

AGREE REALTY CORP  
Form SC 13D  
June 22, 2006

**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**SCHEDULE 13D**

(Rule 13d-101)

**Information to be Included in Statements Filed Pursuant to Rule 13d-1(a) and  
Amendments Thereto Filed Pursuant to Rule 13d-2(a)**

**Under the Securities Exchange Act of 1934**

(Amendment No.   )\*

AGREE REALTY CORPORATION  
(Name of Issuer)

COMMON STOCK  
(Title of Class of Securities)

008492100  
(CUSIP Number)

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Lori Foust  
Treasurer  
Inland American Real Estate Trust, Inc.  
2901 Butterfield Road  
Oak Brook, Illinois 60523  
630 218-8000

Roberta S. Matlin  
President  
Inland Investment Advisors, Inc.  
2901 Butterfield Road  
Oak Brook, Illinois 60523  
630 218-8000

*(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)*

June 14, 2006

*(Date of Event which Requires Filing of this Statement)*

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), (f) or (g), check the following box:

*Note:* Schedules filed in paper format shall include a signed original and five copies of the schedule, including exhibits. *See* Rule 13d-7 for other parties to whom copies are to be sent.

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see* the Notes).

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CUSIP No. 008492100

1. Names of Reporting Persons/I.R.S. Identification Nos. of above persons (Entities Only)  
Inland American Real Estate Trust, Inc. (I.R.S. Employer Identification No. 34-2019608)
2. Check the Appropriate Box if a Member of a Group (See Instructions)  
(a)  X  
(b)  O
3. SEC Use Only
4. Source of Funds WC, OO
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  O
6. Citizenship or Place of Organization Maryland

Address of Principal Office 2901 Butterfield Road, Oak Brook, Illinois 60523

Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With

7. Sole Voting Power  
388,600
8. Shared Voting Power  
0
9. Sole Dispositive Power  
0
10. Shared Dispositive Power  
388,600
11. Aggregate Amount Beneficially Owned by Each Reporting Person  
388,600
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  O
13. Percent of Class Represented by Row (11)  
5.0%
14. Type of Reporting Person (See Instructions)  
CO

2

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CUSIP No. 008492100

1. Names of Reporting Persons/I.R.S. Identification Nos. of above persons (Entities Only)

Inland Investment Advisors, Inc.

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)  X

(b)  O

3. SEC Use Only

4. Source of Funds WC, OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  O

6. Citizenship or Place of Organization Illinois

Address of Principal Office 2901 Butterfield Road, Oak Brook, Illinois 60523

7. Sole Voting Power  
0

Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With

8. Shared Voting Power  
0

9. Sole Dispositive Power  
0

10. Shared Dispositive Power  
388,600

11. Aggregate Amount Beneficially Owned by Each Reporting Person  
388,600

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  O

13. Percent of Class Represented by Row (11)  
5.0%

14. Type of Reporting Person (See Instructions)  
CO

**Item 1. Security and Issuer**

Common Stock, \$.0001 par value per share (the Shares ).

Agree Realty Corporation (the Company )

31850 Northwestern Highway

Farmington Hills , Michigan 48334

**Item 2. Identity and Background.**

(a) Inland American Real Estate Trust, Inc. ( Inland American )

(b) State of Incorporation: Maryland

Address of Principal Office: 2901 Butterfield Road, Oak Brook, Illinois 60523

(c) **Principal Business:** Inland American seeks to acquire and manage a diversified (by geographical location and by property type) portfolio of real estate primarily improved for use as shopping or retail centers, malls, multi-family residential buildings, office and industrial buildings located in the United States and Canada. Inland American also may seek to acquire publicly traded or privately owned entities that own such commercial real estate assets. These entities may include REITs and other real estate operating companies, such as real estate management companies and real estate development companies.

(d) Inland American was formed on October 4, 2004 and has not been convicted in a criminal proceeding, excluding traffic violations or similar misdemeanors. To the knowledge of Inland American, none of the executive officers and directors of Inland American has been convicted in a criminal proceeding, excluding traffic violations or similar misdemeanors.

(e) Inland American was formed on October 4, 2004 and has not been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction the result of which was or is subject to (i) a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or (ii) a finding of any violation with respect to federal or state securities laws. To the knowledge of Inland American, none of the executive officers and directors of Inland American has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction the result of which subjected him or her to (i) a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or (ii) a finding of any violation with respect to federal or state securities laws.

Please see Appendix A filed with this Schedule 13D for Identity and Background items (2)(a), (b), (c) and (f) of each of the executive officers and directors of Inland American, which information is incorporated by reference into this Item 2.

(a) Inland Investment Advisors, Inc. ( Adviser )

(b) State of Incorporation: Illinois

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Address of Principal Office: 2901 Butterfield Road, Oak Brook, Illinois 60523

(c) Principal Business: Adviser purchases, sells, exchanges, converts and otherwise trades in securities, places orders for the execution of transactions with or through brokers or dealers Adviser selects, renders, furnishes and provides advice, and analyses regarding securities on behalf of its clients.

(d) Adviser has not been convicted in a criminal proceeding during the last five years, excluding traffic violations or similar misdemeanors. To the knowledge of Adviser, none of the executive officers and directors of Adviser has been convicted in a criminal proceeding during the last five years, excluding traffic violations or similar misdemeanors.

(e) Adviser has not been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction during the last five years the result of which was or is subject to (i) a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or (ii) a finding of any violation with respect to federal or state securities laws. To the knowledge of Adviser, none of the executive officers and directors of Adviser has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction during the last five years the result of which subjected him or her to (i) a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or (ii) a finding of any violation with respect to federal or state securities laws.

Please see Appendix B filed with this Schedule 13D for Identity and Background items (2)(a), (b), (c) and (f) of each of the executive officers and directors of Adviser, which information is incorporated by reference into this Item 2.

### **Item 3. Source and Amount of Funds or Other Consideration.**

Pursuant to an Investment Advisory Agreement made and entered into as of November 15, 2005 by and between Inland American and Adviser (the Advisory Agreement), Adviser has purchased on behalf of Inland American a total of 388,600 Shares for an aggregate price of \$11,361,695.47 in approximately 37 open-market transactions from November 28, 2005 through June 15, 2006. The working capital of Inland American and brokerage account margin loans were the sources of consideration for the purchases. Inland American may continue to utilize margin credit from time to time for the purchase of Shares, subject to applicable federal margin regulations, stock exchange rules and the brokerage firm's credit policies. The cost of borrowing with respect to margin accounts fluctuates with the broker loan rate and the amount of the debit balance. The positions held in the margin accounts are pledged as collateral security for the repayment of debit balances in those accounts. To the knowledge of Inland American, this Item 3 is inapplicable to the executive officers and directors listed on Appendix A because none of those executive officers and directors has purchased or intends to purchase any Shares of the Company. To the knowledge of the Adviser, this Item 3 is inapplicable to the executive officers and directors listed



**on Appendix B because none of those executive officers and directors has purchased or intends to purchase any Shares of the Company.**



**Item 4. Purpose of Transaction.**

Inland American acquired the Company's Shares for the purpose of making an investment in the Company. Inland American has also considered, on a preliminary basis, various courses of action with respect to the Company, including: (i) causing Inland American or a subsidiary or affiliate of Inland American to acquire additional Shares in a cash tender offer or exchange offer; (ii) proposing a merger or sale or similar transaction between Inland American or an affiliate of Inland American and the Company; and (iii) seeking representation on the Company's board of directors. Inland American has not reached any conclusion as to any of the foregoing alternatives. Pending a conclusion or a determination to dispose of all or a portion of the Shares which it owns, Inland American will hold all of these Shares as an investment.

Until Inland American makes a decision concerning the alternatives described above, and depending on market conditions and other factors, Inland American may continue to purchase Shares of the Company in brokerage transactions on the New York Stock Exchange, or in private transactions if appropriate opportunities to do so are available on such terms and at such times as the purchaser considers desirable.

Inland American believes the Company should be sold, and intends to continuously review its investment in the Company and may in the future change its present course of action and decide to pursue one of the alternatives discussed in the first paragraph of this Item 4. Inland American may seek control of the Company or may merely seek to increase its investment in the Company without obtaining control. Inland American may determine to dispose of all or a portion of the Shares that it now owns or may hereafter acquire. In reaching any conclusion as to the foregoing, Inland American will consider various factors, such as the Company's business and prospects, other developments concerning the Company (including, but not limited to, the attitude of the board of directors and management of the Company), other business opportunities available to Inland American, developments in Inland American's business, general economic conditions, and money and stock market conditions.

Other than as described above, Inland American has no present plans or proposals which relate to or would result in: (i) the acquisition by any person of additional securities of the Company, or the disposition of securities of the Company; (ii) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries; (iii) a sale or transfer of a material amount of assets of the Company or any of its subsidiaries; (iv) any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the Board; (v) any material change in the present capitalization or dividend policy of the Company; (vi) any other material change in the Company's business or corporate structure; (vii) changes in the Company's charter, by-laws or other instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any person; (viii) causing a class of securities of the Company to be de-listed from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (ix) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act; or (x) any action similar to any of those enumerated above. Item 4 disclosure provisions regarding any plans or proposals to make any changes in a company's investment policy for which a vote is required by Section 13 of the Investment Company Act of 1940 are not applicable.

**Item 5. Interest in Securities of the Issuer.**

(a) See response corresponding to row 11 of the cover page listing Inland American as the Reporting Person for the aggregate number of Shares beneficially owned by Inland American, which is incorporated herein by reference. See response corresponding to row 13 of the cover page listing Inland American as the Reporting Person for the percentage of Shares beneficially owned by Inland American, which is incorporated herein by reference. See response corresponding to row 11 of the cover page listing the Adviser as the Reporting Person for the aggregate number of Shares beneficially owned by the Adviser, which is incorporated herein by reference. See response corresponding to row 13 of the cover page listing the Adviser as the Reporting Person for the percentage of Shares beneficially owned by the Adviser, which is incorporated herein by reference. The Adviser makes decisions as to dispositions of the shares it holds for the account of Inland American by means of a three-person committee, subject to the approval of the president of the Adviser. No one officer, director or other person has the ability to direct the disposition of the Shares by the Adviser; therefore, none of the officers, directors or committee members of the Adviser beneficially owns such shares. None of the executive officers or directors listed on Appendix A or Appendix B beneficially owns any Shares of the Company.

(b) See responses corresponding to rows seven through ten of the cover page listing Inland American as the Reporting Person for the number of Shares as to which Inland American has sole power to vote or to direct the vote, shared power to vote or to direct the vote, sole power to dispose or to direct the disposition, and shared power to dispose or to direct the disposition, which responses are incorporated herein by reference. See responses corresponding to rows seven through ten of the cover page listing the Adviser as the Reporting Person for the number of Shares as to which the Adviser has sole power to vote or to direct the vote, shared power to vote or to direct the vote, sole power to dispose or to direct the disposition, and shared power to dispose or to direct the disposition, which responses are incorporated herein by reference. The Adviser shares the power of disposition with Inland American pursuant to the terms of the Advisory Agreement. None of the executive officers or directors listed on Appendix A or Appendix B beneficially owns any Shares of the Company.

(c) During the past 60 days, Adviser has effected the following Share transactions for the account of Inland American, each via the New York Stock Exchange:

Type of Transaction	Date	No. of Shares	Price per Share	Total Purchase Price
Buy	17-Apr	2,900	\$29.98	\$86,929.00
Buy	5-Jun	9,100	\$30.62	\$278,680.50
Buy	7-Jun	9,300	\$31.22	\$290,359.00
Buy	8-Jun	1,400	\$31.25	\$43,749.00
Buy	9-Jun	5,400	\$32.06	\$173,098.50
Buy	12-Jun	11,800	\$31.34	\$369,779.00
Buy	13-Jun	2,700	\$31.47	\$84,962.50
Buy	14-Jun	11,500	\$31.16	\$358,305.50
Buy	15-Jun	100	\$31.04	\$3,105.00
Buy	21-Jun	21,100	\$31.51	\$665,037.00

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To the knowledge of Inland American, none of the executive officers and directors of Inland American has effected any transactions in Shares of the Company in the last 60 days or otherwise. To the knowledge of the Adviser, none of the executive officers and directors of Adviser has effected any transactions in Shares of the Company in the last 60 days or otherwise.

- (d) None.
- (e) Not Applicable.

**Item 6.** Contracts, Arrangements, Understandings or Relationships with respect to the Securities of the Issuer.

The Adviser purchased the Shares for the account of Inland American pursuant to the terms of the Advisory Agreement. The Advisory Agreement provides that Adviser has full discretionary authority with respect to the investment and reinvestment of the assets of the account Inland American maintains with Adviser, subject to certain investment guidelines that Inland American may provide from time to time. These guidelines take effect generally fifteen days after notice to Adviser. Either party may terminate the Advisory Agreement upon thirty days written notice. Inland American retains authority to direct the voting of the Shares. The Advisory Agreement is attached to this Schedule 13D as Exhibit 7.1.

**Item 7.** Material to be Filed as Exhibits.

The Advisory Agreement is attached to this Schedule 13D as Exhibit 7.1.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: June 21, 2006

**INLAND AMERICAN REAL ESTATE TRUST, INC.**

*/s/ Roberta S. Matlin*  
Roberta S. Matlin  
**Vice President**

**Dated: June 21, 2006**

**INLAND INVESTMENT ADVISORS, INC.**

*/s/ Roberta S. Matlin*  
Roberta S. Matlin  
President

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Appendix A  
Executive Officers and Directors of Inland American

For purposes of Item 2(c) as it pertains to the executive officers and directors of Inland American whose principal employer is Inland Real Estate Investment Corporation, the principal business of the corporation is providing property management, leasing, marketing, acquisition, disposition, development, redevelopment, renovation, construction, finance, investment products and other services related to real estate.

Names and Titles  
of Inland  
American  
Executive Officers  
and Directors

Names and Titles of Inland American Executive Officers and Directors	<b>Principal Occupation or Employment and Business of Principal Employer</b>	<b>Business or Residence Address; Citizenship</b>
J. Michael Borden, Director	President and chief executive officer of Freedom Plastics, Inc., Rock Valley Trucking Co., Inc., Total Quality Plastics, Inc., Rock Valley Leasing, Inc., Hufcor Inc., Airwall, Inc. and Soft Heat; chief executive officer of F. P. Investments.	Hufcor, Inc. P.O. Box 591 Janesville, WI 53547  United States Citizen
Brenda G. Gujral, President and Director	President, Inland Real Estate Investment Corporation.	Inland American Real Estate Trust, Inc. 2901 Butterfield Road Oak Brook, Illinois 60523  United States Citizen
David Mahon, Director	Managing director of GE Antares Capital and one of GE Antares senior deal professionals in leveraged finance; works in capital markets where he is responsible for structuring and syndicating GE Antares transactions.	Antares Capital Corporation 311 S. Wacker Drive Suite 4400 Chicago, IL 60606  United States Citizen
Thomas F. Meagher, Director	Principal stockholder and chairman of Professional Golf Cars of Florida. Mr. Meagher currently serves on the board of directors of The Private Bank of Chicago, DuPage Airport Authority, the TWA Plan Oversight Committee and Festival Airlines.	Inland American Real Estate Trust, Inc. 2901 Butterfield Road Oak Brook, Illinois 60523
	Aside from the foregoing, Mr. Meagher is retired and has no principal employer.	United States Citizen
Robert D. Parks, Chairman of the Board; Director	Chairman, Inland Real Estate Investment Corporation.	Inland American Real Estate Trust, Inc. 2901 Butterfield Road Oak Brook, Illinois 60523  United States Citizen

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Paula Saban, Director	Designs and implements various financial solutions for clients with Bank of America's Private Bank and Banc of America Investment Services, Inc.; manages a diverse client portfolio; responsible for client management and overall client satisfaction.	Inland American Real Estate Trust, Inc. 2901 Butterfield Road Oak Brook, Illinois 60523
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Aside from the foregoing, Ms. Saban is retired and has no principal employer.

United States Citizen

William J. Wierzbicki, Director	Registered Professional Planner in the Province of Ontario, Canada; member of both the Canadian Institute of Planners and the Ontario Professional Planners Institute; sole proprietor of Planning Advisory Services, a land-use planning consulting service providing consultation and advice to various local governments, developers and individuals; chairman of the Sault North Planning Board, which is responsible for land-use planning for 32 unorganized townships north of the city of Sault Ste. Marie and was a provincial government appointment and has served three consecutive three-year terms with six years as the chairman of the board; independent director on the Sault Area Hospital board of directors and sits on that board's New Hospital Planning Committee and the Quality and Performance Committee.	28 Tadcaster Place Sault Ste. Marie, Ontario Canada P6B 5E4
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Canadian Citizen

Aside from the foregoing, Mr. Wierzbicki is retired and has no principal employer.

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Roberta S. Matlin, Vice president administration	Senior Vice President, Inland Real Estate Investment Corporation.	Inland American Real Estate Trust, Inc. 2901 Butterfield Road Oak Brook, Illinois 60523
		United States Citizen
Lori Foust, Treasurer and principal accounting officer	Treasurer and principal accounting officer of Inland American; Vice President of Inland Western Retail Real Estate Advisory Services, Inc.; principal accounting officer for Inland Western Retail Real Estate Trust.	Inland American Real Estate Trust, Inc. 2901 Butterfield Road Oak Brook, Illinois 60523
	Ms. Foust's principal employer is Inland Real Estate Investment Corporation.	United States Citizen
Scott W. Wilton, Secretary	Secretary of Inland American; assistant vice president of The Inland Real Estate Group, Inc.; assistant counsel with The Inland Real Estate Group law department; secretary of Inland Retail Real Estate Trust, Inc. and Inland Retail Real Estate Advisory Services, Inc; secretary of Inland Real Estate Exchange Corporation; secretary of Inland Western Retail Real Estate Trust, Inc..	Inland American Real Estate Trust, Inc. 2901 Butterfield Road Oak Brook, Illinois 60523
	Mr. Wilton's principal employer is The Inland Real Estate Group of Companies, Inc.	United States Citizen

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Appendix B  
Executive Officers and Directors of Adviser

For purposes of Item 2(c) as it pertains to the executive officers and directors of the Adviser whose principal employer is Inland Real Estate Investment Corporation or The Inland Group, Inc., the principal business of those corporations is providing property management, leasing, marketing, acquisition, disposition, development, redevelopment, renovation, construction, finance, investment products and other services related to real estate.

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Names and Titles  
of Adviser

Executive  
Officers and  
Directors

Brenda G. Gujral,  
Director & Vice President

**Principal Occupation or Employment and Business of Principal Employer**  
President, Inland Real Estate Investment Corporation.

**Principal Business  
Conducted by Employer;  
Business or Residence  
Address; Citizenship**  
2901 Butterfield Road  
Oak Brook, Illinois 60523

United States Citizen

Roberta S. Matlin, Director &  
President

Senior Vice President, Inland Real Estate Investment Corporation.

2901 Butterfield Road  
Oak Brook, Illinois 60523

United States Citizen

Daniel L. Goodwin, Director

Chairman, The Inland Group, Inc.

2901 Butterfield Road  
Oak Brook, Illinois 60523

United States Citizen

Robert D. Parks, Director

Chairman, Inland Real Estate Investment Corporation.

2901 Butterfield Road  
Oak Brook, Illinois 60523

United States Citizen

Catherine L. Lynch, Treasurer  
and Secretary

Treasurer and Secretary, Inland Real Estate Investment Corporation.

2901 Butterfield Road  
Oak Brook, Illinois 60523

United States Citizen