $21,338,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Towson Circle was built in 1998. As of September 1, 2004, this property was 92% occupied, with a total 106,621 square feet leased to 13 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Re Square Per Ann
Mattress Discounters	2,518	05/05	1/5 yr.	62,950	25.
T-Mobile	1,996	09/05	1/5 yr.	52,346	26.
Hollywood Tanning System	2,087	09/07	1/5 yr.	53,740	25.
Nextel	400	03/08	3/5 yr.	24,720	61.
Sprint PCS	3,128	11/08	-	86,250	27.
Pier 1 Imports	12,252	12/08	2/5 yr.	240,350	19.
Storehouse, Inc.	6,345	09/09	-	155,453	24.
Country Curtains	4,000	07/10	1/5 yr.	80,000	20.
Trader Joe's East	11,875	09/10	2/5 yr.	*	N/
Barnes & Noble	31,222	01/14	3/5 yr.	637,553	20.
Bally Total Fitness	21,713	12/14	2/5 yr.	445,116	20.
ATM Machines	247	04/15	-	5,400	21.
Bahama Breeze Restaurant (Ground Lease)	8,838	09/18	3/5 yr.	238,336	N/

* This tenant's lease pays percentage rent only on a monthly basis.

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

TOLLGATE MARKETPLACE, BEL AIR, MARYLAND

On July 19, 2004, we entered into a joint venture agreement with the current owners of an existing shopping center known as Tollgate Marketplace, containing 392,587 gross leasable square feet. The center is located at Route 24 and Route 1, in Bel Air, Maryland.

We entered into a joint venture agreement with the current owners of this property, who are unaffiliated third parties. We made a capital contribution in the amount of $72,100,000 to this joint venture and received an equity interest representing a majority ownership and operating control of this joint venture.

We made our capital contribution to the joint venture with our own funds. On July 21, 2004, we obtained financing in the amount of $39,765,000. The loan requires interest only payments at an annual rate of 2.80% for the first ninety days and thereafter at the three month LIBOR Rate and 120 basis points. The loan matures July 2009. Through additional joint ventures, the joint venture partners may acquire additional properties, which would be managed by our joint venture partner.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Two tenants, Giant Food and Jo Ann Fabrics, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Giant Food	40,400	10	4.36	11/79	10/09
Jo Ann Fabrics	46,000	12	11.00	07/98	01/09

For federal income tax purposes, the depreciable basis in this property will be approximately $54,225,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Tollgate Marketplace was built in 1979 and renovated in 1994. As of September 1, 2004, this property was 100% occupied, with a total 392,587 square feet leased to 34 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squ Per
Sylvan Learning Center	3,900	06/05	1/5 yr.	75,335	
AT & T Wireless	2,000	09/05	1/5 yr.	63,999	

Carvel Ice Cream	1,250	10/05	1/5 yr.	31,250
Foto Image 1 Hour	1,600	11/05	-	35,200
Outback Steakhouse	6,200	12/05	3/5 yr.	77,000

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Bas Sq Per
Factory Card Outlet	11,500	12/05	2/5 yr.	149,500	
T.J. Maxx	27,769	01/06	-	242,978	
Dubinclipped	1,230	06/06	2/5 yr.	33,495	
Rockway Bedding	3,200	08/06	1/5 yr.	74,400	
Starbucks Coffee	1,200	09/06	2/5 yr.	33,732	
Hollywood Tanning System	3,000	03/07	1/5 yr.	89,115	
Only Nails	1,230	06/07	1/5 yr.	39,147	
Standard Carpet	3,500	07/07	1/5 yr.	92,829	
Rack Room Shoes	6,980	11/07	1/5 yr.	127,385	
JoAnn Fabrics	46,000	01/09	3/5 yr.	506,000	
Red Lobster	8,355	01/09	3/5 yr.	88,563	
Giant Food	40,400	10/09	3/5 yr.	176,341	
Boston Markets	5,200	12/09	-	95,000	
Staples	20,285	12/09	3/5 yr.	303,260	
Pier 1 Imports	9,920	10/10	2/5 yr.	200,681	
Toys "R" Us	30,000	11/10	10/5 yr.	137,499	
TGI Fridays	7,041	12/10	4/5 yr.	151,381	
Petco	12,000	01/11	2/5 yr.	222,000	
The Men's Wearhouse	6,906	02/11	2/5 yr.	151,932	
Joo Dry Cleaners	1,500	03/11	-	31,827	
Sakura	5,380	06/11	2/5 yr.	114,648	
Barnes & Noble Superstores	23,115	01/12	3/5 yr.	369,840	
Michaels	35,000	01/12	3/5 yr.	349,999	
Baja Fresh	3,000	04/12	2/5 yr.	84,000	
First Union Bank	6,050	10/12	2/5 yr.	138,000	
Bassett Furniture	14,144	12/13	2/5 yr.	169,728	
Tollgate Liquors	4,282	04/14	2/5 yr.	51,384	
Pizzeria Uno's	6,360	11/14	4/5 yr.	77,020	
Circuit City	33,090	11/15	4/5 yr.	390,828	

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

DORMAN CENTER, SPARTANBURG, SOUTH CAROLINA

On July 16, 2004, we purchased the second phase of Dorman Center, containing 37,200 gross leasable square feet for approximately $7,082,000. We acquired the first phase of Dorman Center, containing 350,994 gross leaseable square feet on March 4, 2004 for approximately $43,118,000. The center is located at Blackstock Road and W.L. Ezell Road, in Spartanburg, South Carolina.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $50,200,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $123 per square foot of leasable space for Phase I and $190 for per square foot of leasable space for Phase II.

We purchased this property with our own funds. On April 20, 2004, we obtained financing in the amount of $27,610,000. The loan requires interest only payments at an annual rate of 4.18% and matures May 1, 2009.

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We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Wal-Mart Supercenter, leases more than 10% of the combined total gross leasable area of the Phase I and Phase II properties. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Beginning
Wal-Mart Supercenter	219,622	57	7.45	08/03

For federal income tax purposes, the total depreciable basis in this property will be approximately $25,800,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Dorman Center Phase I was built in 2003 and Dorman Center Phase II was newly constructed in 2004. As of September 1, 2004, this property was 94% occupied, with a total 365,394 square feet leased to 23 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)
DORMAN CENTER I				
Happy Nails	2,000	08/06	1/3 yr.	38,000
Pilgrim's Pathway	2,000	09/06	1/3 yr.	32,000
Alltel	2,500	09/06	2/3 yr.	45,000
Payless Shoe Source	2,800	08/08	3/5 yr.	47,600
Your Dollar Store	5,000	08/08	2/5 yr.	77,500
JD's Fashion	3,500	08/08	1/5 yr.	63,000
Lee Jewelers	1,700	09/08	2/5 yr.	33,150
Catherine's	4,000	09/08	3/5 yr.	69,000

Super Tans	2,500	10/08	2/3 yr.	42,500
Pier 1 Imports	10,800	07/13	3/5 yr.	199,800
Michaels	23,885	09/13	4/5 yr.	249,459
McAllister's Deli	4,000	10/13	2/5 yr.	66,000
Moe's Southwestern	3,000	01/14	2/5 yr.	45,000
Linens 'N Things	25,000	01/14	3/5 yr.	252,050
Ross Dress for Less	30,187	01/14	4/5 yr.	332,057
Wal-Mart Supercenter	219,622	08/23	15/5 yr. & 1/4 yr.	1,636,184
DORMAN CENTER II				
American Cash Advance	1,400	04/07	1/3 yr.	24,500
Cingular Wireless	1,600	05/07	2/2 yr.	28,000
Aim Mail Center	1,600	06/09	-	28,000
Sally Beauty Supply	1,400	04/09	2/5 yr.	25,200
Cost Cutters	1,400	05/09	1/5 yr.	25,900
American's Home Place	3,500	06/09	2/3 yr.	57,225
America's Best *	3,000	09/09	1/5 yr.	46,500
Italian Pie *	3,200	07/14	2/5 yr.	52,800
Shoe Carnival	12,000	03/14	2/5 yr.	156,000

* Lease term had not commenced as of September 1, 2004

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

CRANBERRY SQUARE, CRANBERRY TOWNSHIP, PENNSYLVANIA

On July 14, 2004, we purchased an existing shopping center known as Cranberry Square, containing 195,566 gross leasable square feet. The center is located on U.S. Route 19 in Cranberry Township, Pennsylvania.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $20,220,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $103 per square foot of leasable space.

We purchased this property with our own funds. On July 16, 2004, we obtained financing for this property in the amount of $10,900,000. The loan requires interest only payments at an annual rate of 4.975% and matures August 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

All five tenants, Barnes & Noble, Dick's Sporting Goods, Best Buy, OfficeMax and Toys "R" Us, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Beginning
Barnes & Noble	25,200	13	12.50	11/96
			15.00	11/06
Dick's Sporting Goods	50,000	26	10.25	02/97
Best Buy	37,005	19	12.25	11/02
			13.25	02/08
OfficeMax	23,380	12	10.10	10/96
			10.60	10/01
			10.80	10/06
Toys "R" Us	45,000	23	3.78	11/96
			4.16	02/07

For federal income tax purposes, the depreciable basis in this property will be approximately $15,165,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Cranberry Square was built in 1996. As of September 1, 2004, this property was 92% occupied, with a total 180,585 square feet leased to five tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)
OfficeMax	23,380	09/11	3/5 yr.	247,828
Barnes & Noble	25,200	10/11	2/5 yr.	315,000
Toys "R" Us	45,000	01/12	6/5 yr.	170,100
Dick's Sporting Goods	50,000	01/12	3/5 yr.	512,500
Best Buy	37,005	01/13	4/5 yr.	453,311

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

KOHL'S/WILSHIRE PLAZA III, KANSAS CITY, MISSOURI

On July 13, 2004, we funded $5,750,000 which represents a portion of the purchase price of a free standing retail center under construction to be known as Kohl's/Wilshire Plaza III to contain 88,248 gross leasable square feet. The center is located at I-35 and Highway 152 in Kansas City, Missouri.

We are purchasing this property from an unaffiliated third party. Our total acquisition cost will be approximately $9,850,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost will be approximately $112 per square foot of leasable space.

In accordance with the terms of the lease agreement with Kohl's, we will reimburse them for the construction of their retail building in two installments. We will receive a 7% return on the original amount funded of $5,750,000 and construction advances to Kohl's until such time as Kohl's lease commences.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Kohl's, will lease 100% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Beginning
Kohl's	88,248	100	8.37	11/04

For federal income tax purposes, the depreciable basis in this property will be approximately $7,387,500. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

SHOPPES OF DALLAS, DALLAS, GEORGIA

On July 2, 2004, we purchased a newly constructed shopping center known as Shoppes of Dallas, containing 70,610 gross leasable square feet. The center is located at Highway 381 and East Paulding Drive, in Dallas, Georgia.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $13,052,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $185 per square foot of leasable space.

We purchased this property with our own funds. On September 30, 2004, we obtained financing in the amount of $7,178,700. The loan requires interest only payments at an annual rate of 4.96% and matures April 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Publix, leases more than 10% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Beginning
Publix	44,840	64	10.25	03/04

For federal income tax purposes, the depreciable basis in this property will be approximately $9,789,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Shoppes of Dallas was newly constructed in 2004. The property is currently in a leasing up phase and certain tenants have executed leases for retail space within the shopping center. As of September 1, 2004, this property was 81% occupied, with a total of 57,440 square feet leased to 11 tenants. In addition, the seller is funding the shortfall rent for certain tenants until the space is occupied. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squ Per
Creative Tan	1,200	04/07	1/3 yr.	24,000	
Ladies Fitness Express	1,200	04/07	1/3 yr.	19,800	
Verizon	900	04/07	1/3 yr.	15,300	
Evan Blake Salon	1,200	04/07	1/3 yr.	21,000	
Dollar Train	2,100	06/07	1/3 yr.	36,750	
USA Nails	1,200	03/09	2/5 yr.	28,800	
Great Clips	1,200	04/09	2/5 yr.	26,400	
China Fun	1,200	05/09	2/5 yr.	25,200	
Dry Clean USA	1,200	06/09	2/5 yr.	28,800	
Subway	1,200	07/09	2/5 yr.	22,800	
Publix	44,840	03/24	6/5 yr.	459,600	

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

THE SHOPS AT BOARDWALK, KANSAS CITY, MISSOURI

On July 1, 2004, we purchased a newly constructed shopping center known as The Shops at Boardwalk, containing 122,413 gross leasable square feet. The center is located at North Boardwalk Avenue and Ambassador Drive in Kansas City, Missouri.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $36,642,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $299 per square foot of leasable space.

We purchased this property with our own funds. On July 2, 2004, we obtained financing in the amount of $20,150,000. The loan requires interest only payments at an annual rate of 4.13% and matures August 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Borders Books, leases more than 10% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Beginning
Borders Books	19,000	16	13.95	09/02
			14.65	09/08
			15.38	09/13
			16.11	09/18

For federal income tax purposes, the depreciable basis in this property will be approximately $27,500,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

The Shops at Boardwalk was newly constructed during 2003 and 2004. The property is currently in a leasing up phase and certain tenants have executed leases for retail space within the shopping center. In addition, the seller is funding the shortfall rent for certain tenants until the space is occupied. As of September 1, 2004, this property was 70% occupied, with a total of 85,924 square feet leased to twenty tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)
Coldwater Creek *	4,620	Month To Month	2/5 yr.	110,880
Nextel Communications	2,004	05/08	2/5 yr.	54,108
Electronic Boutique	2,195	06/08	1/5 yr.	60,582
Chicos	2,735	07/08	2/5 yr.	68,375

Planet Sub	3,147	07/08	1/3 yr. & 1/2 yr.	84,969
Jos. A. Banks	4,200	08/08	1/5 yr.	92,400
Claire's Boutique	1,200	08/08	1/1 yr.	36,000
Maurices	3,781	08/08	2/3 yr.	94,525
Noggin Noodle	2,390	10/08	1/5 yr.	62,140
Select Comfort	2,158	12/08	1/3 yr. & 1/2 yr.	64,740
Archivers	5,957	01/09	1/5 yr.	119,140

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)
2nd Swing	3,580	04/09	-	93,080
J. Jill	4,040	07/13	-	121,200
Chipolte Mexican Grill	2,801	07/13	2/5 yr.	78,428
Yankee Candle	2,000	07/13	1/5 yr.	50,000
Red Star Tavern	7,200	08/13	2/5 yr.	209,061
Christopher & Banks	3,500	08/13	-	91,000
Kirklands	4,915	01/14	-	108,130
Talbots	4,501	01/16	2/4 yr.	117,026
Borders Books	19,000	01/24	4/5 yr.	265,050

* Renewal negotiations in progress

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

SHOPPES OF PROMINENCE POINT, CANTON, GEORGIA

On June 30, 2004, we purchased a newly constructed shopping center known as Shoppes of Prominence Point, containing 78,058 gross leasable square feet. The center is located at Interstate 575 and State Route 5, in Canton, Georgia.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $18,099,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $232 per square foot of leasable space.

We purchased this property with our own funds. On August 13, 2004, we obtained financing in the amount of $9,954,300. The loan requires interest only payments at an annual rate of 5.235% and matures September 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Publix, leases more than 10% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Beginning
Publix	44,840	51	10.80	03/04

For federal income tax purposes, the depreciable basis in this property will be approximately $13,574,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Shoppes of Prominence Point was newly constructed in 2004. As of September 1, 2004, this property was 89% occupied, with a total of 69,358 square feet leased to 14 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squ Per
World Wireless	1,050	03/07	1/3 yr.	21,000	
World Dollar Store	1,610	04/07	1/3 yr.	30,590	
Curves	1,400	04/07	1/3 yr.	27,300	
Prominence Chiropractic	1,400	05/07	1/3 yr.	26,600	
Oceanside Tanning	1,400	04/08	1/4 yr.	32,200	
Bowen's TaeKwonDo Plus	2,450	04/08	1/4 yr.	47,775	
Blockbuster Video	5,268	01/09	4/5 yr.	92,190	
Holly Nails	1,050	04/09	1/4 yr.	25,200	
Yoon Sushi Restaurant	1,400	05/09	1/5 yr.	25,900	
Great Clips	1,400	05/09	2/5 yr.	30,800	
The UPS Store	1,400	05/09	1/5 yr.	26,600	
Mui Lan Restaurant	2,100	05/09	1/5 yr.	40,950	
Beef O'Brady's	2,590	05/12	1/8 yr.	46,620	
Publix	44,840	03/24	6/5 yr.	484,272	

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

DAVIS TOWNE CROSSING, NORTH RICHLAND HILLS, TEXAS

On June 30, 2004, we purchased a newly constructed shopping center known as Davis Towne Crossing, containing 41,349 gross leasable square feet of which

4,000 is a ground lease. The center is located at Davis Boulevard and Precinct Line Road in North Richland Hills, Texas.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $9,755,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $236 per square foot of leasable space.

We purchased this property with our own funds. On August 9, 2004, we obtained financing in the amount of $5,365,200. The loan requires interest only payments at an annual rate of 5.185% and matures September 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Two tenants, Lady USA Fitness and Cotton Patch Cafe', each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Beginning
Lady USA Fitness	6,000	14	17.00	10/03
Cotton Patch Cafe	4,400	11	20.00	12/03

For federal income tax purposes, the depreciable basis in this property will be approximately $7,316,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Davis Towne Crossing was newly constructed during 2003 and 2004. The property is currently in a leasing up phase and certain tenants have executed leases for retail space within the shopping center. In addition, the seller is funding the shortfall rent for certain tenants until the space is occupied. As of September 1, 2004, this property was 82% occupied with 34,091 square feet leased to 13 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squ Per
H & R Block	2,264	05/07	1/3 yr.	45,280	
The Scrapbook Palace	3,000	10/07	1/2 yr.	57,000	

RadioShack	2,400	08/08	3/5 yr.	48,000
Sport Clips	1,440	08/08	2/5 yr.	28,800
EB Games	1,500	09/08	2/5 yr.	31,500
Luxury Nails	1,400	09/08	1/5 yr.	29,400
Friedman's Jewelers	1,727	10/08	3/3 yr.	32,813
Lady USA Fitness	6,000	10/08	2/5 yr.	102,000
Cotton Patch Cafe	4,400	11/08	1/5 yr.	88,000
The UPS Store	1,360	02/09	1/5 yr.	25,840
Payless Shoes	3,000	07/13	2/5 yr.	54,000
Quiznos Subs	1,600	11/13	1/5 yr.	30,400
Washington Mutual (Ground Lease)	4,000	08/28	4/5 yr.	85,000

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

FULLERTON METROCENTER, FULLERTON, CALIFORNIA

On June 30, 2004, we purchased an existing shopping center known as Fullerton Metrocenter, containing 253,296 gross leasable square feet. The center is located at Harbor Boulevard and Orangethorpe Avenue, in Fullerton, California.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $51,275,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $202 per square foot of leasable space.

We purchased this property with our own funds. On July 9, 2004, we obtained financing in the amount of $28,050,000. The loan requires interest only payments at an annual rate of 5.09% and matures August 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Two tenants, Sportmart and Henry's Marketplace, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Beginning
Sportmart	43,660	18	8.25	10/88
			9.10	11/93
			9.95	11/03

Henry's Marketplace (Wild Oats) *	28,092	12	16.89	09/04

For federal income tax purposes, the depreciable basis in this property will be approximately $38,456,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Fullerton Metrocenter was built in 1988. As of September 1, 2004, this property was 82% occupied, with a total 208,174 square feet leased to 40 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squ Per
H & R Block	5,250	09/04	-	141,816	
Sportmart	43,660	02/06	3/5 yr.	434,334	
La Caffepia	1,245	03/06	-	36,708	
Washington Mutual	1,560	05/06	-	35,604	
Kentucky Fried Chicken	2,304	05/06	-	100,800	
AT & T Wireless Services	2,775	10/06	1/5 yr.	75,980	
Payless Shoes	2,525	10/06	1/5 yr.	49,768	
Jenny Craig	1,900	02/07	-	53,656	
RadioShack	2,050	04/07	1/3 yr.	47,970	
Party America	9,610	05/07	-	128,064	
Adelphia Communications	1,515	06/07	1/5 yr.	41,465	
Quizno's Subs	1,400	08/07	1/5 yr.	40,460	
Brite Dental	2,250	08/07	2/5 yr.	43,920	
Lilacs Flowers and Gifts	1,200	11/07	1/5 yr.	36,408	
GameStop	1,550	12/07	-	36,900	
Ruby's Diner	3,592	02/08	-	106,320	
Pop's Unfinished Furniture	6,650	04/08	2/5 yr.	101,745	
Burger King (Ground Lease)	2,874	04/08	2/5 yr.	130,968	
Wherehouse Entertainment	6,350	06/08	2/5 yr.	99,920	
GMP Vitamin	1,020	07/08		30,681	
Beneficial Finance	1,775	10/08	-	49,956	
Fantastic Sams	1,170	11/08	-	34,728	
Beauty Avenue	5,400	11/08	-	110,808	
Jewelry Mart	7,000	12/08	1/5 yr.	273,432	
Tilly's	6,040	12/08	1/5 yr.	132,276	
Sylvan Learning Center	3,648	05/09	-	71,646	
Miry Collection	4,350	05/09	-	109,260	
Vans	1,650	06/09	-	46,348	
Super Mex Restaurants	5,500	10/09	-	155,556	
Kim Sun Young Salon	1,280	10/09	-	36,732	
Metro Dry Cleaning	1,950	11/09	1/5 yr.	52,332	
Tip Top Nails	900	01/10	1/5 yr.	36,468	
Matsunoya	2,900	06/10	-	75,132	
Baskins-Robbins	1,275	10/10	1/5 yr.	38,052	

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squ Per
China Buffet	10,828	06/11	-	184,617	
First Bank and Trust	21,600	02/13	2/5 yr.	201,256	
Orange County Credit Union	4,000	12/13	1/5 yr.	81,600	
Big Island BBQ	1,090	03/14	1/5 yr.	31,392	
Avenue	5,300	01/15	2/5 yr.	104,256	
PETsMART	19,238	03/19	3/5 yr.	278,544	
Henry's Marketplace (Wild Oats) *	28,092	08/19		474,474	

* Lease had not commenced as of September 1, 2004.

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

LOW COUNTRY VILLAGE SHOPPING CENTER, BLUFFTON, SOUTH CAROLINA

On June 30, 2004, we purchased a newly constructed shopping center known as Low Country Village Shopping Center, containing 76,376 gross leasable square feet (Phase I). We signed an agreement, subject to conditions, to purchase an additional 63,460 gross leasable square feet (Phase II) of construction estimated to be completed in 2004 for approximately $10,542,800. The center is located at Highway 278 and Foreman Hill Road in Bluffton, South Carolina.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $9,758,840 for Phase I. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $127 per square foot of leasable space for Phase I and $166 per square foot of leasable space for Phase II.

We purchased Phase I and intend to purchase Phase II with our own funds. On October 6, 2004, we obtained financing in the amount of $5,370,000. The loan requires interest only payments at an annual rate of 4.96% and matures October 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, Ross Dress for Less, Michaels and PETsMART, lease more than 10% of the total gross leasable area of the Phase I property. The lease term will be determined in accordance with the tenant's commencement date. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Beginning

Ross Dress for Less	30,131	39	9.75 10.25	05/04 05/09
Michaels	21,360	28	9.75	02/04
PETsMART	19,107	25	12.95 13.95 14.95	02/04 02/09 02/14

For federal income tax purposes, the depreciable basis in this property will be approximately $15,750,000 for Phase I. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Low Country Village Shopping Center is newly constructed in 2004. As of September 1, 2004, Phase I was 92% occupied, with a total of 70,598 square feet leased to three tenants. The property is currently in a leasing up phase for Phase II and certain tenants have executed lease for retail space within the shopping center. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squ Per
PHASE I					
Michaels	21,360	02/14	4/5 yr.	208,260	
Ross Dress for Less	30,131	04/14	4/5 yr.	293,777	
PETsMART	19,107	01/19	3/5 yr.	247,436	
PHASE II					
Linens 'N Things*	25,080	07/14		244,530	
Cost Plus World Market*	18,300	01/15		215,025	

* Lease renewal option information is not currently available

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

NORTHGATE NORTH, SEATTLE, WASHINGTON

On June 30, 2004, we purchased a newly constructed shopping center known as Northgate North, containing 302,095 gross leasable square feet. The center is located at 302 Northeast Northgate Way in Seattle, Washington.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $48,455,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $160 per square foot of leasable space.

We purchased this property with our own funds. On July 14, 2004, we obtained financing in the amount of $26,650,000. The loan requires interest only payments at an annual rate of 4.60% and matures July 2008.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Two tenants, Target and Best Buy, each leases more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Beginning
Target	147,582	49	4.34	01/01
Best Buy	51,202	17	25.00	10/00
			27.00	02/06
			29.00	02/11
			31.00	02/16

For federal income tax purposes, the depreciable basis in this property will be approximately $36,341,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Northgate North was constructed between 2000 and 2003. As of September 1, 2004, this property was 93% occupied, with a total 281,595 square feet leased to seven tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squ Per
Qwest Wireless	1,950	12/07	2/5 yr.	40,000	
Quizno's	1,315	07/12	2/5 yr.	41,856	
Olive Garden	7,930	10/12	4/5 yr.	205,000	
Ross Dress for Less	25,278	01/14	4/5 yr.	391,809	
G.I. Joe's (Storage)	1,968	05/18	4/5 yr.	11,808	
G.I. Joe's	44,370	05/18	4/5 yr.	532,440	
Best Buy	51,202	01/21	4/5 yr.	1,280,060	

Target	147,582	12/26	5/5 yr.	640,000

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

PACHECO PASS SHOPPING CENTER, GILROY, CALIFORNIA

We anticipate purchasing a portion of a newly constructed shopping center known as Pacheco Pass Shopping Center, containing 99,356 gross leasable square feet (which includes 11,810 square feet of ground lease space). The center is located at Camino Arroyo and State Highway 152 in Gilroy, California.

On June 30, 2004, we funded the initial installment of a $22,000,000 first mortgage in the amount of $15,332,906. The remainder of $6,667,094 is expected to be funded in the fourth quarter of 2004. The interest rate of this first mortgage is 6.9933% and it matures on July 15, 2005. We anticipate purchasing the center when the mortgage matures for approximately $24,400,000. We will use the principal under this mortgage towards our purchase price.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Two tenants, Best Buy and Linens 'N Things, will lease more than 10% of the total gross leasable area of the property. The lease term will be determined in accordance with the tenant's commencement date. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Beginning
Best Buy	30,000	30	13.91	11/03
Linens 'N Things	27,984	28	13.50	03/04

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For federal income tax purposes, the depreciable basis in this property will be approximately $18,300,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Pacheco Pass Shopping Center was newly constructed in 2004. As of September 1, 2004, the property is currently in a leasing up phase and certain tenants have executed lease for retail space within the shopping center. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Current Annual Rent ($)	Base Rent Per Square Foot Per Annum ($)
Nextel Communications	1,500	12/10	54,000	36.00
Electronics Boutique	1,500	11/13	52,500	35.00
The Sleep Train	4,550	11/13	111,475	24.50
Best Buy	30,000	01/14	417,240	13.91
Cold Stone Creamery	1,200	01/14	38,880	32.40
Jamba Juice	1,500	01/14	50,400	33.60
Subway	1,500	01/14	54,000	36.00
Sip n' Hot	1,650	01/14	56,925	34.50
Maui Taco	2,528	06/14	87,216	34.50
Monterey Spa & Stove	4,612	07/14	103,770	22.50
Linens 'N Things	27,984	01/15	377,784	13.50
Bank of America (Ground Lease)	N/A	01/24	120,000	N/A
Chili's (Ground Lease)	N/A	04/14	100,000	N/A

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

LAKEWOOD TOWNE CENTER, LAKEWOOD, WASHINGTON

On June 25, 2004, we purchased an existing shopping center known as Lakewood Towne Center, containing 578,863 gross leasable square feet. The center is located at Gravelly Lake Drive and 100th Street, in Lakewood, Washington.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $81,100,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $140 per square foot of leasable space.

We purchased this property with our own funds. On June 30,2004, we obtained financing in the form of two loans totaling $51,260,000. The first loan requires interest only payments on $44,000,000 at an annual rate of 2.68% for the first ninety days and thereafter at the three month LIBOR Rate. This loan matures June 2009. The second loan requires interest only payments on $7,260,000 at an annual rate of 3.83% for the first ninety days and thereafter at the LIBOR Rate. This loan matures July 2005.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Two tenants, Gottschalk's and Burlington Coat Factory, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Gottschalk's	119,256	21	3.35	03/92	02/12
Burlington Coat Factory	70,533	12	5.50	08/03	08/08
			5.75	09/08	08/13

For federal income tax purposes, the depreciable basis in this property will be approximately $60,825,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Lakewood Towne Center was rebuilt in 2002 and 2003. As of September 1, 2004, this property was 94% occupied, with a total 546,713 square feet leased to 25 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)
Rent-A-Center	4,275	05/05	2/5 yr.	47,025
Catherine P.S. Plus	4,507	07/05	-	63,098
Pierce Transit	4,200	07/06	-	42,000
Merino's Fine Custom	1,095	09/06	1/5 yr.	21,900
Old Country Buffet	9,500	12/06	2/5 yr.	118,750
Old Navy	16,172	01/08	2/5 yr.	177,892
Famous Footwear	8,355	10/08	2/5 yr.	125,325
Wells Fargo Financial	1,750	11/09	-	18,812
Lowes Cineplex	48,229	11/11	*	517,014
Barnes & Noble	23,104	01/12	2/5 yr.	317,680
Michaels	24,035	02/12	3/5 yr.	288,420
Gottschalk's	119,256	02/12	-	400,000
Bed Bath & Beyond	30,530	01/13	3/5 yr.	381,625
The Dollar Store	15,564	01/13	1/5 yr.	210,114
Ross Dress for Less	30,151	01/13	4/5 yr.	354,274
Lakewood Dialysis	9,450	03/13	2/5 yr.	135,418
Burlington Coat Factory	70,533	08/13	3/5 yr.	387,932
Office Depot	18,000	09/13	4/5 yr.	265,500
La Palma Restaurant	5,120	01/14	2/5 yr.	51,200
Pier 1 Imports	11,142	02/14	2/5 yr.	191,531
Matherhood Maternity	1,750	05/14	-	42,875
Avenue	5,682	01/16	3/5 yr.	88,469
24 Hour Fitness	20,219	12/16	2/5 yr.	279,022
G.I. Joes	45,005	11/17	4/5 yr.	540,060
PETsMART	19,089	01/19	4/5 yr.	209,979

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

JOHN'S CREEK VILLAGE, DULUTH, GEORGIA

On June 23, 2004, we purchased a newly constructed shopping center known as John's Creek Village, containing 191,752 gross leasable square feet (which includes 10,555 square feet of ground lease space). The center is located at 11720 Medlock Bridge Road, in Duluth, Georgia.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $42,503,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $222 per square foot of leasable space.

We purchased this property with our own funds. On July 2, 2004, we obtained financing in the amount of $23,300,000. The loan requires interest only payments at an annual rate of 5.10% and matures August 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, LA Fitness, Ross Dress For Less and T.J. Maxx, will lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
LA Fitness	41,000	21	17.00	12/03	12/14
			CPI	01/15	04/19
Ross Dress for Less	30,187	16	10.75	05/04	01/15
T.J. Maxx	30,000	16	8.95	09/03	09/13

For federal income tax purposes, the depreciable basis in this property will be approximately $31,877,200. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

John's Creek Village was newly constructed in 2003 and 2004. The property is currently leasing up the remaining vacancies and certain tenants have executed leases for retail space within the shopping center. As of September 1, 2004, this property was 71% occupied with a total 136,782 square feet leased to 16 tenants and two ground lease tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Ren Square Per Annu
Nextel Communications	1,640	11/08	2/5 yr.	46,740	28.
American Mattress	6,500	11/08	1/5 yr.	100,750	15.
Electronics Boutique	1,200	01/09	2/5 yr.	36,000	30.
State Farm Insurance	1,700	01/09	1/5 yr.	45,050	26.
T-Mobile	1,500	02/09	1/5 yr.	51,000	34.

Cold Stone Creamery	1,360	02/09	2/5 yr.	39,440	29.
Portrait Innovations	2,375	05/09	-	64,125	27.
Hollywood Video *	5,020	06/09		124,245	24.
Hibbett Sporting Goods *	5,000	10/09		72,750	14.
T.J. Maxx	30,000	09/13	4/5 yr.	268,500	8.
Dry Cleaners	1,700	12/13	2/5 yr.	47,600	28.
Chipolte Mexican Grill	3,000	12/13	3/5 yr.	93,000	31.
Starbucks	1,665	02/14	4/5 yr.	56,527	33.
Ross Dress for Less	30,187	01/15	4/5 yr.	324,510	10.
Doctor's Visionworks	2,400	03/14	2/5 yr.	64,800	27.
LA Fitness	41,000	04/23	3/5 yr.	697,000	17.
Chili's (Ground Lease)	5,555	05/14	4/5 yr.	100,000	N
IHOP (Ground Lease)	5,000	12/23	4/5 yr.	85,000	N

* As of September 1, 2004, the tenants have not occupied their space.

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

HUEBNER OAKS CENTER, SAN ANTONIO, TEXAS

On June 8, 2004, we purchased an existing shopping center known as Huebner Oaks Center, containing 286,684 gross leasable square feet (which includes 8,036 square feet of ground lease space). The center is located at I-10 and Huebner Road, in San Antonio, Texas.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $79,721,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $278 per square foot of leasable space.

We purchased this property with our own funds. On June 22, 2004, we obtained financing in the form of two loans totaling $48,000,000. The first loan requires interest only payments on $31,723,000 at an annual rate of 4.20% and matures July 2010. The second loan requires interest only payments on $16,277,000 at an annual rate of 3.96% and matures July 2010.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Bed, Bath & Beyond, leases more than 10% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Bed, Bath & Beyond	35,009	12	9.65	03/97	03/02
			10.62	04/02	03/07
			11.68	04/07	01/08

For federal income tax purposes, the depreciable basis in this property will be approximately $60,006,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Huebner Oaks Center was built between 1997 and 1998. As of September 1, 2004, this property was 97% occupied, with a total 279,461 square feet leased to 54 tenants and one ground lease tenant. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)
Yankee Candle	2,028	02/05	1/5 yr.	54,756
Mattress Firm	2,942	05/05	-	64,724
Compass ATM	60	07/05	1/2 yr.	20,000
AAA Texas	3,682	11/05	1/5 yr.	77,322
Marble Slab	1,542	12/05	1/3 yr. & 1/5 yr.	37,008
Kinko's	4,760	02/06	3/5 yr.	92,249
EB Game World	1,160	08/06	-	32,480
Pier 1 Imports	8,990	02/07	3/5 yr.	182,137
Old Navy	14,000	03/07	1/5 yr.	196,000
Shoes 4 Kids	1,000	02/07	1/3 yr.	26,500
La Madeleine	4,200	03/07	2/5 yr.	86,100
Moon Mippy	930	04/07	1/4 yr.	26,040
Club Humidor	2,254	06/07	-	54,096
Cingular Wireless	2,502	06/07	-	60,048
All Ashore Sportswear	1,264	07/07	-	27,808

Pearle Vision	2,721	07/07	2/5 yr.	68,025
Beauty First	3,681	09/07	1/5 yr.	77,301
Verizon Wireless	1,803	10/07	1/5 yr.	45,075
Oreck Homecare	1,103	10/07	1/5 yr.	24,266
Bed, Bath & Beyond	35,009	01/08	2/5 yr.	371,796
Frankly Fake Copy	854	01/08	1/5 yr.	23,912
Ross Dress for Less	28,200	01/08	5/5 yr.	267,900
Men's Wearhouse	4,500	02/08	2/5 yr.	88,020
Fire Wok	2,500	03/08	1/5 yr.	52,500
Ride Away Bicycles	3,917	04/08	-	58,755
Claire's Boutique	1,200	08/08	-	33,600
Sports Clips	1,057	09/08	-	26,425
Gap Kids	8,500	09/08	1/5 yr.	180,540
Victoria's Secret	4,500	09/08	-	94,500
Bath & Body Works	2,500	09/08	-	58,750
Lane Bryant	4,500	09/08	-	94,500
Banana Republic	5,964	09/08	1/5 yr.	114,807
California Pizza Kitchen	4,301	10/08	2/5 yr.	118,708
GNC	1,155	10/08	-	28,875
Hallmark Creations	6,416	10/08	2/5 yr.	130,566
Barbeques Galore	4,498	11/08	2/5 yr.	124,145
Abercrombie & Fitch	6,766	11/08	-	135,320
Casual Male Big & Tall	3,914	12/08	-	90,022
Eddie Bauer	6,384	01/09	-	193,691
Gymboree	1,925	01/09	-	46,200
Ann Taylor	4,500	01/09	-	131,175
Starbucks	1,690	02/09	2/5 yr.	38,870

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Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)
Steak Escape	1,663	03/09	1/5 yr.	39,912
Cactus Low Carb Superstore	2,083	05/09	1/5 yr.	33,328
Brighton	1,498	06/09	-	41,285
Inksell.com	1,000	07/09	1/5 yr.	30,000
Ben Adams Jewelers	2,233	11/09	-	55,825
Bombay Company	4,500	12/09	-	121,500
Talbots	6,314	01/11	1/3 yr.	164,164
Chico's	3,060	07/11	2/5 yr.	107,100
Macaroni Grill	7,846	08/12	2/5 yr.	107,000
American Eagle	5,800	01/14	-	168,200
Chipotle Mexican Grill	2,556	03/14	2/5 yr.	69,012
Borders Books	27,500	01/18	5/5 yr.	411,670
Saltgrass Restaurant (Ground Lease)	8,036	06/07	4/5 yr.	105,000

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

PINE RIDGE PLAZA, LAWRENCE, KANSAS

On June 7, 2004, we purchased an existing shopping center known as Pine Ridge Plaza, containing 230,510 gross leasable square feet (which includes 84,676 square feet of ground lease space). The center is located at 3106 - 3140 Iowa Street, in Lawrence, Kansas.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $26,982,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $117 per square foot of leasable space.

We purchased this property with our own funds. On July 27, 2004, we obtained financing in the amount of $14,700,000. The loan requires interest only payments at an annual rate of 5.085% and matures August 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, Kohl's, T.J. Maxx and Bed, Bath & Beyond, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Kohl's *	80,654	35	N/A	03/98	01/19
T.J. Maxx	25,420	11	8.50	04/04	03/09
			9.00	04/09	03/14
Bed, Bath & Beyond	24,000	10	10.00	12/03	01/14

* Ground lease

For federal income tax purposes, the depreciable basis in this property will be approximately $20,236,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Pine Ridge Plaza was redeveloped from 1998 through 2004 and the inline strip center portion of the property was completed in 2001. As of September 1, 2004, this property was 100% occupied, with a total 230,510 square feet leased to fourteen tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A
Old Navy	22,000	07/06	2/5 yr.	220,000	
Deals	9,862	08/07	2/5 yr.	128,206	
Electronic Boutique	2,190	03/08	2/5 yr.	41,063	

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A
Sports Clips	2,190	05/08	1/5 yr.	31,317	
Famous Footwear	12,000	05/11	3/5 yr.	180,000	
Bath & Body Works	2,500	01/12	2/5 yr.	37,500	
Hurst Diamonds	1,375	01/12	1/5 yr.	24,750	
Jason's Deli	5,000	02/12	3/5 yr.	90,000	
Bed, Bath & Beyond	24,000	01/14	3/5 yr.	240,000	
Michaels	21,000	02/14	4/5 yr.	201,495	
T.J. Maxx	25,420	03/14	4/5 yr.	216,070	
Cost Plus World Market	18,297	01/15	3/5 yr.	247,010	
Kohl's (Ground Lease)	80,654	01/19	6/5 yr.	360,000	
IHOP (Ground Lease)	4,022	11/19	3/5 yr.	55,000	

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

ECKERD DRUG STORES

On June 3, 2004, we purchased the following four separate existing freestanding retail properties built between 2003 and 2004 known as Eckerd Drug Stores, containing a total of 54,912 gross leasable square feet.

Location	Square Feet	Lease Term	Purchase Pric
1100 W. Hampton Boulevard Greer, South Carolina	13,824	06/03/04 - 06/02/24	3,069,000
2041 S. Croatan Highway Kill Devil Hills, North Carolina	13,824	06/03/04 - 06/02/24	3,650,000
Broad River and Kennerly Columbia, South Carolina	13,440	06/03/04 - 06/02/24	3,260,000
1106 Main Street Crossville, Tennessee	13,824	06/03/04 - 06/02/24	2,625,000

We purchased the four Eckerd Drug Stores from Eckerd, an unaffiliated third party. Our total acquisition cost, including expenses, was approximately $12,604,000. This amount may increase by additional costs which have not yet been finally

determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $230 per square foot of leasable space.

We purchased these properties with our own funds. On July 21, 2004, we obtained financing in the form of four loans totaling $6,800,000. The loans on each property are as follows: Eckerd Drug Store in Greer, South Carolina requires interest only payments on $1,650,000; Eckerd Drug Store in Kill Devil Hills, North Carolina requires interest only payments on $1,975,000; Eckerd Drug Store in Columbia, South Carolina requires interest only payments on $1,750,000; and Eckerd Drug Store in Crossville, Tennessee requires interest only payments on $1,425,000. The interest rate on all the properties' loans is 5.275% and all the properties' loans mature August 2009.

In evaluating these properties as potential acquisitions and determining the appropriate amount of consideration to be paid for the properties, we considered a variety of factors including location, demographics, quality of tenant, length of lease, price per square foot, occupancy and the fact that overall rental rate at the property is comparable to market rates. We believe that each of these properties is well located, has acceptable roadway access and is well maintained. These properties will be subject to competition from similar properties within their market area, and economic performance could be affected by changes in local economic conditions. We did not consider any other factors materially relevant to the decision to acquire these properties.

One tenant, Eckerd Drug Store, leases 100% of the total gross leasable area of each property. The leases with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee/ Location	Approximate GLA Leased (Sq. Ft.)	% of Total GLA of each Property	Current Annual Rent ($)	Renewal Options	Base Ren Square Fo Annum
1100 W. Hampton Blvd. Greer, SC	13,824	100	254,727	4/5 yr.	18.4
2041 S. Croatan Hwy. Kill Devil Hills, NC	13,824	100	302,950	4/5 yr.	21.9
Broad River and Kennerly Columbia, SC	13,440	100	270,580	4/5 yr.	20.1
1106 Main Street Crossville, TN	13,824	100	217,875	4/5 yr.	15.7

For federal income tax purposes, the depreciable basis in these properties will be approximately $9,453,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

PLAZA SANTA FE, PHASE II, SANTA FE, NEW MEXICO

On June 1, 2004, we purchased an existing shopping center known as Plaza Santa Fe, Phase II, containing 222,389 gross leasable square feet. The center is located at Cerrilos Road and Zafarano Boulevard in Santa Fe, New Mexico.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $31,020,600. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $139 per square foot of leasable space.

We purchased this property with our own funds and by assuming the existing mortgage debt on the property. The outstanding balance on the mortgage debt at the date of acquisition was $17,551,721. This loan requires monthly principal

and interest payments based on a fixed interest rate of 6.2% per annum and cannot be prepaid prior to January 2005. The loan matures on December 1, 2012.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, Best Buy, Linens 'N Things and T.J. Maxx, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Best Buy	31,226	14	13.50	09/01	01/09
			14.00	02/09	01/17
Linens 'N Things	31,500	14	13.50	11/00	01/06
			14.85	02/06	01/11
			16.34	02/11	01/16
T.J. Maxx	30,900	14	10.50	11/00	11/10

For federal income tax purposes, the depreciable basis in this property will be approximately $23,300,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Plaza Santa Fe Phase II was built between 2000 to 2002. As of September 1, 2004, this property was 98% occupied, with a total 217,329 square feet leased to 20 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A
State Farm Insurance	1,250	02/05	2/3 yr.	27,500	
Old Navy	20,115	11/06	2/5 yr.	251,438	
H & R Block	1,900	10/07	1/5 yr.	37,050	
Corral West	7,556	10/07	1/5 yr.	75,560	
Cactus Salon	1,250	01/08	1/5 yr.	30,000	
French & French	3,038	11/08	1/7 yr.	69,874	
Alltel	3,932	12/08	2/5 yr.	112,612	
T.J. Maxx	30,900	11/10	3/5 yr.	324,450	
Michael's	20,280	03/11	3/5 yr.	253,500	
D & A Mattress	4,710	05/11	2/5 yr.	89,490	
Famous Footwear	8,000	01/12	2/5 yr.	136,000	
Super Nails	1,000	05/12	1/5 yr.	30,000	
Quizno's	1,900	08/12	1/5 yr.	37,715	
Osaka Grill	6,000	09/12	2/5 yr.	150,000	
Payless Shoe Source	2,850	09/13	2/5 yr.	57,000	

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A
Mens Wearhouse	4,505	02/15	1/5 yr.	83,343	
Linens 'N Things	31,500	01/16	3/5 yr.	425,250	
Best Buy	31,226	01/17	2/5 yr.	421,551	
PETsMART	20,010	01/17	3/5 yr.	284,742	
Borders	15,407	01/18	5/5 yr.	234,957	

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

NORTHPOINTE PLAZA, SPOKANE, WASHINGTON

On May 28, 2004, we purchased an existing shopping center known as Northpointe Plaza, containing 377,924 gross leasable square feet (which includes of 18,719 square feet of ground lease space). The center is located at 10100 N. Newport Highway in Spokane, Washington.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $48,500,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $128 per square foot of leasable space.

We purchased this property with our own funds. On June 4, 2004, we obtained financing in the amount of $30,850,000. The loan requires interest only payments at an annual rate of 4.272% and matures May 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, Safeway, Best Buy and Gart Sports, each leases more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Safeway	47,000	12	7.09	11/90	10/95
			7.43	11/95	11/95
			7.44	12/95	10/00
			7.80	11/00	11/00
Safeway (continued)					
			7.82	12/00	10/05
			8.19	11/05	11/05
			8.21	12/05	11/10
Best Buy	45,000	12	7.56	10/01	01/07
			8.12	02/07	01/12
			8.71	02/12	01/17
Gart Sports	45,658	12	9.95	10/97	08/98
			10.56	09/98	10/02
			11.56	11/02	10/07
			12.66	11/07	01/13

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For federal income tax purposes, the depreciable basis in this property will be approximately $36,375,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Northpointe Plaza was built between 1991 to 1993. As of September 1, 2004, this property was 99% occupied, with a total 374,807 square feet leased to 27 tenants and four ground lease tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A

RadioShack	2,764	08/05	-	34,550
Payless Shoes	2,992	11/05	1/5 yr.	52,659
T.J. Maxx	24,894	01/06	2/5 yr.	186,705
Sally Beauty Supplies	1,778	03/06	2/5 yr.	22,401
Corral West	7,560	03/06	1/5 yr.	64,260
Great Clips	1,600	05/06	-	27,920
Mother Cupboard	1,600	05/06	1/5 yr.	26,400
Washington Mutual	4,500	06/06	2/5 yr.	82,404
Fashion Bug	9,000	01/07	3/5 yr.	81,000
Pier 1 Imports	10,000	06/07	2/5 yr.	148,200
Foxy Nails	1,840	10/07	1/5 yr.	31,284
Payday Plus	1,250	06/08	1/5 yr.	26,400
Mark Webb	1,500	01/09	-	25,500
America's Best	4,500	03/09	-	72,000
Hollywood Video	7,500	08/09	-	141,450
Safeway	47,000	11/10	7/5 yr.	367,386
Safeway Gas Bar (Ground Lease)	4,000	01/11	7/5 yr.	98,000
Bath & Body Works	2,363	01/11	2/5 yr.	42,888
Marks Hallmark	5,026	01/11	-	75,390
Mail Boxes, Etc	1,600	07/11	-	27,200
Red Robin Restaurant (Ground Lease)	6,469	11/11	4/5 yr.	87,808
Taco Bell (Ground Lease)	3,000	05/12	4/5 yr.	54,996
Gart Sports	45,658	01/13	2/5 yr.	527,592
Old Country Buffet	10,172	01/13	2/5 yr.	140,373
Azteca Restaurant	5,275	04/13	2/5 yr.	87,860
Staples	25,356	07/13	3/5 yr.	305,793
PETsMART	26,175	08/13	4/5 yr.	376,396
Linens 'N Things	36,554	09/15	3/5 yr.	448,517
Best Buy	45,000	01/17	3/5 yr.	340,000
Borders	22,631	01/18	5/5 yr.	178,785
Applebees (Ground Lease)	5,250	12/27	4/5 yr.	66,999

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

WATAUGA PAVILION, WATAUGA, TEXAS

On May 21, 2004, we purchased a newly constructed shopping center known as Watauga Pavilion, containing 205,740 gross leasable square feet. The center is located at 7600-7620 Denton Highway in Watauga, Texas.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $35,669,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $173 per square foot of leasable space.

We purchased this property with our own funds. On June 7, 2004, we obtained financing in the amount of $19,617,000. The loan requires interest only payments at an annual rate of 4.140% and matures June 2010.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, Oshman's Sporting Goods, Ross Dress for Less and Bed, Bath & Beyond, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Beginning	Term To
Oshman's Sporting Goods	32,630	16	10.60	03/04	01/10
			11.00	02/10	01/15
Ross Dress for Less	30,187	15	9.25	05/04	05/09
			9.50	06/09	01/15
Bed, Bath & Beyond	24,272	12	7.50	01/04	01/14

For federal income tax purposes, the depreciable basis in this property will be approximately $26,800,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Watauga Pavilion was built during 2003 to 2004. As of September 1, 2004, this property was 93% occupied, with a total 192,155 square feet leased to 14 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)
Cool Cuts 4 Kids	1,210	10/08	1/5 yr.	25,410
Sprint Spectrum	2,738	12/08	2/5 yr.	60,236

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)

EB Games	1,500	12/08	2/5 yr.	34,500
Mattress Giant	5,000	01/09	2/5 yr.	110,000
Beauty Brands	6,260	02/09	1/5 yr.	138,600
Half Price Books	9,663	01/14	2/5 yr.	115,956
Bed, Bath & Beyond	24,272	01/14	3/5 yr.	182,040
Pier 1 Imports	9,373	02/14	2/5 yr.	161,491
Office Depot	20,000	04/14	3/5 yr.	260,832
Party City	12,000	01/15	3/5 yr.	159,000
Ross Dress for Less	30,130	01/15	5/5 yr.	278,703
Oshman's Sporting Goods	32,630	01/15	3/5 yr.	345,912
Cost Plus World Market	17,999	01/15	3/5 yr.	238,487
PETsMART	19,380	03/19	3/5 yr.	201,552

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

EASTWOOD TOWNE CENTER, LANSING, MICHIGAN

On May 13, 2004, we purchased an existing shopping center known as Eastwood Towne Center, containing 326,981 gross leasable square feet (which consists of 24,110 square feet of ground lease space). The center is located at 3003 Preyde Boulevard in Lansing, Michigan.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $85,000,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $260 per square foot of leasable space.

We purchased this property with our own funds. On June 23, 2004, we obtained financing in the amount of $46,750,000. The loan requies interest only payments at an annual rate of 4.64% and matures July 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Dick's Sporting Goods, leases more than 10% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Dick's Sporting Goods	45,000	13	0	09/02	06/04
			8.00	07/04	01/08
			8.50	02/08	01/13
			9.00	02/13	01/18

For federal income tax purposes, the depreciable basis in this property will be approximately $63,750,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Eastwood Towne Center was built in 2002. As of September 1, 2004, this property was 99% occupied, with a total 324,020 square feet leased to 60 tenants. The following table sets forth certain information with respect to those leases:

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Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)
State Employee Credit Union	2,120	09/07	2/5 yr.	74,200
Panchero's	2,409	09/07	2/5 yr.	52,998
Claire's	1,200	09/07	1/5 yr.	38,400
Sprint PCS	1,089	09/07	1/5 yr.	43,560
Fabiano's Candies	1,090	09/07	1/5 yr.	27,250
Electronics Boutique	1,148	09/07	2/3 yr.	45,920
Hallmark	4,500	02/08	2/5 yr.	94,500
Star Image Photography	825	07/08	3/5 yr.	28,875
LA Weight Loss	1,100	04/09	-	22,000
See Optics	1,200	09/09	1/5 yr.	42,000
Banana Republic	7,000	09/10	1/4 yr. & 1/3 yr.	105,000
The Gap	7,526	09/10	1/4 yr. & 1/3 yr.	120,416
Maggie Moo's	1,105	10/10	2/5 yr.	44,200
Beauty First	3,388	10/10	1/7 yr.	84,700
Pier 1 Imports	10,002	06/12	2/5 yr.	200,040
Limited Too	3,980	09/12	1/5 yr.	91,540
Old Thyme Herbs	1,000	09/12	2/5 yr.	38,000
Mall Office	1,000	09/12	-	20,000
Ritz Camera	1,500	09/12	2/5 yr.	37,500
Johnny Rockets	2,592	09/12	4/5 yr.	85,536
Oneida	4,000	09/12	1/5 yr.	90,000
Claddagh Pub	5,987	09/12	2/5 yr.	137,701
Forever 21	6,838	09/12	2/5 yr.	143,598
Casual Corner	6,019	09/12	1/5 yr.	150,475
Subway	1,729	10/12	2/5 yr.	56,192
Treehouse Toys	4,716	10/12	2/5 yr.	113,184
Mitchell's Fish Market	7,264	11/12	2/5 yr.	183,416
Coldwater Creek	6,000	11/12	2/5 yr.	150,000
J. Crew	6,000	01/13	1/5 yr.	144,000
Guess	5,000	01/13	-	125,000
White House Black Market	1,850	01/13	2/5 yr.	61,050
Express	8,000	01/13	2/5 yr.	192,000
Victoria's Secret	6,500	01/13	2/5 yr.	156,000
DSW Shoe Warehouse	25,000	01/13	4/5 yr.	300,000
Jos A. Banks	4,500	01/13	1/5 yr.	121,500
American Eagle	5,400	01/13	2/5 yr.	129,600
Ann Taylor Loft	5,280	01/13	2/5 yr.	132,000
Bath & Body Works	3,360	01/13	2/5 yr.	80,640
Yankee Candle	2,500	01/13	2/5 yr.	75,000
The Children's Place	4,526	01/13	2/5 yr.	117,676

Aeropostal	3,600	01/13	1/5 yr.	86,400
Starbuck's	1,440	02/13	4/5 yr.	50,400
Lane Bryant	5,390	02/13	2/5 yr.	140,140
McAlister's Deli	3,311	02/13	2/5 yr.	79,464
Christopher & Banks	3,000	03/13	2/5 yr.	105,000
Venetian Nails	1,376	04/13	2/5 yr.	48,160

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)
April Cornell	2,250	05/13	2/5 yr.	76,500
Mother's Work	2,685	06/13	2/5 yr.	93,975
Capitol Fur	1,100	10/13	2/5 yr.	28,600
Hampton Jewelers	2,163	10/13	2/5 yr.	43,260
Talbots	4,800	01/14	2/5 yr.	112,800
Wlliams-Sonoma	5,500	01/15	-	121,000
Pottery Barn	10,500	01/15	-	231,000
Brio/Bravo	7,134	09/17	1/5 yr.	190,000
Borders (Schuler Books)	24,418	01/18	3/5 yr.	439,524
Dick's Sporting Goods	45,000	01/18	4/5 yr.	360,000
CoAmerica (Ground Lease)	3,310	10/18	4/5 yr.	125,000
Max & Erma's (Ground Lease)	7,000	09/19	4/5 yr.	202,000
PF Changs (Ground lease)	6,800	11/12	3/5 yr.	60,000
Smoky Bones (Ground Lease)	7,000	10/13	4/5 yr.	110,000

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

ARVADA MARKETPLACE AND ARVADA CONNECTION, ARVADA, COLORADO

On April 29, 2004, we purchased two existing shopping centers, situated directly across the street from each other, containing 358,757 total gross leasable square feet. Arvada Marketplace contains 297,678 square feet and Arvada Connection contains 61,079 square feet (which includes 2,040 square feet of ground lease space). The centers are located at 7320-7490 West 52nd Street in Arvada, Colorado.

We purchased these two centers from one unaffiliated third party. Our total acquisition cost was approximately $51,550,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $144 per square foot of leasable space.

We purchased this property with our own funds. On June 21, 2004, we obtained financing in the amount of $28,510,000. The loan requires interest only payments at an annual rate of 4.13% and matures July 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Two tenants, Sam's Club and Gart Sports, each lease more than 10% of the total gross leasable area of Arvada Marketplace and two tenants, Old Country Buffet and Pier 1 Imports, each lease more than 10% of the total gross leasable area at Arvada Connection. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
ARVADA MARKETPLACE					
Sam's Club	142,491	48	4.04	03/86	07/90
			5.25	08/90	06/95
			6.31	07/95	03/01
			8.01	04/01	03/11

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Gart Sports	54,903	18	6.24	10/93	01/99
			7.15	02/99	12/03
			5.75	01/04	01/04
			6.50	02/04	01/09
			7.25	02/09	01/14
ARVADA CONNECTION					
Old Country Buffet	10,000	16	8.00	09/92	12/97
			10.00	01/98	12/02
			11.00	01/03	12/07
Pier 1 Imports	8,068	13	14.00	04/88	04/93
			15.00	05/93	04/98
			15.00	05/98	04/99
			15.50	05/99	04/00
			16.00	05/00	04/01
			16.50	05/01	04/02
			17.00	05/02	04/03
			17.00	05/03	04/06
			18.00	05/06	04/08

For federal income tax purposes, the depreciable basis in this property will be approximately $38,700,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Arvada Marketplace and Arvada Connection were built between 1987 through 1990. As of September 1, 2004, Arvada Marketplace was 97% occupied, with a total 288,819 square feet leased to 26 tenants and Arvada Connection was 78% occupied, with a total 47,483 square feet leased to 12 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A
ARVADA MARKETPLACE					
Carefree Spas & Pools	6,367	Month To Month	-	60,000	
Ted Johnson, DDS	1,564	10/04	1/5 yr.	20,301	
Lady of America Fitness	4,200	02/05	1/5 yr.	88,200	
Amanda's Bridal	5,155	05/05	1/5 yr.	54,128	
Fast Signs	1,600	06/05	1/5 yr.	24,000	
American General Finance	1,381	11/05	1/5 yr.	24,168	
Namiko's Restaurant	3,015	02/06	-	53,577	

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	B P
Cruise Holidays	1,400	02/06	-	21,000	
Citifinancial	2,251	12/06	1/5 yr.	35,821	
Elegant Nails	1,000	01/07	-	18,002	
Schlotzsky's Deli	1,900	07/07	-	26,600	
The UPS Store	1,375	12/07	1/5 yr.	24,063	
Supercuts	2,213	12/07	1/5 yr.	37,621	
Fantastic Sam's	1,350	12/07	1/5 yr.	22,275	
Fashion Bug	10,000	03/08	1/15 yr.	80,000	
Subway	1,230	10/08	1/5 yr.	22,140	
RadioShack	2,791	10/08	2/5 yr.	43,958	
Lone Star Steakhouse	6,000	11/08	1/5 yr.	85,430	
Tile for Less	3,016	03/09	-	48,256	
Executive Tans	1,500	06/09	-	22,687	
1st Cleaners	1,400	04/10	1/5 yr.	23,800	
Red Robin Burger	7,300	12/10	1/5 yr.	201,795	
Sam's Club	142,491	03/11	4/5 yr.	1,142,063	
Bennett's Bar-B-Que	6,054	03/12	2/5 yr.	149,836	
Gart Sports	54,903	01/14	2/5 yr.	356,870	
Office Depot	17,363	05/14	3/5 yr.	138,904	

ARVADA CONNECTION

SAS Shoes	2,600	11/04	1/5 yr.	28,600
Liquor Paradise	2,600	04/06	1/5 yr.	34,450
Kwal-Howell Paint Center	3,965	05/06	-	58,484
State Farm Insurance	1,190	07/06	1/5 yr.	20,825
U-Frame-It	1,680	09/06	-	24,058
Verizon Wireless	1,400	10/06	-	26,600
Pier 1 Imports	8,068	04/08	-	137,156
Household Finance	1,680	11/07	1/5 yr.	25,200
Old Country Buffet	10,000	12/07	2/5 yr.	110,000
Taco Bell (Ground Lease)	2,240	12/07	2/5 yr.	74,347
Waldenbooks & More	7,600	01/09	-	176,700
IHOP	4,460	01/10	1/3 yr. & 1/4 yr.	101,900

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

ALISON'S CORNER SHOPPING CENTER, SAN ANTONIO, TEXAS

On April 28, 2004, we purchased an existing shopping center known as Alison's Corner Shopping Center containing 55,066 gross leasable square feet. The center is located at 2720 SW Military Drive in San Antonio, Texas.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $7,042,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $128 per square foot of leasable space.

We purchased this property with our own funds. On May 10, 2004, we obtained financing in the amount of $3,850,000. The loan requires interest only payments at an annual rate of 4.272% and matures June 2010.

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We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, Ross Dress for Less, Mattress Firm and Shoe Carnival, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Ross Dress for Less	30,066	55	10.00	09/03	01/14

Shoe Carnival	12,000	22	13.00	09/03	08/13
Mattress Firm	9,000	16	12.00	01/04	12/08

For federal income tax purposes, the depreciable basis in this property will be approximately $5,282,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Alison's Corner was built in 2003. As of September 1, 2004, this property was 100% occupied, with a total 55,066 square feet leased to four tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Ren Square Per Annu
Mattress Firm	9,000	12/08	2/5 yr.	108,000	12.
Dots	4,000	01/09	3/5 yr.	67,000	16.
Shoe Carnival	12,000	08/13	2/5 yr.	156,000	13.
Ross Dress for Less	30,066	01/14	5/5 yr.	300,660	10.

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

NORTH RIVERS TOWN CENTER, CHARLESTON, SOUTH CAROLINA

On April 27, 2004, we purchased a portion of a newly constructed shopping center known as North Rivers Town Center. The property we acquired contains 141,004 gross leasable square feet, (which includes 31,280 square feet of ground lease space). The center is located at Rivers Avenue and Ashley Phosphate Road in Charleston, South Carolina.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $20,100,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $142 per square foot of leasable space.

We purchased this property with our own funds. On June 3, 2004, we obtained financing in the amount of $11,050,000. The loan requires interest only payments at an annual rate of 4.76% and matures May 2009.

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We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Four tenants, Babies "R" Us, Bed, Bath & Beyond, Ross Dress for Less and Office

Depot, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Bed, Bath & Beyond	28,000	20	10.85	11/03	01/14
Ross Dress For Less	30,024	21	11.00	02/04	01/15
Office Depot	16,000	11	11.50	02/04	01/14
Babies "R" Us *	31,280	22	N/A	11/03	01/14

* Ground Lease

For federal income tax purposes, the depreciable basis in this property will be approximately $15,100,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

North Rivers Town Center was built during 2003 and 2004. As of September 1, 2004, this property was 100% occupied, with a total 141,004 square feet leased to 15 tenants and a parcel of land lease to one tenant under a ground lease. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)
All About Cellular	1,400	01/07	1/3 yr.	27,300
Mattress Gallery	2,400	10/08	2/5 yr.	52,800
Super Nails	1,400	11/08	1/3 yr.	28,000
GameStop	1,750	11/08	2/5 yr.	35,000
Great Clips	1,250	01/09	2/5 yr.	26,250
Cold Stone Creamery	1,500	01/09	3/5 yr.	30,000
Firehouse Subs	1,800	02/09	1/6 yr.	36,000
Towne Centre	1,600	03/09	2/3 yr.	26,400
Pro Golf of Charleston	4,800	03/10	2/3 yr.	76,800
David's Bridal	10,000	10/13	2/5 yr.	155,000
Bed, Bath & Beyond	28,000	01/14	3/5 yr.	303,800
Office Depot	16,000	01/14	4/5 yr.	184,000
Babies "R" Us (Ground Lease)	31,280	01/14	6/5 yr.	160,776
Just Fresh Bakery & Cafe	4,800	02/14	2/5 yr.	100,800

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Re Square Per Ann
Pearle Vision	3,000	02/14	2/5 yr.	60,000	20.0
Ross Dress For Less	30,024	01/15	4/5 yr.	330,264	11.0

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

BLUEBONNET PARC, BATON ROUGE, LOUISIANA

On April 20, 2004, we purchased an existing shopping center known as Bluebonnet Parc containing 135,289 gross leasable square feet. The center is located at I-10 and Bluebonnet Road in Baton Rouge, Louisiana.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $22,000,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $163 per square foot of leasable space.

We purchased this property with our own funds. On May 10, 2004, we obtained financing in the amount of $12,100,000. The loan requires interest only payments at an annual rate of 4.372% and matures May 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, Best Buy, Linens `N Things and Cost Plus World Market, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Best Buy	45,439	34	13.00	08/02	01/08
			13.50	02/08	01/13
			14.25	02/13	01/18
Linens 'N Things	32,418	24	11.50	10/02	01/09
			12.50	02/09	01/14
Cost Plus World Market	18,300	14	14.00	12/02	01/09
			14.50	02/09	01/14

For federal income tax purposes, the depreciable basis in this property will be approximately $16,500,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Bluebonnet Parc was built in 2002. As of September 1, 2004, this property was 95% occupied, with a total 128,289 square feet leased to seven tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Re Square Per Ann
Brook May Music	8,000	06/09	2/5 yr.	128,000	16
David's Bridal	9,998	09/12	2/5 yr.	159,968	16
Lifeway Christian Bookstore	9,161	10/12	2/5 yr.	141,995	15

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Re Square Per Ann
Cost Plus World Market	18,300	01/14	3/5 yr.	256,200	14
Linens' N Things	32,418	01/14	3/5 yr.	372,807	11
The Men's Wearhouse	4,973	02/14	2/5 yr.	99,460	20
Best Buy	45,439	01/18	3/5 yr.	590,707	13

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

BEST ON THE BOULEVARD, LAS VEGAS, NEVADA

On April 14, 2004, we purchased an existing shopping center known as Best on the Boulevard, containing 204,427 gross leasable square feet. The center is located at 3820 Maryland Parkway in Las Vegas, Nevada.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $35,500,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $174 per square foot of leasable space.

We purchased this property with our own funds. On May 7, 2004, we obtained financing in the amount of $19,525,000. The loan requires interest only payments at an annual rate of 3.99% and matures May 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to reimburse a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, Best Buy, Barnes & Noble Booksellers and Copeland's Sporting Goods, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Best Buy	57,726	28	15.00	11/94	01/05
			CPI	02/05	01/10
			CPI	02/10	01/15
Barnes & Noble Booksellers	26,092	13	13.41	09/99	09/04
			14.35	10/04	01/10
Copeland's Sporting Goods	25,129	12	27.52	07/97	08/99
			13.50	09/99	06/02
			15.12	07/02	06/07
			16.93	07/07	06/12

For federal income tax purposes, the depreciable basis in this property will be approximately $26,265,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Best on the Boulevard was built during the three year period from 1996 to 1999. As of September 1, 2004, this property was 77% occupied, with a total 156,756 square feet leased to eight tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Bas Sq Per
Barnes & Noble Booksellers	26,092	01/10	3/5 yr.	350,000	
Rochester Big & Tall	7,000	08/10	2/5 yr.	201,280	
Deli Planet	4,800	11/10	2/5 yr.	115,200	
Cost Plus World Market	18,508	02/11	3/5 yr.	303,531	
Hallmark	7,500	02/12	3/5 yr.	205,500	
Copeland's Sporting Goods	25,129	06/12	4/5 yr.	379,950	
Pier 1 Imports	10,001	09/13	3/5 yr.	169,753	
Best Buy	57,726	01/15	2/5 yr.	865,890	

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

PARADISE VALLEY MARKETPLACE, PHOENIX, ARIZONA

On April 8, 2004, we purchased an existing shopping center known as Paradise Valley Marketplace containing 92,158 gross leasable square feet (which includes 10,908 square feet of ground lease space). The center is located at Tatum Boulevard and Shea Boulevard in Phoenix, Arizona.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $28,510,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $309 per square foot of leasable space. Included in the purchase price was 11,000 square feet is vacant land that has been approved for development.

We purchased this property with our own funds. On June 3, 2004, we obtained financing in the amount of $15,680,500. The loan requires interest only payments at an annual rate of 4.55% and matures May 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Two tenants, Whole Foods Grocery Store and Eckerd Drug Store, lease more than 10% of the total gross leasable area of the property. The lease with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Whole Foods	32,000	35	13.50	01/02	01/12
			CPI	02/12	01/17
			CPI	02/17	01/22

Eckerd Drug Store *	10,908	12	N/A	07/03	07/23

* Ground Lease

For federal income tax purposes, the depreciable basis in this property will be approximately $21,383,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Paradise Valley Marketplace was built in 2002. As of September 1, 2004, this property was 89% occupied, with a total 82,212 square feet leased to 17 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A
EB Gameworld	1,015	11/05	2/3 yr.	30,450	
Beauty Brands	5,510	12/06	1/5 yr.	176,320	
Verizon Wireless	2,047	12/06	2/3 yr.	65,504	
Soma Restaurant	3,452	10/07	1/5 yr.	108,738	
Ship Rite	1,340	11/07	1/5 yr.	36,575	
So-Oh! Fashion Outlet	1,964	02/08	1/5 yr.	53,028	
Hava Java	1,587	05/08	1/5 yr.	58,846	
Mattress Authority	2,453	08/08	-	75,062	
Kolache Factory	2,100	11/08	2/5 yr.	71,400	
Washington Mutual	4,114	01/09	3/5 yr.	131,648	
The Diamond Source	1,677	11/09	1/3 yr.	46,956	
Baja Fresh	2,544	12/11	2/6 yr.	97,079	
Pick Up Stix	1,820	01/12	2/5 yr.	67,363	
Select Dry Cleaning	2,505	01/13	2/5 yr.	77,404	
The Men's Wearhouse	5,176	03/13	2/5 yr.	165,632	
Whole Foods	32,000	01/22	4/5 yr.	432,000	
Eckerd Drug Store (Ground Lease)	10,908	07/23	4/5 yr.	205,000	

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

HERITAGE TOWNE CROSSING, EULESS, TEXAS

On March 5, 2004, we purchased an existing shopping center known as Heritage Towne Crossing containing 80,639 gross leasable square feet (which includes 7,246 square feet of ground lease space). The center is located at Glade Road and State Highway 121 in Euless, Texas.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $14,567,991. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $181 per square foot of leasable space. A portion of the purchase price will be held in an escrow, to be paid to the seller when the remaining spaces are leased.

We purchased this property with our own funds. On April 30, 2004, we obtained financing in the amount of $8,950,000. The loan requires interest only payments at an annual rate of 4.374% and matures June 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

No individual tenant leases more than 10% of the total gross leasable area of the property.

For federal income tax purposes, the depreciable basis in this property will be approximately $12,200,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Heritage Towne Crossing was built in 2002. As of September 1, 2004, this property was 89% occupied, with a total 72,119 square feet leased to 29 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A
APB Mortgage	2,530	09/06	1/3 yr.	45,540	
GameStop	1,400	03/07	1/3 yr.	29,400	
Mattress Firm	4,000	04/07	2/5 yr.	96,000	
All Battery Store	2,000	04/07	2/5 yr.	44,000	
Cow Fireworks	1,200	05/07	2/5 yr.	20,400	
Dapper Dan Cleaners	2,000	06/07	1/5 yr.	38,000	
Lava Asian Grill	3,000	07/07	1/5 yr.	51,000	
Salon G	2,800	08/07	1/5 yr.	50,400	
Ultra Tan	1,600	08/07	2/5 yr.	24,000	
Golf USA of Euless	3,473	12/07	1/5 yr.	69,460	
Coppell Spine/Sports Rehab	2,000	03/08	1/3 yr.	38,000	
Sara Donuts	1,400	04/08	1/5 yr.	23,800	
Plato's Closet	3,000	04/08	1/5 yr.	54,000	
Village Barber	1,100	04/08	1/5 yr.	23,100	
Town & Country Tobacco	1,800	04/08	2/5 yr.	32,400	
Parker Uniforms	3,000	05/08	1/5 yr.	42,000	
The Cash Store	1,300	07/08	2/5 yr.	24,700	
Art & Frame Warehouse	2,546	07/08	1/5 yr.	39,463	
Wings to Go	2,000	09/08	1/5 yr.	32,000	
Delicious Delights	1,500	10/08	1/5 yr.	27,000	
Ultima Fitness	2,266	11/08	1/5 yr.	37,389	
Nails Spa	3,410	01/09	1/5 yr.	61,380	
Double Dave's	3,308	03/09	1/5 yr.	54,582	
The Soccer Corner	4,000	05/10	2/5 yr.	62,600	
Panda Express	2,250	04/12	2/5 yr.	47,250	
Washington Mutual	4,000	10/12	4/5 yr.	84,000	
Pearle Vision	1,990	12/12	2/5 yr.	35,820	
Whataburger (Ground lease)	3,500	08/18	3/5 yr.	60,000	
Taco Bell (Ground lease)	3,746	09/23	4/5 yr.	51,000	

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

PEORIA CROSSINGS, PEORIA, ARIZONA

On March 4, 2004, we purchased a newly constructed shopping center known as Peoria Crossings, containing 213,733 gross leasable square feet. The center is located at 9350 West Northern Avenue, in Peoria, Arizona.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $37,368,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $175 per square foot of leasable space.

We originally purchased this property with our own funds. On March 5, 2004, we obtained financing in the amount of $20,497,000. The loan requires interest only payments at an annual rate of 4.09% and matures April 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, Ross Dress for Less, Michaels and Petco, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	Lease Term To
Ross Dress for Less	30,171	14	10.00	05/03	01/14
Michaels	24,063	11	11.00	03/02	02/12
Kohl's	88,408	41	8.79	03/04	01/24

For federal income tax purposes, the depreciable basis in this property will be approximately $28,026,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Peoria Crossing was built in 2002 and 2003. As of September 1, 2004, this property was 97% occupied, with a total 207,711 square feet leased to 20 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A

Famous Footwear	10,030	01/08	2/5 yr.	162,988
EB Games	1,500	01/08	1/5 yr.	37,500
Sally Beauty Supply	1,200	02/08	1/5 yr.	26,400
Claire's Boutique	1,269	02/08	1/5 yr.	30,456
Voice Stream	1,200	02/08	5/1 yr.	32,400
Sleep America	4,500	03/08	1/5 yr.	112,500
Cold Stone Creamery	1,400	05/08	5/1 yr.	37,492
Sarpino's Pizzeria	1,200	07/08	1/5 yr.	32,136
Great Clips	1,405	08/08	5/1 yr.	36,179
Julie Nails & Spa	1,300	12/08	1/5 yr.	33,800
Supercuts	1,202	12/08	2/5 yr.	33,656
Michaels	24,063	02/12	4/5 yr.	264,693
Petco	15,216	10/12	2/5 yr.	216,067
Payless Shoes	4,042	01/13	2/5 yr.	80,840

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A
Quizno's	1,400	05/13	2/5 yr.	38,500	
Panda Express	2,205	06/13	2/5 yr.	59,535	
Dress Barn	8,000	06/13	2/5 yr.	140,000	
Anna's Linens	8,000	09/13	2/5 yr.	112,000	
Ross Dress for Less	30,171	01/14	4/5 yr.	301,710	
Kohl's	88,408	01/24	6/5 yr.	777,524	

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

PROMENADE AT RED CLIFF, ST. GEORGE, UTAH

On February 13, 2004, we acquired an existing shopping center known as Promenade at Red Cliff containing 94,364 gross leasable square feet. The center is located at 250 N. Red Cliffs Drive in St. George, Utah.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $19,533,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $207 per square foot of leasable space.

We purchased this property with our own funds. On April 8, 2004, we obtained financing in the amount of $10,590,000. The loan requires interest only payments at an annual rate of 4.29% and matures May 1, 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, Old Navy, Staples, and Big 5 Sporting Goods, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Big 5 Sporting Goods	10,000	11	11.50	06/97	05/02
			12.54	06/02	01/07
Old Navy	19,324	20	12.00	02/98	11/03
			13.79	12/03	11/08
Staples	22,500	24	11.50	06/97	05/12

For federal income tax purposes, the depreciable basis in this property will be approximately $14,650,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Promenade at Red Cliff was built in 1998. As of September 1, 2004, this property was 95% occupied, with a total 89,480 square feet leased to 18 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A
Panda Express	1,513	11/04	3/5 yr.	36,312	
Franklin Quest	1,206	12/06	-	30,150	
Hollywood Entertainment	6,200	12/06	2/5 yr.	122,328	
Big 5 Sporting Goods	10,000	01/07	4/5 yr.	125,352	
Vitamin World	1,280	06/07	-	26,880	
Sally Beauty Supply	1,200	06/07	-	22,876	
Gen X Clothing	7,816	06/07	1/5 yr.	131,543	
Prudential	1,017	06/07	1/5 yr.	25,628	
Papa John's Pizza	1,347	12/07	1/5 yr.	35,022	
Durango Grill	2,693	02/08	1/5 yr.	75,404	
Supercuts	1,030	02/08	-	24,720	
Cold Stone Creamery	1,173	08/08	2/5 yr.	33,501	

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A
Country Clutter	1,464	09/08	1/5 yr.	36,600	
Old Navy	19,324	11/08	1/5 yr.	266,575	
Samuri 21	4,057	12/08	1/5 yr.	97,368	
Quiznos	1,424	01/09	1/5 yr.	30,828	
2 Fat Guys Pizza	4,236	02/09	1/5 yr.	91,074	
Staples	22,500	05/12	3/5 yr.	258,750	

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

NEWNAN CROSSING WEST AND PHASE II, NEWNAN, GEORGIA

On February 13, 2004, we acquired an existing shopping center known as Newnan Crossing Phase II containing 160,219 gross leasable square feet (which includes 6,650 square feet of ground lease space), for approximately $22,362,000. This property is adjacent to Newnan Crossing West, which we acquired on December 24, 2003 for approximately $16,808,000. Newnan Crossing West contains 131,196 gross leasable square feet. The center is located at 591 Bullsboro Drive in Newnan, Georgia.

We purchased the property from an unaffiliated third party. This amount may increase by additional costs which have not been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $139 per square foot, and $128 per square foot of leasable space for Newnan Crossing Phase II and Newnan Crossing West, respectively. We intend to purchase an additional 28,000 gross leasable square feet for approximately $4,042,000 in late 2004 when construction has been completed.

We originally purchased this property with our own funds. On February 17, 2004, we obtained financing in the amount of $21,543,091. The loan requires interest only payments at an annual rate of 4.38% and matures March 1, 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, BJ's Wholesale, T.J. Maxx and Office Depot, each lease more than 10% of the combined total gross leasable area of the West and Phase II properties The leases with these tenants require the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To

Office Depot	30,000	10	10.75	06/99	06/14
T.J. Maxx	30,000	10	7.35	08/99	08/04
			8.00	09/04	08/09
BJ's Wholesale	115,396	40	8.75	05/03	04/08
			CPI	05/08	04/13
			CPI	05/13	04/18
			CPI	05/18	05/23

For federal income tax purposes, the depreciable basis will be approximately $15,930,000 and $11,356,000 for Phase II and West, respectively. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Newnan Crossing West and Phase II were built in 1999. As of September 1, 2004, the property was 100% occupied, with a total 291,415 square feet leased to 21 tenants and one ground lease. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A
Old Navy	25,000	09/04	2/5 yr.	225,000	
Hallmark	5,000	07/06	2/5 yr.	72,500	
RadioShack	3,000	08/06	2/5 yr.	51,000	
Stratus Communication	1,300	12/06	1/5 yr.	22,750	
Hibbett's Sporting Goods	7,000	01/07	2/5 yr.	94,500	
Crystal Nails & Tan	1,300	04/07	1/5 yr.	23,400	
Ted's Montana Grill	4,000	04/08	4/5 yr.	64,000	
Planet Smoothie	1,040	07/08	1/5 yr.	18,200	
The Corner Tavern	5,000	08/08	2/5 yr.	85,000	
Great Clips	1,200	10/08	1/5 yr.	21,600	
Banana Beach	1,200	12/08	1/5 yr.	21,600	
Cingular Wireless	1,760	12/08	1/5 yr.	31,680	
My Friend's Place	1,600	03/09	2/5 yr.	28,800	
Michaels	23,669	08/09	4/5 yr.	213,336	
T.J. Maxx	30,000	08/09	3/5 yr.	240,000	
Party City	12,000	10/09	2/5 yr.	156,000	
Payless Shoe Source	3,000	11/09	2/5 yr.	48,000	
Rack Room	7,300	01/10	3/5 yr.	124,100	
Sizes Unlimited	5,000	01/12	2/4 yr.	77,500	
O'Charley's (Ground Lease)	6,650	02/14	3/5 yr.	66,000	
Office Depot	30,000	06/14	3/5 yr.	322,500	
BJ's Wholesale	115,396	05/23	4/5 yr.	1,009,715	

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

MACARTHUR CROSSING, LAS COLINAS (IRVING), TEXAS

On February 5, 2004, we purchased an existing shopping center known as MacArthur Crossing containing 109,755 gross leasable square feet (which includes 6,500 square feet of ground lease space). The center is located at MacArthur Boulevard and LBJ Freeway in Las Colinas (Irving), Texas.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $23,102,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $210 per square foot of leasable space.

We purchased this property with our own funds. On April 2, 2004, we obtained financing in the amount of $12,700,000. The loan requires interest only payments at an annual rate of 4.29% and matures May 1, 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Stein Mart, leases more than 10% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Stein Mart	34,000	31	6.75	07/96	07/06
			7.25	08/06	07/11

For federal income tax purposes, the depreciable basis in this property will be approximately $17,340,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

MacArthur Crossing was built in 1995 and 1996. As of September 1, 2004, this property was 98% occupied, with a total 107,759 square feet leased to 28 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A
Monarch Dental	3,920	12/04	1/5 yr.	66,640	
Valley Ranch Vacations	1,381	06/05	-	24,858	
Regis Haircutters	1,500	01/06	1/5 yr.	37,500	

Custom Clearners	2,100	02/06	1/5 yr.	58,800
RadioShack	2,000	02/06	1/5 yr.	31,000
Wolf Camera	1,780	02/06	1/5 yr.	35,600
Merle Norman	1,457	02/06	1/5 yr.	23,880
GNC	1,400	02/06	1/5 yr.	25,200
Rice Boxx	2,101	02/06	-	52,525
Starbucks Coffee	1,604	03/06	2/5 yr.	32,080
The UPS Store	1,260	06/06	1/5 yr.	30,240
Sally Beauty Supply	1,500	06/06	1/5 yr.	29,100
I Fratelli Restaurant	5,000	08/06	-	107,500
Subway	1,400	09/06	1/5 yr.	21,000

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A
Planet Tan	4,400	10/06	1/5 yr.	70,400	
Blockbuster Video (Ground Lease)	6,500	12/06	4/5 yr.	127,335	
Flowers For You	2,100	02/07	-	42,000	
Issin Sushi	4,000	03/07	-	80,000	
State Farm Insurance	2,000	04/07	1/5 yr.	34,000	
Eyecare 20/20	2,000	06/07	1/5 yr.	40,000	
Marshall Message Therapy	640	03/08	2/5 yr.	11,520	
TD Waterhouse	2,500	04/08	2/5 yr.	55,000	
Quizno's	2,100	06/09	2/5 yr.	52, 500	
Stein Mart	34,000	07/11	3/5 yr.	229,500	
Mi Cocina	4,964	01/12	2/5 yr.	124,100	
Pei Wei	3,160	02/12	2/5 yr.	96,380	
Mattress Firm	4,000	04/14	2/5 yr.	108,000	
Firestone Tire	6,992	07/16	2/5 yr.	145,000	

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

LA PLAZA DEL NORTE, SAN ANTONIO, TEXAS

On January 21, 2004, we purchased an existing shopping center known as La Plaza Del Norte, containing 320,345 gross leasable square feet. The center is located at 125 Northwest Loop 410, in San Antonio, Texas.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $58,143,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $182 per square foot of leasable space.

We purchased this property with our own funds. On February 4, 2004, we obtained financing in the amount of 32,528,000. The loan requires interest only payments at an annual rate of 4.61% and matures March 1, 2010.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Two tenants, Oshman's Sporting Goods and Best Buy, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Oshman's Sporting Goods	65,000	20	11.11	09/96	01/02
			11.61	02/02	01/07
			12.11	02/07	01/12
			12.61	02/12	01/17
Best Buy	58,000	18	14.00	08/96	01/02
			14.75	02/02	01/07
			15.50	02/07	01/12

			14.75	02/02	01/07
			15.50	02/07	01/12

For federal income tax purposes, the depreciable basis in this property will be approximately $43,076,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

La Plaza Del Norte was built in 1996 and 1999. As of September 1, 2004, this property was 95% occupied, with a total 303,245 square feet leased to 16 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Ba S Pe
Half Price Books	8,000	10/04	2/5 yr.	84,000	
Lifeway Christian	6,000	11/06	2/5 yr.	132,000	
Pearle Vision	3,500	12/06	2/5 yr.	120,750	
Ross Dress for Less	28,438	01/07	4/5 yr.	288,640	
Office Max	23,229	11/12	2/5 yr.	261,326	

DSW Shoe Warehouse	22,000	04/07	4/5 yr.	374,000
All Battery Center	1,600	05/07	2/5 yr.	36,800
Successories	1,200	09/08	1/3 yr. & 1/2 yr.	26,400
GameStop	2,006	12/08	-	52,156
David's Bridal	12,000	11/09	2/5 yr.	186,240
Petco	13,650	11/11	3/5 yr.	278,187
Cost Plus World Market	18,900	01/12	3/5 yr.	302,400
Best Buy	58,000	01/12	3/5 yr.	855,500
Simpson-Williams	9,875	12/12	-	161,600
Bealls	29,847	01/14	2/5 yr.	194,005
Oshman's Sporting Goods	65,000	01/17	4/5 yr.	754,650

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

METRO SQUARE CENTER (SUPER VALU SHOPPING CENTER), SEVERN, MARYLAND

On January 20, 2004, we purchased an existing shopping center formerly known as Super Valu Shopping Center, containing 61,817 gross leasable square feet. The center is located at 7858 Quarterfield in Severn (Annapolis), Maryland.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $11,031,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $178 per square foot of leasable space.

We purchased this property with our own funds. On April 1, 2004, we obtained financing in the amount of $6,067,183. The loan requires interest only payments at an annual rate of 4.28% and matures April 1, 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

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One tenant, Shoppers Food Warehouse, leases more than 10% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Shoppers Food Warehouse	58,217	94	14.00	09/99	08/04
			14.50	09/04	08/09
			15.24	09/09	08/14
			16.00	09/14	01/20

For federal income tax purposes, the depreciable basis in this property will be approximately $8,840,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Super Valu Shopping Center was built in 1999. As of September 1, 2004, this property was 100% occupied, with a total 61,817 square feet leased to three tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A
Great Clips	1,200	12/05	5/1 yr.	28,366	
AZZ Cleaners	2,400	12/07	1/5 yr.	55,080	
Shoppers Food Warehouse	58,217	01/20	4/5 yr.	844,146	

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

LARKSPUR LANDING, LARKSPUR, CALIFORNIA

On January 14, 2004, we purchased an existing shopping center known as Larkspur Landing, containing 173,821 gross leasable square feet. The center is located at 2257 Larkspur Landing Circle, in Larkspur, California.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $61,145,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $352 per square foot of leasable space.

We originally purchased this property with our own funds. On January 30, 2004, we obtained financing in the amount of $33,630,000. The loan requires interest only payments at an annual rate of 4.45% and matures February 1, 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Bed, Bath & Beyond, leases more than 10% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Base Rent

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Per Square Foot Per Annum ($)	Lease Term Beginning	To
Bed, Bath & Beyond	42,318	24	20.50	11/02	11/06
			21.83	12/06	11/11
			23.21	12/11	11/17

For federal income tax purposes, the depreciable basis in this property will be approximately $45,859,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Larkspur Landing was built in 1978 and renovated in 2001. As of September 1, 2004, this property was 87% occupied, with a total 150,893 square feet leased to 34 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squa Per A
Sushi Ko *	1,709	Month to Month	-	51,270	
Golden Gate Printing*	3,287	Month to Month	-	30,010	
Sportech	805	03/05	-	16,503	
24 Hour Fitness	17,039	03/05	1/5 yr.	358,926	
Asher Clinic	5,791	04/05	1/5 yr.	152,786	
Roadrunner Burrito	800	06/05	-	30,624	
Redhill	2,688	07/05	-	74,189	
Jaeger	1,500	07/05	-	42,966	
Oliver Allen Corp.	9,392	09/05	1/5 yr.	242,313	
Robert Brugger	880	06/06	-	18,480	
Maxwell Cleaners	2,748	09/06	-	103,874	
Norman Mahan Jewelers	1,333	01/07	-	43,669	
Determined Productions	11,185	03/07	1/4 yr.	608,663	
Larkspur Shoes & Repair	807	03/07	-	23,564	
Larkspur Landing Optomery	1,165	06/07	-	39,598	
Larkspur Landing Pet Clinic	1,141	04/08	-	36,831	
Bay Area Wireless	610	04/08	2/5 yr.	23,790	
American Nails	745	06/08	-	23,691	
AAA	5,245	07/08	2/5 yr.	169,938	
Togo's Eatery	1,625	07/08	-	38,375	
Timothy Bricca DD	1,064	07/08	-	36,133	
All California	3,359	07/08	-	114,172	
Weight Watchers	1,291	09/08	-	61,219	
Cooper Alley	2,000	11/08	-	103,840	
Ragged Sailor	1,207	12/08	-	33,888	
Marin Brewing Co.	5,978	03/11	-	190,219	
Fidelity Investments	7,232	07/11	2/5 yr.	459,955	
Yogalive	6,150	09/12	-	184,500	
Bed, Bath & Beyond	42,318	11/17	3/5 yr.	867,519	
Noonan's Restaurant	6,679	12/18	2/5 yr.	222,878	
Allstate Insurance*	405	Month To Month	-	13,365	
Marin Visitor Bureau*	720	Month To Month	-	12,000	
Avanti*	1,115	Month To Month	-	2,400	
John Connelly*	880	Month To Month	-	6,924	

* Renewal negotiations in progress.

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

NORTH RANCH PAVILIONS, THOUSAND OAKS, CALIFORNIA

On January 15, 2004, we purchased an existing shopping center known as North Ranch Pavilions, containing 62,812 gross leasable square feet. The center is located at 1125-85 Lindero Road, in Thousand Oaks, California.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $18,468,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $294 per square foot of leasable space.

We purchased this property with our own funds. On March 3, 2004, we obtained financing in the amount of $10,157,000. The loan requires interest only payments at an annual rate of 4.12% and matures April 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

One tenant, Savvy Salon, leases more than 10% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Savvy Salon	6,500	10	11.71	10/03	01/04
			25.20	02/04	01/06
			26.76	02/06	01/08
			28.32	02/08	01/10
			30.00	02/10	01/12
			31.80	02/12	02/14

For federal income tax purposes, the depreciable basis in this property will be approximately $13,851,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

North Ranch Pavilions was built in 1992. As of September 1, 2004, this property was 89% occupied, with a total 55,928 square feet leased to 24 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squ Per
Kay's Nails	1,028	10/04	1/3 yr.	24,178	
Prudential Realty	3,379	11/04	-	95,287	
Ilene's Boutique	2,105	12/04	-	51,590	
Seta's Shoes	1,086	04/05	-	19,548	
Walton's Portraits	1,300	08/06	1/5 yr.	29,832	
Postal Club	1,086	10/06	1/5 yr.	24,239	
Dance Trends	2,338	11/06	1/5 yr.	41,523	
Bank of America	4,500	12/06	-	172,980	
Clubhous Cleaners	1,505	12/06	1/5 yr.	43,765	

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Squ Per
Cookies by Design	1,353	01/07	1/5 yr.	31,822	
Malibu Gymnastics	3,740	02/07	3/3 yr.	67,320	
State Farm Insurance	1,023	03/07	-	22,791	
Malibu Gymnastics	3,040	11/08	5/1 yr.	54,720	
Tae Kwon Do Academy	1,512	06/07	2/5 yr.	34,648	
Treasured Memories	3,691	08/07	1/5 yr.	46,129	
Total Body Fitness	1,998	12/07	1/5 yr.	37,042	
Sudore Pilates	1,346	01/09	1/5 yr.	36,342	
Exotic Thai	1,746	02/11	-	52,380	
Rustico Ristorante	3,495	08/11	2/5 yr.	94,412	
We Frame It	1,526	09/11	1/5 yr.	34,609	
Lamp Post Pizza	3,600	11/11	-	90,145	
Sushi Tei	1,725	07/12	2/5 yr.	52,705	
North Ranch Dentistry	1,306	10/13	2/5 yr.	38,396	
Savvy Salon	6,500	02/14	2/5 yr.	163,800	

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

HICKORY RIDGE SHOPPING CENTER, HICKORY, NORTH CAROLINA

On January 9, 2004, we purchased an existing shopping center known as Hickory Ridge Shopping Center containing 380,487 gross leasable square feet (which includes 70,127 square feet of ground lease space) . The center is located at Catawba Valley Road in Hickory, North Carolina.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $41,900,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $110 per square foot of leasable space.

We originally purchased this property with our own funds. On January 23, 2004, we obtained financing in the amount of $23,650,000. The loan requires interest only payments as an annual rate of 4.531% and matures February 1, 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, Best Buy, Kohl's and Dick's Sporting Goods, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	To
Best Buy	45,000	12	10.75	07/99	01/15
Dick's Sporting Goods *	45,000	12	N/A	01/00	01/20
Kohl's	86,584	23	6.83	08/99	02/20

* Ground lease

For federal income tax purposes, the depreciable basis in this property will be approximately $35,068,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Hickory Ridge Shopping Center was built in 1999. As of September 1, 2004, this property was 100% occupied, with a total 380,487 square feet leased to 21 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Rent Square F Per Annum
Sprint PCS	2,800	10/04	1/5 yr.	50,400	18.0
Great Clips	1,200	12/04	1/5 yr.	23,400	19.5
Osaka Japanese Cuisine	2,100	01/05	1/5 yr.	40,950	19.5

Thai Orchid	2,800	01/05	1/5 yr.	53,200	19.0
Tony's Pizza	2,100	01/05	1/5 yr.	45,150	21.5
Hallmark Cards	6,000	02/05	2/5 yr.	93,900	15.6
EB Games	1,600	10/05	1/5 yr.	32,000	20.0
Factory Mattress	3,600	11/06	1/5 yr.	66,600	18.5
Party City	12,000	06/09	2/5 yr.	162,000	13.5
Marshalls	30,000	08/09	3/5 yr.	234,000	7.8
Old Navy	25,000	01/10	1/5 yr.	212,500	8.5
Shoe Carnival	12,000	01/10	2/5 yr.	129,000	10.7
Family Christian Bookstore	5,000	03/10	2/5 yr.	90,000	18.0
Pier 1 Imports	9,976	03/12	2/5 yr.	174,580	17.5
The Avenue	6,600	01/13	2/5 yr.	78,012	11.8
Best Buy	45,000	01/15	3/5 yr.	483,750	10.7
A.C. Moore	21,000	12/15	3/5 yr.	248,730	11.8
Linens 'N Things	35,000	01/16	3/5 yr.	367,500	10.5
Kohl's	86,584	02/20	6/5 yr.	590,995	6.8
Dicks Sporting Goods (Ground Lease)	45,000	01/20	6/5 yr.	185,000	N/
Babies "R" Us (Ground Lease)	25,127	01/13	6/5 yr.	126,647	N/

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

CORWEST PLAZA, NEW BRITAIN, CONNECTICUT

On January 6, 2004, we purchased an existing shopping center known as CorWest Plaza containing 115,011 gross leasable square feet. The center is located at 665 and 687 West Main Street in New Britain, Connecticut.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $33,000,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $287 per square foot of leasable space.

We originally purchased this property with our own funds. On January 7, 2004, we obtained financing in the amount of $18,150,000. The loan requires interest only payments at an annual rate of 4.56% and matures February 1, 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, Super Stop and Shop, Liquor Depot and CVS Pharmacy, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Base Rent

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Per Square Foot Per Annum ($)	Lease Term Beginning	T
Super Stop & Shop	68,073	59	26.00	05/03	05
			26.50	06/08	05
			27.00	06/13	05
			27.50	06/18	05
			28.00	06/23	05

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning	T
CVS Pharmacy	12,150	11	26.00	06/01	01
Liquor Depot	14,000	12	14.00	08/01	08
			16.00	09/06	08

For federal income tax purposes, the depreciable basis in this property will be approximately $26,101,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

CorWest Plaza was built in phases between 1999 to 2003. As of September 1, 2004, this property was 99% occupied, with a total 114,023 square feet leased to 10 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)	Base Re Square Per Ann
Video One	3,500	09/05	2/3 yr.	49,213	13.
Rent-A-Center	6,000	02/06	1/5 yr.	90,000	15.
Cingular Wireless	1,553	06/06	1/5 yr.	27,954	18.
Subway	1,500	08/06	3/2 yr.	18,702	12.
Webster Bank	2,147	11/05	2/5 yr.	38,646	18.
Papa Gino's	3,000	02/11	2/5 yr.	60,000	20.
Liquor Depot	14,000	08/11	2/5 yr.	196,000	14.
Frazier's Two Cleaners & Laundromat	2,100	10/11	2/5 yr.	37,800	18.
CVS Pharmacy	12,150	01/22	4/5 yr.	315,900	26.
Super Stop & Shop	68,073	05/28	6/5 yr.	1,769,898	26.

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

SHAW'S SUPERMARKET, NEW BRITAIN, CONNECTICUT

On December 31, 2003, we purchased a single user retail center known as Shaw's Supermarket, New Britain, containing 65,658 gross leasable square feet. The property is located in New Britain, Connecticut.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $13,656,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $208 per square foot of leasable space.

We originally purchased this property with our own funds. On January 28, 2004, we obtained financing in the amount of $6,450,000. The loan requires interest only payments as an annual rate of 4.684% and matures November 1, 2008.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenant would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of its lease.

Shaw's Supermarket was built in 1995. One tenant, Shaw's Supermarket, leases 100% of the total gross leasable area of the property. The lease with this tenant requires the tenant to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Renewal Options	Base Rent Per Annum ($)	Base Rent Per Square Foot Per Annum ($)	Lea Beginnin
Shaw's Supermarkets-New Britain	65,658	100	6/5 yr.	1,017,699	15.50	12/95
				1,083,357	16.50	03/01
				1,149,015	17.50	03/06
				1,181,844	18.00	03/11

For federal income tax purposes, the depreciable basis in this property will be approximately $10,681,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

PAVILION AT KING'S GRANT, CONCORD, NORTH CAROLINA

On December 31, 2003, we purchased a newly constructed shopping center known as Pavilion at King's Grant, containing 79,109 gross leasable square feet (which includes 65,000 square feet of ground lease space). The center is located at 8050 Concord Mills Boulevard in Concord, North Carolina.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $8,151,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. One tenant, Toys "R" Us, is currently paying half rent. When the tenant begins paying full rent, we will pay the balance of the purchase price of approximately $1,563,000. Our total acquisition cost is expected to be approximately $103 per square foot of leasable space.

We originally purchased this property with our own funds. On April 6, 2004, we obtained financing in the amount of $5,342,000. The loan requires interest only payments at an annual rate of 4.39% and matures May 1, 2009.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Two tenants, Toys "R" Us and Olive Garden, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Te Beginning
Toys "R" Us *	49,000	62	5.10	10/02
Olive Garden*	8,500	11	9.41	04/02
			10.35	05/07

* Ground lease

For federal income tax purposes, the depreciable basis in this property will be approximately $2,741,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Pavilion at King's Grant was built in 2002 and 2003. As of September 1, 2004, this property was 100% occupied, with a total 79,109 square feet leased to four tenants and three ground lessees. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)
RadioShack	2,400	04/08	2/5 yr.	40,800
Bank of America	100	08/08	2/5 yr.	14,400
Panera Bread	5,609	12/14	2/5 yr.	109,376
Jared Jewelers	6,000	01/23	2/5 yr.	220,020
Olive Garden *	8,500	04/12	4/5 yr.	80,000
Red Lobster *	7,500	05/12	4/5 yr.	80,000
Toys "R" Us *	49,000	01/13	6/5 yr.	250,000

* ground lease

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

ECKERD DRUG STORES

On December 24, 2003, we purchased the following two separate existing freestanding retail properties known as Eckerd Drug Stores, containing a total of 27,648 gross leasable square feet.

Location	Square Feet	Completion Date	Purchase Price ($)
33rd Street and Santa Fe Edmond, Oklahoma	13,824	2003	3,364,000
36th and Robinson Norman, Oklahoma	13,824	2003	5,288,000

We purchased these Eckerd Drug Stores from an unaffiliated third party. Our total acquisition cost was approximately $8,652,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $313 per square foot of leasable space.

We purchased these properties with our own funds. On April 30, 2004, we obtained financing in the amounts of $1,850,000 and $2,900,000 for Eckerd Drug Store - Edmond and Eckerd Drug Store - Norman, respectively. Both loans require interest only payments at an annual rate of 4.374% and mature June 2009.

One tenant, Eckerd Drug Store, leases 100% of the total gross leasable area of each property. The leases with this tenant require the tenant to pay base annual rent on a monthly basis as follows:

Lessee/ Location	Approximate GLA Leased (Sq. Ft.)	% of Total GLA of each Property	Current Annual Rent ($)	Renewal Options	Base Rent Per Squar Foot Per Annum ($
33rd Street & Santa Fe Edmond, OK	13,824	100	289,292	4/5 yr.	20.93
36th & Robinson Norman, OK	13,824	100	454,806	4/5 yr.	32.90

A twenty year lease commenced as of the date of acquisition with no increases during the term of the lease. Each lease includes four options, each for a term of five years.

These properties are on triple net leases and the tenant will be responsible for all repairs.

For federal income tax purposes, the depreciable basis in these properties will be approximately $6,770,000 When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

DARIEN TOWNE CENTRE, DARIEN, ILLINOIS

On December 19, 2003, we purchased an existing shopping center known as Darien Towne Centre containing 223,844 gross leasable square feet (which includes 6,371 square feet of ground lease space). The center is located at 2189 75th Street, in Darien, Illinois.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $30,000,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $134 per square foot of leasable space.

Simultaneously with the purchase this property, we obtained a new loan in the amount of $16,500,000. The loan requires interest only payments based on a rate of 4.65% per annum and matures June 2010.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

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Three tenants, Home Depot, Circuit City and PETsMART, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Beginning
Home Depot	109,200	49	7.98	05/94
			8.35	05/99
			8.60	05/04
			9.10	05/09
Circuit City	32,984	15	10.50	05/94
			CPI	02/05
			CPI	02/10
PETsMART	25,487	11	11.20	10/94

11.70 10/04

For federal income tax purposes, the depreciable basis in this property will be approximately $22,468,400. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Darien Towne Centre was built in 1994. As of September 1, 2004, this property was 94% occupied, with a total 210,010 square feet was leased to 12 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)
Murray's Discount Auto	10,000	10/04	2/5 yr.	110,000
Signature Cleaners	1,500	11/04	-	37,260
Gingiss Formalwear	2,000	12/04	-	35,010
Coldwell Banker	2,468	03/05	-	45,831
Jenny Craig	2,000	05/07	1/3 yr.	44,000
Deals	12,000	07/07	1/5 yr.	120,000
TGI Fridays (Ground Lease)	6,371	05/09	3/5 yr.	79,860
Great Clips	1,500	08/09	-	33,000
PETsMART	25,487	09/09	5/5 yr.	285,454
Panera Bread	4,500	12/12	3/5 yr.	94,500
Home Depot	109,200	04/14	4/5 yr.	939,120
Circuit City	32,984	01/15	4/5 yr.	346,332

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

STONY CREEK MARKETPLACE, NOBLESVILLE, INDIANA

On December 8, 2003, we purchased a newly constructed shopping center known as Stony Creek Marketplace containing 153,816 gross leasable square feet (which consists of 8,000 square feet of ground lease space). The center is located at 1713C Mercantile Boulevard in Noblesville, Indiana.

We purchased this property from an unaffiliated third party. Our total acquisition cost was approximately $25,750,000. This amount may increase by additional costs which have not yet been finally determined. We expect any additional costs to be insignificant. Our acquisition cost was approximately $167 per square foot of leasable space.

We originally purchased this property with our own funds. On January 20, 2004, we obtained financing in the amount of $14,162,000. The loan requires interest only payments at an annual rate of 4.77% and matures January 1, 2011.

We do not intend to make significant repairs and improvements to this property over the next few years. However, if we were to make any repairs or improvements, the tenants would be obligated to pay a substantial portion of any monies spent pursuant to the provisions of their respective leases.

Three tenants, T.J. Maxx, Linens 'N Things and Barnes & Noble, each lease more than 10% of the total gross leasable area of the property. The leases with these tenants require the tenants to pay base annual rent on a monthly basis as follows:

Lessee	Approximate GLA Leased (Sq. Ft.)	% of Total GLA	Base Rent Per Square Foot Per Annum ($)	Lease Term Beginning
T.J. Maxx	30,000	20	9.50	09/03
Linens 'N Things	28,444	18	11.50	07/03
			12.00	02/09
Barnes & Noble	22,000	14	13.49	09/03

For federal income tax purposes, the depreciable basis in this property will be approximately $17,564,000. When we calculate depreciation expense for tax purposes, we will use the straight-line method. We depreciate buildings and improvements based upon estimated useful lives of 40 and 20 years, respectively.

Stony Creek Marketplace was built in 2003. As of September 1, 2004, this property was 100% occupied, with a total 153,816 square feet leased to 20 tenants. The following table sets forth certain information with respect to those leases:

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)
Cingular Wireless	1,487	06/08	2/5 yr.	31,227
RJ Fastframe	1,618	06/08	1/5 yr.	33,915
The UPS Store	1,618	08/08	1/5 yr.	33,978
Scrapbook Corner	4,095	12/08	-	75,758
Papa Johns Pizza	1,615	01/09	-	33,915
Giovanni Jewelers	1,615	02/09	1/5 yr.	33,915
Quizno's Classic Subs	1,600	12/09	2/4 yr.	29,600
Blockbuster Video	4,892	05/11	2/5 yr.	102,732
Today's Bedroom One	4,890	06/11	1/5 yr.	90,465
Panera Bread	4,200	12/12	2/5 yr.	88,200
Maggie Moo's Ice Cream	1,615	03/13	2/5 yr.	33,915
Qdoba Mexican Restaurant	2,272	04/13	2/5 yr.	45,440
Ossip Optomotry, P.C.	3,230	04/13	2/5 yr.	60,563
Pier 1 Imports	9,375	07/13	2/5 yr.	160,696

Lessee	Approximate GLA Leased (Sq. Ft.)	Lease Ends	Renewal Options	Current Annual Rent ($)
Shoe Carnival	10,000	07/13	2/5 yr.	130,000
T.J. Maxx	30,000	09/13	3/5 yr.	285,000
Linens 'N Things	28,444	01/14	3/5 yr.	327,118
Factory Card Outlet	11,250	01/14	2/5 yr.	160,313
Barnes & Noble	22,000	01/16	2/5 yr.	296,730
Logan's Roadhouse (Ground Lease)	8,000	03/18	3/5 yr.	75,500

In general, each tenant will pay its proportionate share of real estate taxes, insurance and common area maintenance costs, although the leases with some tenants may provide that the tenant's liability for such expenses is limited in some way, usually so that their liability for such expenses does not exceed a specified amount.

THE SHOPS AT PARK PLACE, PLANO, TEXAS

On October 31, 2003, we acquired an existing shopping center known as The Shops at Park Place through the purchase of all of the membership interests of the general partner and the membership interest of limited partner of the limited partnership holding title to this center. The center contains 116,300 gross leasable square feet (which includes 3,822 square feet of ground lease space) and is located at 6401 W. Plano Parkway in Plano, Texas.

An affiliate of our advisor, Inland Park Place Limited Partnership, acquired this property on September 30, 2003 from CDG Park Place LLC, an unaffiliated third party for $23,868,000. Inland Park Place Limited Partnership agreed to sell this property to us when we had raised sufficient funds from the sale of shares to acquire this property from them. The affiliate agreed to sell us this property for the price it paid to the unaffiliated third party, plus any actual costs incurred. Our board of directors unanimously approved acquiring this property, including a unanimous vote of the independent directors.

Our total acquisition cost was $24,000,000, which included $132,000 of costs incurred by Inland Park Place Limited Partnership. We expect any additional costs to be insignificant. Our acquisition cost is approximately $206 per square foot of leasable space.

As part of the purchase, title to the property was subject to a loan placed on the property by Inland Park Place Limited Partnership for our benefit. The loan is in the amount of $13,127,000, requires interest only payments at a rate of 4.71% per annum and matures November