

October 12, 2010

Dear Stockholder:

Throughout the year, we have discussed the process of revaluing shares of Inland American Real Estate Trust, Inc. (“Inland American”) stock. As a reminder, in February 2009, the Financial Industry Regulatory Authority issued Regulatory Notice 09-09, advising broker-dealers to provide estimated per share values of their customer’s investments based on data no more than 18 months old. To support broker-dealer compliance with this new regulation, non-traded REITs, including Inland American, are providing an estimated value per share of their common stock generally within 18 months of a completed offering.

New Estimated Value of our Shares

In an 8-K filing with the Securities and Exchange Commission on September 23, 2010, we stated that the new estimated value per share of Inland American is \$8.03. It is important to note that this estimated value is only a snapshot in time, and we believe it does not reflect the long-term value of our assets. As the economy slowly improves, we expect the value of our shares to reflect that. Keep in mind that we have the ability to pursue a liquidity event when we believe it will provide the most value for our stockholders. We remain confident in our best-of-class portfolio of diversified commercial real estate assets and in the strength of our balance sheet, which we believe has positioned Inland American for future growth.

Distribution Reinvestment Plan

In conjunction with this estimate of the value per share of our stock, our board of directors amended the Distribution Reinvestment Plan (“DRP”), effective September 21, 2010, solely to modify the purchase price. This letter is your notification of such amendment. Under the DRP, a stockholder may acquire, from time to time, additional shares of our stock by reinvesting cash distributions payable by us to such stockholder, without incurring any brokerage commission, fees or service charges. **Additional shares of Inland American stock purchased under the DRP after September 21, 2010, will be purchased at \$8.03 per share.**

Chairman’s Call replay and Frequently Asked Questions

Our chairman, Bob Parks, hosted an informational webcast on Friday, September 24, 2010, to discuss Inland American’s estimate of share value. **A replay of that webcast** is available for your reference, and can be found at www.inlandamerican.com. In addition, included with this letter is a Frequently Asked Questions document, which we hope will clarify any further questions you may have regarding this process.

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Cash Distribution

We have enclosed your cash distribution for the month of September, paid at an annualized rate equal to \$0.50 per share, which was determined by our board of directors in consultation with our business manager. **Please note that your distribution is not changing.** This equates to a 5% annualized yield on a share purchase price of \$10.00 and a 6.2% annualized yield on a share purchase price of \$8.03. If you have invested through a trustee or participate in Direct Deposit or the Distribution Reinvestment Plan, a distribution statement is enclosed in lieu of a check.

We appreciate your investment in Inland American Real Estate Trust, Inc. If you have any questions, please contact your financial advisor or Inland Customer Service at 800.826.8228.

Sincerely,

INLAND AMERICAN REAL ESTATE TRUST, INC.



Robert D. Parks
Chairman of the Board



Brenda Gail Gujral
President

Enclosure

cc: Trustee
Broker Dealer
Financial Advisor

The statements and certain other information contained in this letter, which can be identified by the use of forward-looking terminology such as "may," "will," "expect," "continue," "remains," "intend," "aim," "towards," "should," "prospects," "could," "future," "potential," "believes," "plans," "likely," "anticipate," "position," "probable," "committed," "achieve," and "focused," or the negative thereof or other variations thereon or comparable terminology, constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbors created thereby. These statements should be considered as subject to the many risks and uncertainties that exist in the Company's operations and business environment. Such risks and uncertainties could cause actual results to differ materially from those projected. These uncertainties include, but are not limited to, economic conditions, market demand and pricing, competitive and cost factors, and other risk factors.

Inland American Real Estate Trust, Inc.
Estimated Valuation per Share
Frequently Asked Questions

September 24, 2010

Q: What is the estimated value per share?

A: As of September 21, 2010, the estimated value per share of our common stock is \$8.03, which we believe is an accurate reflection of current market conditions. This new value is only a snapshot in time. We do not believe this estimate reflects the long-term value of our assets, which we believe are positioned for future growth.

Q: What impacted the change in the estimated value per share?

A: We believe the new estimated value of our shares is a direct reflection of the economic conditions over the past 24 months, which had a negative impact on all real estate asset values. Today, we are confident that we have successfully navigated through this economic disruption and have positioned the portfolio for future growth.

Q: What is the purpose of the estimated valuation per share?

A: We estimated the per share value of our common stock to assist broker-dealers in complying with the rules published by the Financial Industry Regulatory Authority ("FINRA"), and to assist fiduciaries of retirement plans subject to annual reporting requirements of ERISA in the preparation of their reports.

Q: What was the process or methodology used to determine the estimated value per share?

A: Our business manager used a combination of valuation methods. They incorporated projections of funds from operations ("FFO") and cash flow that were valued using comparable capitalization rates, discount rates and FFO multiples. The business manager placed the most weight on the projected FFO valuations, which it believes best reflect the enterprise value of our company. Our business manager believes that these methodologies are industry standard. We employed a third party to analyze the business manager's approach to the valuation and its underlying assumptions, as well as its valuation conclusion.

Q: Does the estimated value reflect the value of my shares if I hold until a liquidity event?

A: We believe that as the economy slowly improves, the value of our shares will reflect that improvement. It is important to remember that we have the ability to pursue a liquidity event when we believe it will provide the most value for our stockholders.

Q: Is this a permanent value or snapshot in time?

A: The estimated value per share is only a snapshot in time – as of September 21, 2010. It is not indicative of the proceeds that you would receive upon liquidation, or the price at which the shares would trade if they were to be listed on an exchange. We currently expect to update our estimated value per share on a calendar year basis.

Q: How will this price affect my distribution?

A: The change in estimated value per share will not affect the amount of your monthly distribution. Our board declared a monthly distribution, payable to stockholders of record on September 30, 2010, in an annualized amount equal to \$0.50 per share. This equates to a 5% annualized yield on a \$10.00 share price and a 6.2% annualized yield on a share price of \$8.03.

Q: How will the Distribution Reinvestment Plan be affected?

A: Concurrent with this valuation, we amended and restated our Distribution Reinvestment Plan (“DRP”). Under the amended DRP, the purchase price per share will be \$8.03.

Q: What about the Share Repurchase Program?

A: Our Share Repurchase Program (“SRP”) remains suspended, until further notice. However, our board of directors reviews the SRP on an ongoing basis.

Q: When will the estimated value per share be reflected on my statement?

A: The estimated value per share will first appear on customer account statements from the Company for September 2010. However, we encourage stockholders to communicate with their broker-dealer or custodian to determine when this new estimated value will be reflected on their statements.

Q: As a stockholder, should I be confident in my investment in Inland American?

A: Yes. We believe Inland American is poised for future growth. We expect the operating fundamentals of our portfolio to continue to improve along with the broader economy. The real estate professionals who assembled our portfolio of commercial real estate assets, and the experienced team that manage its day-to-day operations, are backed by Inland’s 40-year track record of success.

Certain statements in this letter constitute “forward-looking statements” within the meaning of the Federal Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical, including statements regarding management’s intentions, beliefs, expectations, representations, plans or predictions of the future and are typically identified by words such as “believe,” “expect,” “anticipate,” “intend,” “estimate,” “may,” “will,” “should” and “could.” Similarly, statements that describe or contain information related to matters such as management’s intent, belief or expectation with respect to our financial performance, investment strategy and portfolio, cash flows and growth prospects are forward-looking statements. These forward-looking statements are not historical facts but are the intent, belief or current expectations of management based on their knowledge and understanding of the business and industry, the economy and other future conditions. These statements are not guarantees of future performance, and stockholders should not place undue reliance on forward-looking statements. Actual results may differ materially from those expressed or forecasted in the forward-looking statements due to a variety of risks, uncertainties and other factors, including but not limited to the factors listed and described under “Risk Factors” in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. We intend that such forward-looking statements be subject to the safe harbors created by Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results.