

STATE BOARD OF LAND COMMISSIONERS
August 17, 2010
Regular Agenda

SUBJECT

Request for final approval to purchase 4.96 acres of property Zoned C-2, including improvements, in the City of Boise, ID. The property is known as Affordable Self Storage.

BACKGROUND

The IDL (Buyer) entered into a Real Estate Purchase and Sale Agreement (PSA) (Attachment I) with Dirk L. Marcum, Leslie Marcum and Kevin A. Howell (Sellers) on July 16, 2010, for a self-storage facility located at 450 S. Maple Grove Road, currently operated as Affordable Self Storage. The property consists of 4.964_± acres and the improvements are “considered to be a Class A self-storage facility”¹ containing 80,625_± sf of rentable enclosed storage and 1,400_± sf of office space plus 768 _± sf of detached garage space for use by the office occupants (See Attachment 2, Thornton Oliver Keller Commercial Real Estate Investment Offering). The PSA is subject to the following:

1. Buyer’s satisfactory review of the Due Diligence Information;
2. Final approval by the State Board of Land Commissioners for the acquisition of the property;
3. Buyer obtaining an appraisal at least equal to the purchase offer price; and
4. Delivery of title to Buyer’s approval.

DISCUSSION

The IDL completed due diligence necessary to recommend this Land Bank Fund purchase pursuant to the requirements outlined in the land board approved *Asset Management Plan*, appendix N – “Due Diligence Checklist.” The findings of key reports and analysis follows:

Appraisal – A summary appraisal report prepared by Timothy P. Williams, MAI, MRICS Idaho CGA #193 and Paul Rodeghiero, Idaho CGA #152 as of July 23, 2010 with the “As-Is” market value of the Fee Simple Estate at least equal to the purchase offer price of \$2,680,000.00.

Property Condition Assessment – A Property Condition Assessment (PCA) was conducted by Jeremy C. Jeffers, AIA, CSI, Senior Consultant with Terracon Consultants Inc., Boise ID. The final written report is due August 9th.

Phase I Environmental Site Assessment – Gem Environmental Management, LLC completed a Phase I Environmental Site Assessment (ESA) report pursuant to the American Society of Testing and Materials (ASTM) Practice E 1527-05. The ESA report revealed no evidence of “recognized environmental conditions,” as defined in the ASTM practice in connection with the site.

Preliminary Title Report –The Preliminary Title Report was reviewed by Deputy Attorney General, Robert Follett and Department staff and revealed no issues.

¹ Summary Appraisal Report, Williams Research Inc., July 23, 2010

Financial Analysis

The Current Physical Occupancy rate is 92.9% and the Economic Occupancy for year end 2009 was 91.8%. Current rental rates appear to be below market rates. Market rates were used to project Potential Gross Income in the financial analysis below and a Projected Rent Loss calculation was used to allow for a two year time period increasing rates to market, with a 10% vacancy.

	Units	Year 1	Year 2
Potential Gross Income	414	\$ 395,669	\$395,669
Other Income		23,955	23,955
Total Potential income		419,624	419,624
Less Vacancy & Collection Loss	10%	\$ (39,567)	\$ (39,567)
Projected Rent Loss		(48,300)	(16,100)
Total Income		\$ 331,757	\$363,957
Expenses			
Taxes		\$ -	\$ -
Insurance		4,000	4,000
Management/Operations		60,000	60,000
Advertising		15,000	15,000
Utilities		9,000	9,000
Maintenance & Repair		7,600	7,600
Reserves		7,600	7,600
Total Operating Expenses		103,200	103,200
Net Operating Income		228,557	260,757
Purchase Price	\$2,680,000		
CAP Rate (Net Income/Purchase Price)		8.5%	9.7%

This Land Bank Fund purchase provides the IDL and the board with the opportunity to invest Land Bank funds in real property; increase cash distributed to beneficiaries; and potentially increase the value of endowment holdings as the property is located in an area of current and projected future growth.

The purchase of Affordable Self Storage meets the purpose and objectives expressed in the board's Asset Management Plan and priorities for new assets in the following ways:

- Increases net cash flow \$228,500 - \$260,700 annually to Public School Funds
- Diversifies asset types to reduce risk and
- Reduces single industry dependence [forestland]

Management of the Site

The Department successfully manages seven other commercial properties in Boise. However, managing a self storage facility is different. Fortunately, there is a plethora of information on the self storage industry to use as a guide; a local chapter {Idaho Self Storage Association (ISSA)} that sponsors an annual conference; and industry specific requirements specified in Idaho

Statute Title 55, Chapter 23 Self-Storage Facilities. Similar to existing office/retail management arrangements, the Department will contract for the day-to-day property management with an experienced company here in the Treasure Valley.

RECOMMENDATION

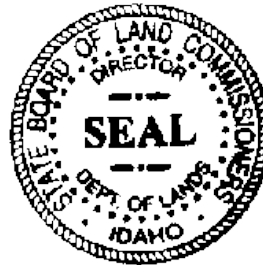
The Department recommends that the Board approve the acquisition of the above referenced property pursuant to the terms and conditions of the Purchase Sale Agreement.

BOARD ACTION

A motion was made by Attorney General Wasden that the Board approve the acquisition of the referenced property pursuant to the terms and conditions of the Purchase Sale Agreement. Controller Jones seconded the motion. The motion carried on a vote of 5-0.

ATTACHMENTS

1. Purchase Sale Agreement
2. Thornton Oliver Keller Investment Offering



6347504

SHORE LODGE

09:03:34 a.m.

07-16-2010

2 / 14

REAL ESTATE PURCHASE AND SALE AGREEMENT

This Real Estate Purchase and Sale Agreement (the "Agreement") is made effective this ____ day of July, 2010, by and between Dirk L. Marcum and Leslie Marcum, husband and wife, whose mailing address is 14364 E Highway 21, Boise, Idaho 83716; Kevin A. Howell, whose mailing address is 4822 N Rosepoint Way, Boise 83713; and Affordable Storage, LLC, an Idaho limited liability company, whose mailing address is 450 S Maple Grove, Boise, Idaho 83709 (hereinafter collectively referred to as "Seller") and State of Idaho, Department of Lands, whose mailing address is PO Box 83720, 300 North 6th Street, Boise, Idaho 83720-0050, and/or assignee (hereinafter referred to as "Buyer") for the purchase and sale of that certain real property, improvements, and business assets with a common street address of 450 S Maple Grove, Boise, Idaho 83709, and commonly known as: a 414 unit 80,625 square foot storage unit facility known and doing business as "Affordable Self Storage" and "Affordable Storage", consisting of three (3) separate parcels legally described on Exhibit A, together with all rights appurtenant thereto, including all buildings, improvements, fixtures, assets and equipment of Seller located thereon and related to the operation of the storage business operations thereon, together with all entitlements and all reports, studies, and surveys of the Seller which pertain to the real property, storage facility, and/or business operations thereon (the "Property").

Property Location: 450 S. Maple Grove Road, Boise, ID 83709

1. Purchase Price; Payment. The total purchase price for the Property is Two Million Six Hundred Eighty Thousand & 00/100 Dollars (\$2,680,000.00), including the Deposit to be paid as follows:

Earnest Money Deposit. Buyer shall deposit with First American Title Insurance Company its check in the amount of Twenty Thousand Dollars (\$20,000.00) as an earnest money deposit ("the Deposit") within three business days from execution of this Purchase and Sale Agreement. The Deposit, together with any interest thereon which shall accrue to the benefit of Buyer, shall be applied against the purchase price at closing.

1.1 The balance of the purchase price shall be paid at closing in cash or cashier's check.

1.2 The deposit will become nonrefundable only: (1) following Buyer's satisfactory review of the Due Diligence Material, (2) upon Buyer's approval of a Preliminary Title Commitment provided by First American Title Insurance Company which shall be included as part of the Due Diligence Period, and (3) final approval by the State Board of Land Commissioners for the acquisition of the subject Property.

2. Included Items. Three (3) separate parcels legally described on Exhibit A, together with all rights appurtenant thereto, including all buildings, improvements, fixtures, assets, equipment and personal property (including but not limited to office equipment, files, records and databases) of Seller related to the operation of the storage business operations thereon, including the assignment of all relevant leases of customers and/or lessors of any and all of the storage units or other facilities located thereon, the right to the continued (and as between the parties hereto, the exclusive) use the business names "Affordable Self Storage" and "Affordable Storage", and together with all entitlements and all reports, studies, and surveys of the Seller which pertain to the real property, storage facility and/or business operations thereon (the "Property")

3. Buyer's Feasibility Study.

3.1 Feasibility Period. Buyer shall have thirty (30) days which shall commence upon the execution by the parties of this Agreement (the "Feasibility Period") to conduct a general feasibility study of the Property. Buyer and its officers, agents, employees, consultants or contractors shall have the right to enter upon the Property for the purposes of conducting such studies, appraisals, inspections, surveys or evaluations as Buyer deems appropriate. Buyer shall have the right as part of such inspection to inspect the Property, as Buyer shall deem appropriate, including the interior of all buildings, to hire such engineers, architects, appraisers and other consultants to inspect the Property at Buyer's cost, including the roofs, all mechanical equipment and utility facilities, to inspect all accounting records of Seller regarding the Property and its operation, and to conduct soil, environmental and similar tests and studies at Buyer's cost.

3.2 Satisfaction or Waiver of Buyer's Feasibility Study. On or before expiration of the Feasibility Period, Buyer shall deliver one of the following notices to the Closing Agent with a copy to Seller and the Broker:

3.2.1 Satisfactory. A notice stating that Buyer has completed its feasibility study, or waives its right to complete a feasibility study, and elects to proceed to closing this transaction on the remaining terms hereof.

REAL ESTATE PURCHASE AND SALE AGREEMENT - 1

SELLER *DM* *LM* *KS* *DL*

BUYER *[Signature]*

6347504

SHORE LODGE

09:03:57 a.m.

07-16-2010

3/14

3.2.2 Unsatisfactory. A notice stating that Buyer has completed its feasibility study and found, in Buyer's sole discretion, the property unsuitable, or for any other reason has determined this Agreement unacceptable, and therefore elects to terminate this Agreement. On giving such notice of termination to Closing Agent, the Deposit shall be returned immediately to Buyer and Buyer and Seller shall be relieved of all obligations hereunder, and this Agreement will be terminated.

3.2.3 Failure to Give Notice. If neither such notice is given within the Feasibility Period, this Agreement may be terminated by either party upon notice to the other party. If this Agreement is terminated pursuant to this paragraph, the Deposit shall be returned to Buyer, and Buyer and Seller shall be relieved of all obligations hereunder, and this Agreement will be terminated.

3.3 Review of Documents. Seller shall within five (5) business days from the date of this Agreement, provide Buyer with copies of the Due Diligence information as shown on Exhibit C. Seller agrees, at Seller's cost, to request and/or cooperate to obtain such materials not in Seller's possession for Buyer.

4. Closing.

4.1 Notice of Land Board's action on Agreement; Time for Closing; Termination Date; Multiple Closings. Buyer shall deliver to Seller notice of the State Board of Land Commissioners' final approval or disapproval of this Agreement within five (5) business days of the State Land Board meeting to be held August 17, 2010. The sale shall be closed in the office of the Closing Agent and shall occur within 15 days following the final purchase approval by the State Board of Land Commissioners. At closing, Buyer and Seller shall deposit in escrow with Closing Agent all instruments, documents and monies necessary to complete the sale in accordance with this Agreement. As used herein, "closing" or "date of closing" means the date on which all appropriate documents are recorded and proceeds of sale are available for disbursement to Seller. Funds held in reserve accounts pursuant to escrow instructions shall be deemed, for purposes of this definition, as available for disbursement to Seller. If requested by Buyer, Seller agrees to permit multiple closings for portions of the Property, with one or more purchasers, which may or may not include the Buyer, so long as the purchase price is paid in full and all closings for portions of the Property occur simultaneously.

4.2 Prorations; Closing Costs. Taxes and assessments for the current year, collected rents, interest, prepaid premiums for insurance to be assigned to Buyer, if any, utilities constituting liens and other items of income and direct expense relating to the Property (including without limitation existing service or supply contracts, owner's association dues, etc.) shall be prorated as of the date of closing. On closing Seller either will assign and transfer to Buyer, or give Buyer a credit, in the amount of all tenant deposits, if any, held by Seller. Seller shall pay for the ALTA standard coverage title insurance policy, the cost of recording the deed of trust given to Seller hereunder, if any, and one-half (1/2) of Closing Agent's escrow fee. Buyer shall pay the cost of the Appraisal, the Phase I Environmental Assessment, if any, recording the Warranty Deed, and one-half (1/2) of Closing Agent's escrow fee.

4.3 Possession. Buyer shall be entitled to possession of the Property upon closing subject to existing leases and easements or encumbrances of record.

4.4 Documents To Be Delivered by Seller at Closing. On the date of closing, Seller shall have executed, or caused to be executed, and delivered to the Closing Agent the following documents, if required by Buyer, in a form reasonably acceptable to Buyer and Seller:

- a) Warranty Deed;
- b) FIRPTA (as provided in Section 7.3 of this Agreement);
- c) No-Lien affidavit (as provided in Section 7.2 of this Agreement);
- d) Bill of Sale transferring all personal property, assets and equipment; and assigning leases;
- e) Any other instruments or documents reasonably requested by Buyer; and
- f) Other: _____

5. Conveyance of Title. On closing, Seller shall execute and deliver to Buyer a general Warranty Deed conveying good and marketable title to the Property consisting of real property, buildings and improvements including all appurtenances thereto free and clear of any and all defects of title, including, but not limited to, any and all, liens and encumbrances except those which may be specifically agreed to by Buyer in writing following a review of the title.

SELLER *DM* *LM* *ML* *DM* BUYER *Idl*
 dm lm ml dm Idl

6347504

JUL/16/2010/FRI 04:03 AM FOUNDATIONS LLC

SHORE LODGE

09:04:19 a.m.

07-16-2010

4/14

FAA NV. 2U0JDDJUUU

T. UU4

commitment by both parties. Seller shall also execute and deliver to Buyer a Bill of Sale conveying good and marketable title to the Property consisting of all equipment, assets and personal property (including office equipment, files, records and databases) used in connection with the business (leasing operations located upon the real property, and shall assign to Buyer all right, title and interest in any and all leases of lessees to lease the Property or any portion thereof, all free and clear of any and all defects of title, including, but not limited to, any and all, liens and encumbrances except those which may be specifically agreed to by Buyer in writing following a review of the title commitment by both parties.

6. **Risk of Loss; Insurance; Condemnation.** Risk of loss of or damage to the Property shall be borne by Seller until the date of closing. Thereafter, Buyer shall bear the risk of loss. In the event of material loss of or damage to the Property prior to the date upon which Buyer assumes the risk of loss, Seller shall not be obligated to restore the Property nor pay damages to Buyer by reason of such loss or damage, and Buyer may terminate this Agreement by giving notice of such termination to Seller and Closing Agent, and such termination shall be effective and the Deposit shall be refunded to Buyer within ten (10) days thereafter; provided however, that such termination shall not be effective if Seller agrees in writing within such ten (10) day period to restore the Property substantially to its present condition by the closing date; and provided further that Buyer may elect to purchase the Property in the condition existing on the date of closing and on closing Seller shall assign to Buyer the proceeds of any policy of insurance carried by or for the benefit of Seller covering any loss or damage to the Property occurring after the date hereof and prior to the closing date. Seller will submit an insurance claim and use its best efforts to obtain insurance proceeds. On closing Seller will pay to Buyer, outside of escrow, the entire amount of insurance proceeds received prior to closing from such claim.

Until closing, Seller shall maintain its existing insurance policy(ies) with premiums prepaid on the Property insuring any improvements located on the Property against loss by fire and all other risks customarily covered in Idaho.

7. **Seller's Representations and Warranties.** In addition to other representations contained in this Agreement and in Exhibit B, which exhibit is attached hereto and made a part hereof, Seller represents and warrants to Buyer as of the date of closing that:

7.1 **Authority.** Seller, and all persons signing on behalf of Seller, have full power and authority to execute this Agreement and perform Seller's obligations hereunder and if Buyer is a corporation, all necessary corporate action to authorize this transaction has been taken;

7.2 **Parties In Possession; Liens.** The Property is not subject to any leases, tenancies or rights of persons in possession except as have been disclosed to Buyer in writing. Prior to closing Seller shall execute and deliver to the Closing Agent or Buyer an executed No-Lien Affidavit confirming the nonexistence of any liens or rights to any liens on the Property;

7.3 **Non-foreign Status.** Seller is not a "foreign person" for purposes of Section 1445 of the Internal Revenue Code. Prior to closing, Seller shall execute and deliver to Closing Agent an affidavit in order to meet the Foreign Investment in Real Property Tax Act ("FIRPTA") requirements of I.R.C. § 1445 and LC. § 58-313; and

7.4 **No Hazardous Waste; Indemnity.** Seller is unaware of, and has not received notification of any kind from any agency, suggesting that the Property is or may be targeted for a Superfund cleanup. To the best of Seller's knowledge, neither the Property nor any portion thereof is or has been used as a landfill, waste storage or disposal site, or for the storage or disposal of any chemicals, petroleum or oil products, or hazardous or dangerous wastes or substances. Seller agrees to indemnify and hold Buyer harmless from and against any and all loss, damage, claims, penalties, liability, suits, costs and expenses (including, without limitation, reasonable attorney fees) and also including without limitation, costs of remedial action or cleanup, suffered or incurred by Buyer arising out of or related to any such use of the Property, or portion thereof, occurring prior to the conveyance to Buyer, about which Seller knew or reasonably should have known prior to closing.

8. **Buyer's Authority.** Buyer represents and warrants to Seller that at the date of execution hereof and at the date of closing Buyer, and all persons signing on behalf of Buyer, have full power and authority to execute this Agreement and to perform Buyer's obligations hereunder, and if Buyer is a corporation, all necessary corporate action to authorize this transaction has been taken.

9. **Assignment of Warranties and Service and Supply Contracts.** On closing, Seller shall and does hereby assign to Buyer all rights and benefits, if any, now or hereafter held by Seller under any warranties of any kind, express or implied, made or furnished by the manufacturers, builders, suppliers or vendors of any material used in construction of the improvements on the Property or any furniture, appliances or equipment to be purchased by Buyer hereunder, and Seller shall and does hereby assign to Buyer all rights and benefits under any present or future contract for services or supplies used in or

6347504

SHORE LODGE

09:04:43 a.m.

07-16-2010

5/14

about the Property, such assignments to be self-operative without the need for any further written document; provided however, that at Buyer's request Seller shall execute any instruments and cooperate with Buyer as reasonably required to evidence or enforce such assignments. Seller will sign any documents, join in any action, and otherwise cooperate with Buyer in enforcing any such warranties or contracts, provided that such documents and cooperation does not result in any cost or liability to Seller. Seller hereby designates Buyer full power of substitution in its name, to demand, collect, sue upon, receipt for, and otherwise dispose of or deal with any claims, payments, settlements or compromises which may be made with respect to any warranties transferred to Buyer hereunder. Buyer shall not be obligated to accept or assume Seller's obligations under any supply or service contract hereby assigned.

10. Condition of Property. Buyer is purchasing the Property on an "as-is" basis without any warranties, express or implied, from Seller, except as provided in this Agreement (including Exhibit B). Buyer further acknowledges that Buyer is not relying upon any statement or representations by the broker(s) or any representatives of the broker(s) or Seller which are not expressly set forth in this Agreement.

11. Default; Attorney Fees. Time is of the essence of this Agreement. If Seller defaults hereunder, Buyer may seek specific performance of this Agreement, damages or rescission, and Buyer shall be entitled to a return of the Deposit on demand, and Seller hereby releases all claims to the Deposit in the event of such default. If Buyer defaults, the Deposit shall be forfeited on demand by Seller as liquidated damages and upon payment thereof to Seller, Buyer shall have no further obligations or liability hereunder. In any suit, action or appeal therefrom, to enforce this Agreement or any term or provision hereof, or to interpret this Agreement, the prevailing party shall be entitled to recover its costs incurred therein (and on appeal), including reasonable attorney fees.

12. Notices. Any notice under this Agreement shall be in writing and be delivered in person or by public or private courier service (including U.S. Postal Service Express Mail) or certified mail or by facsimile. Any notice given by certified mail shall be sent with return receipt requested. Any notice given by facsimile shall be verified by telephone. All notices shall be addressed to the parties at the addresses set forth in this Agreement, or at such other addresses as the parties may from time to time direct in writing. Any notice shall be deemed to have been given on the earlier of: (a) actual delivery or refusal, (b) three (3) days after mailing by certified mail, or (c) the day facsimile delivery is verified. In the event Seller or Buyer consist of one or more parties, notice to the party set forth herein shall be deemed notice to all other persons or entities constituting said Seller or Buyer.

Notices to Seller shall be sent to:

Fax: _____

Notices to Buyer shall be sent to:

Kathy Opp
Idaho Department of Lands
PO Box 83720
300 North 6th Street
Boise, Idaho 83720-0050
Fax: (208) 334-3698

13. Survival of Warranties. The terms, covenants, representations and warranties shall not merge in the deed of conveyance, but shall survive closing.

14. Commissions. Buyer and Seller understand and agree that Thornton Oliver Keller Commercial Real Estate is involved in this transaction on behalf of Buyer and Seller (collectively the "Brokers"), and that no other broker or agent was the procuring cause of the transaction contemplated by this Agreement. Seller shall be responsible for paying a sales commission of five percent (5%) of the purchase price at closing to Thornton Oliver Keller, to be split equally between Seller and Buyer's assigned agents. Buyer and Seller each agree to protect, defend, indemnify and hold harmless the other, their successors and assigns, from and against any and all obligation, cost, expense and liability, including, without limitation, all reasonable attorney fees and court costs arising out of any claim for brokerage commission, finder's commission or other such compensation as a result of the dealings of Buyer and Seller in connection with this transaction other than such fees as may be due the agent of the party claiming such indemnification.

SELLER *Dem LM*
dlm lmt

AK Dem
akt m, llc

BUYER *AK*
akt

6347504

SHORE LODGE

09:05:04 a.m.

07-16-2010

6/14

REPRESENTATION CONFIRMATION

Check one (1) box in Section 1 below and one (1) box in Section 2 below to confirm that in this transaction, the brokerage(s) involved had the following relationship(s) with the BUYER(S) and SELLER(S).

Section 1:

- A. The brokerage working with the BUYER(S) is acting as an AGENT for the BUYER(S).
- B. The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S), without an ASSIGNED AGENT.
- C. The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S), and has an ASSIGNED AGENT acting solely on behalf of the BUYER(S).
- D. The brokerage working with the BUYER(S) is acting as a NONAGENT for the BUYER(S).

Section 2:

- A. The brokerage working with the SELLER(S) is acting as an AGENT for the SELLER(S).
- B. The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S), without an ASSIGNED AGENT.
- C. The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S), and has an ASSIGNED AGENT acting solely on behalf of the SELLER(S).
- D. The brokerage working with the SELLER(S) is acting as a NONAGENT for the SELLER(S).

Each party signing this document confirms that he has received, read and understood the Agency Disclosure brochure adopted or approved by the Idaho Real Estate Commission and has consented to the relationship confirmed above. In addition, each party confirms that the brokerage agency office policy was made available for inspection and review. **EACH PARTY UNDERSTANDS THAT HE IS A "CUSTOMER" AND IS NOT REPRESENTED BY A BROKERAGE UNLESS THERE IS A SIGNED WRITTEN AGREEMENT FOR AGENCY REPRESENTATION.**

CONSENT TO LIMITED DUAL REPRESENTATION AND ASSIGNED AGENCY

The undersigned have received, read and understand the Agency Disclosure Brochure. The undersigned understand that the brokerage involved in this transaction may be providing agency representation to both the buyer and the seller. The undersigned each understands that, as an agent for both buyer/client and seller/client, a brokerage will be a limited dual agent of each client and cannot advocate on behalf of one client over another, and cannot legally disclose to either client certain confidential client information concerning price negotiations, terms or factors motivating the buyer/client to buy or the seller/client to sell without specific written permission of the client to whom the information pertains. The specific duties, obligations and limitations of a limited dual agent are contained in the Agency Disclosure Brochure as required by section 54-2085, Idaho Code. The undersigned each understands that a limited dual agent does not have duty of undivided loyalty to either client.

The undersigned further acknowledge that, to the extent the brokerage firm offers assigned agency as a type of agency representation, individual sales associates may be assigned to represent each client to act solely on behalf of the client consistent with applicable duties set forth in Section 54-2087, Idaho Code. In an assigned agency situation, the designated broker (the broker who supervises the sales associates) will remain a limited dual agent of the client and shall have the duty to supervise the assigned agents in the fulfillment of their duties to their respective clients, to refrain from advocating on behalf of any one client over another, and to refrain from disclosing or using, without permission, confidential information of any other client with whom the brokerage has an agency relationship.

RESPONSIBLE BROKER

The RESPONSIBLE BROKER in this transaction is Michael J. Ballantyne, Designated Broker for Thornton Oliver Keller Commercial Real Estate, LLC

Listing Agency: Thornton Oliver Keller Commercial Real Estate
Agent: Trevor Carter
Address: 250 S. 5th Street, 2nd Floor, Boise, ID, 83702
Phone: 208.947.0806

6347504

SHORE LODGE

09:05:25 a.m.

07-16-2010

7/14

Selling Agency: Thornton Oliver Keller Commercial Real Estate
 Agent: Al Marino and Gavin Phillips
 Address: 250 S. 5th Street, 2nd Floor, Boise, ID 83702
 Phone: 208.378.4600

15. **Counterparts.** This Agreement may be executed in any number of counterparts for the convenience of the parties, all of which, when taken together and after execution by all parties hereto, shall constitute one and the same Agreement.

16. **General.** This is the entire agreement of Buyer and Seller with respect to the matters covered hereby and supersedes all prior agreements between them, written or oral. This Agreement may be modified only in writing, signed by Buyer and Seller. Any waivers hereunder must be in writing. No waiver of any right or remedy in the event of default hereunder shall constitute a waiver of such right or remedy in the event of any subsequent default. This Agreement shall be governed by the laws of Idaho. This Agreement is for the benefit only of the parties hereto and shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the parties herein. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof.

17. **Assignment.** Buyer may assign its rights hereunder to any person(s) or entity(ies).

18. **Seller Cooperation.** Seller will cooperate in connection with Buyer's efforts to obtain all necessary permits, consents and approvals of all governmental agencies having jurisdiction over the Property as required in connection with zoning, design review and the construction of any improvements on the Property; provided however, that Seller will not be required to, nor will Buyer enter into any agreement which serves to, place any permanent obligation, covenant or burden upon the Seller or the Property prior to closing without Seller's consent, not to be unreasonably withheld or delayed. Any and all expenses incurred by Buyer in conjunction with these matters will be Buyer's responsibility.

19. **Additional Provisions.** Any additional provisions are set forth in the Addendum to this Agreement, which Addendum is attached hereto and made a part hereof.

20. **Exhibits.** Exhibit A, B, C and the Addendum attached hereto are incorporated herein as if fully set forth.

21. **Sufficient Appropriation By Legislature Required.** This Agreement shall in no way or manner be construed so as to bind or obligate the State of Idaho beyond the term of any particular appropriation of funds by the State legislature as may exist from time to time. The State of Idaho shall have and reserves the right to terminate this Agreement if the legislature of the State of Idaho fails, neglects or refuses to appropriate sufficient funds as may be required for the State of Idaho to meet any obligation under this Contract. All future rights and liabilities of the parties hereto shall thereupon cease within thirty (30) days after written notice to the Seller.

22. **Officials, Agents, And Employees Not Personally Liable.** No director, official, officer, employee or agency of the State of Idaho shall be in any way liable or responsible for any covenant or agreement herein contained, whether expressed or implied, nor for any statement, representation or warranty made herein or in any way connected with this Contract, Auction, or Sale. In particular, and without limitation of the foregoing, no full-time or part-time agent or employee, or the State of Idaho shall have any personal liability or responsibility hereunder, and the sole responsibility and liability for the performance of this Contract and all of the provisions and covenants herein contained pertaining to the Seller shall rest in and be vested with the State of Idaho.

[end of text]

REAL ESTATE PURCHASE AND SALE AGREEMENT - 6

SELLER

Al Marino
 dm

Gavin Phillips
 gm

BUYER

[Signature]
 [Initials]

6347504

JUL 16 2010 FRI 04:04 PM FOUNDATIONS LLC

SHORE LODGE

09:05:44 a.m.

07-16-2010

8/14

Executed effective the date first set forth above.

SELLER:

DIRK L. MARCUM

Dated: 7-16-10

Dirk L. Marcum

LESLIE MARCUM

Dated: 7/16/10

Leslie Marcum

KEVIN A. HOWELL

Dated: 7-15-10

Kevin A. Howell

AFFORDABLE STORAGE, LLC
an Idaho limited liability company

Dated: 7-16-10

By: Dirk L. Marcum
As: OWNER

BUYER:

STATE OF IDAHO, DEPARTMENT OF LANDS

Dated: 7-15-10

George B. Bacon
By: **GEORGE B. BACON**
As: **DIRECTOR**

6347504

SHORE LODGE

09:05:52 a.m.

07-16-2010

9/14

Exhibit A

PARCEL A:

Part of the Southwest quarter of the Northwest quarter of Section 13, Township 3 North, Range 1 East, of the Boise Meridian, Ada County Idaho, described as follows:

Commencing at a found brass cap monumenting the Northwest corner of said Section 13; thence along the Westerly line of said Section 13 South 00°00'40" West a distance of 1,329.04 feet to a found steel pin said pin monumenting the Northwest corner of said Southwest quarter of the Northwest quarter of Section 13; thence continuing along said Westerly line of said Section 13 South 00°02'40" East a distance of 166.00 feet to a point; thence leaving said Westerly line North 89°41'44" East a distance of 35.00 feet to a found steel pin on the Easterly right of way of South Maple Grove Road; thence along said Easterly right of way South 00°02'40" East a distance of 30.00 feet to a set steel pin, said pin being the REAL POINT OF BEGINNING; thence leaving said Easterly right of way North 89°41'44" East a distance of 626.78 feet to a set steel pin; thence South 00°00'02" West a distance of 137.24 feet to a found steel pin; thence South 89°48'05" West a distance of 626.66 feet to a found steel pin on the Easterly right of way of South Maple Grove Road; thence along said Easterly right of way North 00°02'40" West a distance of 136.07 feet to the REAL POINT OF BEGINNING.

LESS AND EXCEPTING that portion deeded to Ada County Highway District in Warranty Deed recorded May 18, 2000, as Instrument No. 200038125, Records of Ada County, Idaho.

6347504

SHORE LODGE

09:06:05 a.m.

07-16-2010

10/14

Exhibit A Cont.

PARCEL B:

Part of the Southwest quarter of the Northwest quarter of Section 13, Township 3 North, Range 1 East, of the Boise Meridian, Ada County Idaho, described as follows:

Commencing at a found brass cap monumenting the Northwest corner of said Section 13; thence along the Westarly line of said Section 13 South 00°00'40" West a distance of 1,329.06 feet along the section line common to Sections 13 and 14 to an iron pin marking the one-sixteenth corner; thence South 0°02'40" East 165.00 feet along said section line common to Sections 13 and 14 to a point, said section line also being the centerline of MAPLE GROVE ROAD, said point being the REAL POINT OF BEGINNING;

thence leaving said section line North 89°41'44" East 671.80 feet along the South boundary of WALNUT

RIDGE SUBDIVISION to an iron pin; thence South 00°00'02" West a distance of 30 feet more or less to a set steel pin; thence South 89°41'46" West a distance of 671.78 feet to the centerline of MAPLE GROVE ROAD, thence along said centerline North 00°02'40" West a distance of 30 feet to the REAL POINT OF BEGINNING.

SCHEDULE C CONTINUED:

EXCEPT any portion lying within that land deeded to IDAHO TRANSPORTATION BOARD for the DIVISION OF HIGHWAYS for road right of way in Warranty Deed recorded September 29, 1987, as Instrument No. 8755078, Official Records.

ALSO LESS AND EXCEPTING that portion deeded to Ada County Highway District in Warranty Deed recorded May 18, 2000, as Instrument No. 100038125, Records of Ada County, Idaho.

6347504

SHORE LODGE

09:06:17 a.m.

07-16-2010

11/14

Exhibit A Cont.

PARCEL Ca

A parcel of land located in the Southwest quarter of the Northwest quarter of Section 13, Township 3 North, Range 1 East, of the Boise Meridian, Ada County Idaho, more particularly described as follows:

Beginning at a brass cap marking the section corner common to Sections 11, 12, 13 and 14, Township 3 North, Range 1 East, Boise Meridian; thence South 0°00'40" West 1329.04 feet along the section line common to Sections 13 and 14 to an iron pin marking the one sixteenth corner; thence South 0°02'40" East, 166.00 feet along said section line common to Sections 13 and 14 to a point, said section line also being the centerline of Maple Grove Road; thence leaving said section line, North 89°41'44" East, 671.80 feet along the South boundary of WALNUT RIDGE SUBDIVISION, to an iron pin being the REAL POINT OF BEGINNING; thence continuing North 89°41'44" East, 646.81 feet along said subdivision boundary to an iron pin on the one-sixteenth line; thence South 0°02'47" West, 158.44 feet along the one-sixteenth line to an iron pin; thence leaving said one-sixteenth line South 89°48'05" East, 646.67 feet to an iron pin; thence North 0°00'02" East, 167.24 feet to the REAL POINT OF BEGINNING.

PARCEL Da

An easement for ingress and egress over a parcel of land located in the Southwest quarter of the Northwest quarter of Section 13, Township 3 North, Range 1 East, of the Boise Meridian, Ada County Idaho, more particularly described as follows:

Beginning at a brass cap marking the section corner common to Sections 11, 12, 13 and 14, Township 3 North, Range 1 East, Boise Meridian; thence South 0°00'40" West 1329.04 feet along the section line common to Sections 13 and 14 to an iron pin marking the one sixteenth corner; thence South 0°02'40" East, 166.00 feet along said section line common to Sections 13 and 14 to a point, said section line also being the centerline of Maple Grove Road; said point being the POINT OF BEGINNING; thence leaving said section line, North 89°41'44" East, 671.80 feet along the South boundary of WALNUT RIDGE SUBDIVISION to an iron pin; thence South 00°00'02" West a distance of 30 feet, more or less, to a set steel pin; thence South 89°41'44" West, a distance of 671.78 feet to the center line of Maple Grove Road; thence along said centerline North 00°02'40" West, a distance of 30 feet to the POINT OF BEGINNING.

EXCEPT any portion lying within that land deeded to IDAHO TRANSPORTATION BOARD for the DIVISION OF HIGHWAYS for road right of way in Warranty Deed recorded September 29, 1987, as Instrument No. 8755078, Official Records.

ALSO LESS AND EXCEPTING that portion deeded as Ada County Highway District in Warranty Deed recorded May 18, 2000, as Instrument No. 100086125, Records of Ada County, Idaho.

REAL ESTATE PURCHASE AND SALE AGREEMENT - JO

SELLER

[Handwritten signatures]

BUYER

[Handwritten initials]

6347504

SHORE LODGE

09:06:35 a.m.

07-16-2010

12/14

EXHIBIT B**Additional Representations and Warranties**

Seller's Representations and Warranties. In addition to other representations set forth in this Agreement, Seller represents and warrants to Buyer as of the date of closing that:

1. **No Violation of Law.** Neither the Property nor the sale of the Property violates any applicable statute, ordinance or regulation, nor any order of any court or any governmental authority or agency, pertaining to the Property or the use occupancy or condition thereof;
2. **No Liens.** All persons and corporations supplying labor, materials and equipment to the Property have been paid and there are no claims of liens;
3. **No Assessments.** There are no currently due and payable assessments for public improvements against the Property and Seller is not aware of any local improvement district or other taxing authority having jurisdiction over the Property in the process of formation;
4. **Title.** Seller has good and marketable title to the property;
5. **Utilities.** All utilities, including but not limited to gas, electricity, telephone, water, and sanitation and storm sewers, are completed to one or more property lines of the Property, in size sufficient to service the Property. All such utilities are over valid easements of record or dedicated rights of way that have been accepted by local authorities having jurisdiction thereof;
6. **Flood; Drainage.** The Property is not located in an area identified by the Secretary of Housing and Urban Development or other governmental agency as an area having special flood hazards, and no separate areas within the Property are required to be set aside for water retention, "green belt," open space or drainage;
7. **Water Retention; Drainage.** All water retention and storm drainage facilities, streets, curbs, gutters, sidewalks and utilities have been or will be completed in accordance with applicable plans, specifications and permits, and will have been approved by the applicable governmental entity prior to closing;
8. **Development Fees.** Seller has no notice or knowledge of any agreement, requirement, request or demand with or by any governmental entity to the effect that the owner of the Property shall or may be required to give consideration such as, without limitation, payment of any deferred zoning or development fees, contributions to school districts, park districts, local improvement districts or similar agencies, or dedication of any portion of the Property, as a condition to the granting of development or building permits for the Property;
9. **Storm/Sewer Facilities.** Seller has no knowledge of any restriction, moratorium, regulation or policy that would prevent or impede connection of present or future improvements on the Property to the storm, sanitary sewer, or water facilities, or that would impose an extraordinary fee for such connection;
10. **Contiguity.** The Property consists of 4.96 acres more or less;
11. **Zoning.** The current zoning for the Property is L-OD/DA (Limited Office with Design Review and a Development Agreement) zone. Seller has no knowledge of any plan by any person or entity to change the existing zoning applicable to the Property;
12. **Commercial Development.** Seller acknowledges that Buyer is acquiring the Property with the intention of either maintaining or developing and constructing commercial improvements thereon.

REAL ESTATE PURCHASE AND SALE AGREEMENT - 11

SELLER 
 dm lm km mlcBUYER 

6347504

SHORE LODGE

09:06:52 a.m. 07-16-2010

13 / 14

Exhibit C

DUE DILIGENCE CHECKLIST

FINANCIAL/OPERATING STATEMENTS

- X 1. Current rent roll indicating lease terms, rental rates, concessions granted, renewal options, security deposits, tenant's financial statements and any outstanding delinquencies or prepayments
- X 2. Tenant leases currently in place
3. Standard lease form
4. Certificates of Occupancy
5. Tenant profiles, if available
- X 6. Historical financial and/or operating statements for the prior five years and current year-to-date statements or those covering the period of Seller's ownership
- X 7. Capital expenditure records for the past five years
- X 8. Utility bills for the preceding twenty-four month period
- X 9. Maintenance/service contracts and agreements. Any contracts relating to the ownership, operation and maintenance of the property including laundry lease, pool, pest and landscaping contracts
- X 10. Current ad valorem tax bills and property tax statements
- X 11. List of vendors and utility companies with account numbers
- X 12. List of tangible personal property owned by Seller and used in connection with the ownership, operation, use and maintenance of the property

ARCHITECTURAL/SURVEYS/REPORTS

13. Floor plans
- X 14. Site plan
- X 15. Governmental permits or zoning restrictions affecting the development of the property
- X 16. Statement of structural alterations made to premises
- X 17. Any guarantees and warranties on the building, roofs, major repairs, etc.
- X 18. Existing survey, if available
- X 19. Phase I Environmental Report, if available
- X 20. Most recent engineering report, if available
21. Traffic report (apartments)
22. Market surveys or studies of area or comparable properties, if available
23. Brochures of project and comparable or competitive projects (apartments)

REAL ESTATE PURCHASE AND SALE AGREEMENT - 12

SELLER

dim

lpr

ksh

as,nc

BUYER

jdl

6347504

SHORE LODGE

09:07:03 a.m.

07-16-2010

14/14

ADDENDUM

This Addendum contains additional provisions which supplement the Real Estate Purchase and Sale Agreement dated _____ as Buyer and _____ between _____ as Seller for the purchase and sale of certain real property commonly known as _____ in _____ County, Idaho.

(a) _____

(b) _____

(c) _____

(d) _____

(e) _____

(f) _____

(g) _____

(h) _____

(i) _____

[Handwritten signatures]
dtd lm kah usJlc

[Handwritten signature]
101



Affordable Self Storage
414 Self Mini Storage Facility
450 S. Maple Grove Rd.
Boise, ID 83709

- Institutional quality facility
- Rents average 20% below market area rates
- Actual 8.1% capitalization rate
- Ideal central Boise, ID location

Trevor Caster of Thornton Oliver Keller exclusively represents this opportunity to acquire this well positioned and well located institutional quality mini storage facility.

Affordable Self Storage enjoys 168' of frontage on the high traffic corridor of Maple Grove Road and is less than 1 mile from Interstate 84, Interstate 184 and the super regional retail heart of the Treasure Valley anchored by the Boise Towne Plaza.

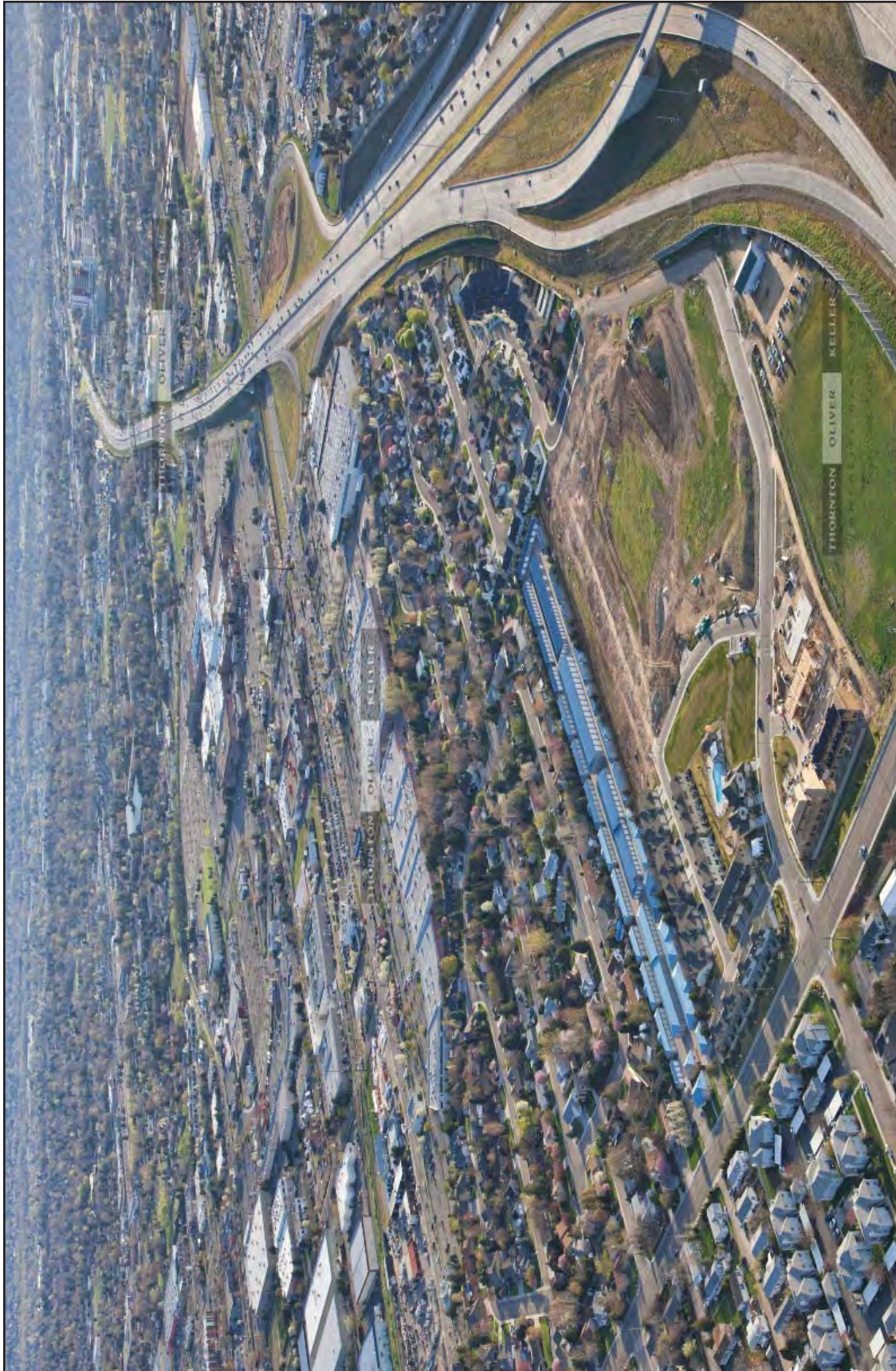
A population of 91,186 with an average household income of \$67,164 resides within a 3 mile radius of the subject property and there is a population of 219,726 within 5 miles. Phase I of the 200+ unit high density multifamily project, Pine Tree Village, was just recently completed directly adjacent to Affordable Self Storage.

Affordable Self Storage is offered at a current actual 8.1% capitalization rate which jumps to 9.1% with a 10% increase in the more than 20% below market existing rates.

The subject property boasts a present physical occupancy of 92.9% and has maintained a 90%+ occupancy level throughout the last several years. The offering is underwritten with attractive in place management that makes this a 'hands off' passive investment. 51.5% of the existing tenants have resided at the property for 2 years or longer and 27.5% for 5 years or longer.

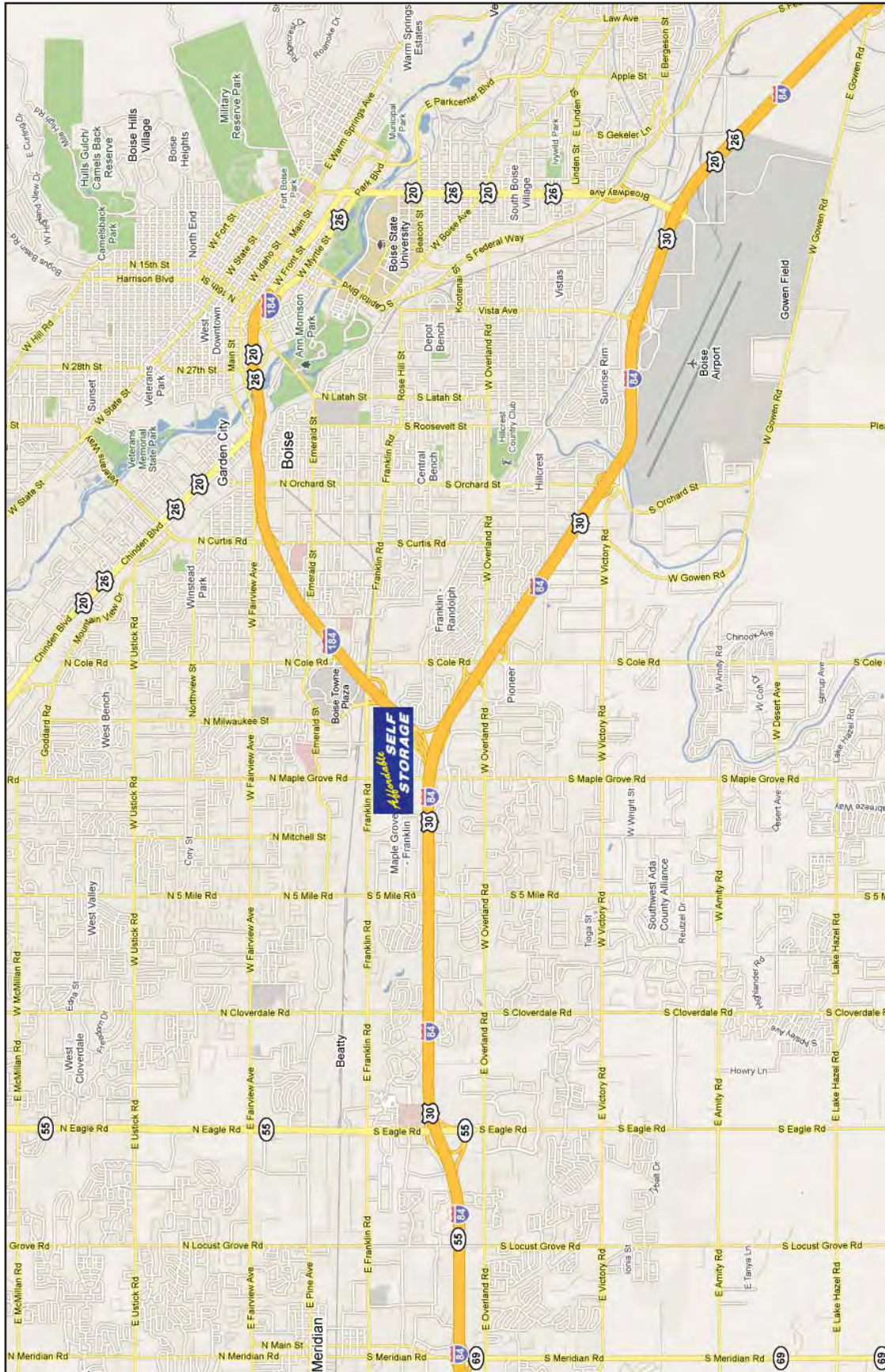
**ALL SHOWINGS SHALL BE COORDINATED THROUGH THE LISTING AGENT.
PLEASE DO NOT VISIT THE PROPERTY WITHOUT AN APPOINTMENT.**

Experience Results.



The information presented has been obtained from sources believed reliable. You are responsible for confirming its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction depends on many factors which should be evaluated through investigation by your advisors.

Experience Results.



The information presented has been obtained from sources believed reliable. You are responsible for confirming its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction depends on many factors which should be evaluated through investigation by your advisors.



The information presented has been obtained from sources believed reliable. You are responsible for confirming its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction depends on many factors which should be evaluated through investigation by your advisors.

Experience Results.



The information presented has been obtained from sources believed reliable. You are responsible for confirming its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction depends on many factors which should be evaluated through investigation by your advisors.

Experience Results.



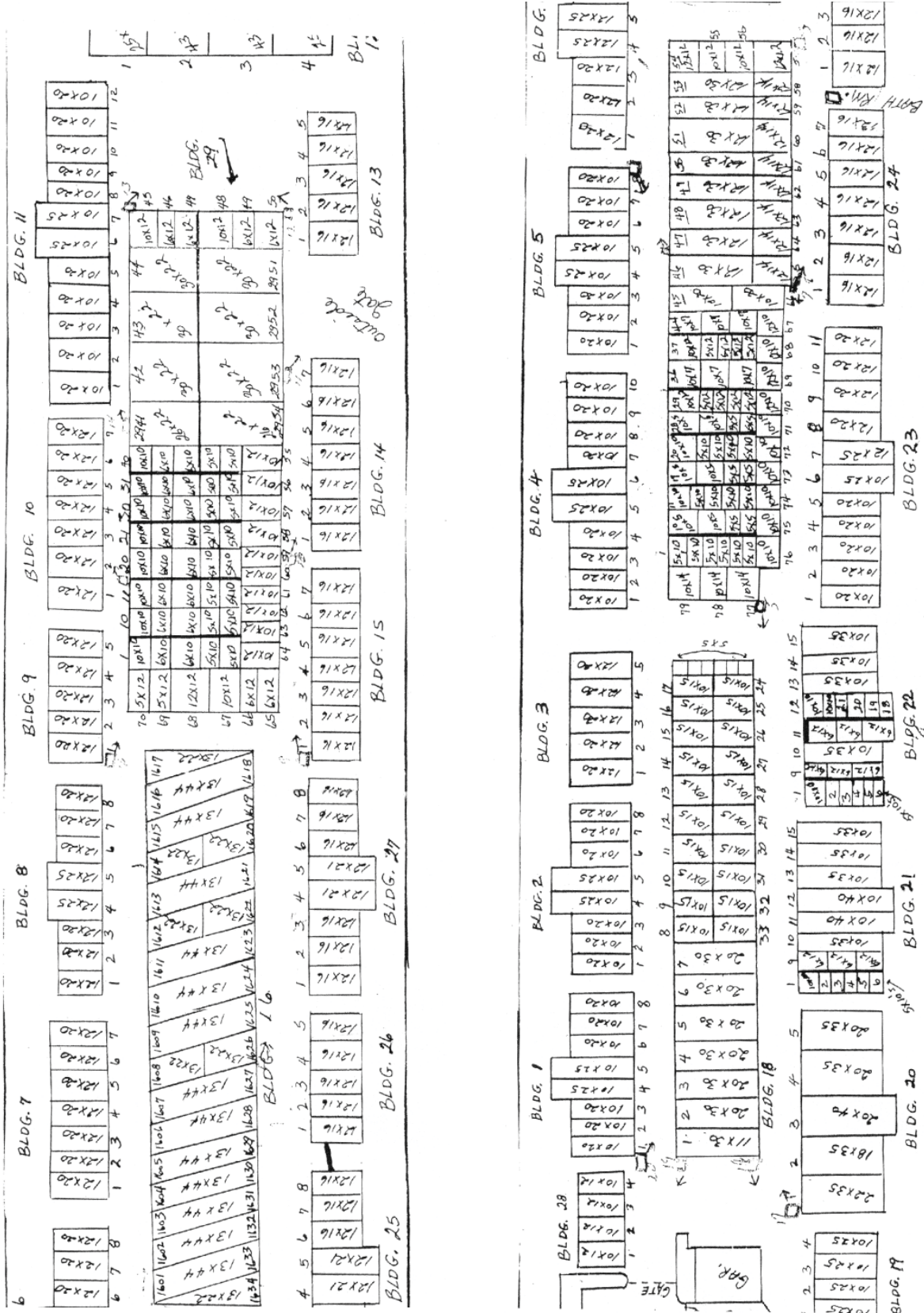
The information presented has been obtained from sources believed reliable. You are responsible for confirming its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction depends on many factors which should be evaluated through investigation by your advisors.

Experience Results.



The information presented has been obtained from sources believed reliable. You are responsible for confirming its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction depends on many factors which should be evaluated through investigation by your advisors.

Experience Results.



The information presented has been obtained from sources believed reliable. You are responsible for confirming its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction depends on many factors which should be evaluated through investigation by your advisors.



**Affordable Self Storage
414 Unit Self Storage Facility
450 S. Maple Grove Rd.
Boise, ID 83709**

- Institutional quality facility
- Rents average 20% below market area rates
- Actual 8.1% capitalization rate
- Ideal central Boise, ID location

LOCATION

Address: 450 S. Maple Grove Rd.
Location: South of Franklin on Maple Grove, near I-84.

PROPERTY DESCRIPTION

Type: Self Mini-Storage Facility
Building Area: 80,625 square feet
Construction: Concrete block with metal roof

Parcel: Size: 4.96 AC
Zoning: L - OD / DA
Year Built: 1998 to 2000
Frontage: 168' on S. Maple Grove Road
Traffic Count: 19,104 vpd ACHD 9/11/2008

Total Units & Spaces: 414

LEASING STATUS

Current Physical Occupancy: 92.9%
Economic Occupancy: 91.8%
(Year End 2009)

The information presented has been obtained from sources believed reliable. You are responsible for confirming its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction depends on many factors which should be evaluated through investigation by your advisors.



**Affordable Self Storage
Boise, ID 83709**

Investment Summary

Price	\$2,800,000	
Down Payment	\$980,000	35%
	Actual^[1]	Proforma^[2]
Capitalization Rate	8.1%	9.1%
Cash on Cash Return	7.6%	10.6%
Total Pretax Return	11.2%	14.2%
Cost / Rentable Building SF	\$34.30	
Self Storage Building Rentable SF	80,625	
Office Building Rentable SF	1,000	
Land Area (Acres)	4.96	
Total Units	414	
Year Built	1998 to 2000	
Frontage	168' on S. Maple Grove Road	
Traffic Count	19,104 vpd ACHD 9/11/2008	
Physical Occupancy - 2010	92.9%	
Economic Occupancy - YE 2009	91.8%	
Tenant Longevity - 2 Years or Longer	51.5%	
Tenant Longevity - 5 Years or Longer	27.5%	
Zoning Use	L-OD/DA Commerical Group: Mini Storage	

Property Information

Year Built	1998 to 2000
Exterior Construction	Concrete Block
Interior Construction	Steel Frame
Foundation	Concrete Slab
Roof	Metal
Building Quantity	33
Doors	Metal/Plastic Roll Up
Fencing	Chain Link with Barbed Wire
Gate	Keycode Entry
Paving	Fully paved
Climate Controlled Units	None
Alarms	All units are individually alarmed
Security	Secured entry, Cameras, Alarms, Fenced
Traffic Exposure	Good/168' on S. Maple Grove Road
Flood Plain	No
Management Software	WinSen
Property Website	No
Hours of Operation	Mon-Sat: 9:00 am - 6:00 pm
Access Times	24 hours a day & 7 days a week

The information presented has been obtained from sources believed reliable. You are responsible for confirming its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction depends on many factors which should be evaluated through investigation by your advisors.



**Affordable Self Storage
Boise, ID 83709**

Annual Operating Data

Income	Actual^[1]	Proforma^[2]
Total Potential Self Storage Income	\$ 329,724	\$ 362,696
Less Self Storage Vacancy Cost	\$ (18,769) 5.7%	\$ (20,646) 5.7%
Late Fees	\$ 13,878	\$ 13,878
Lein Fees	\$ 4,815	\$ 4,815
Returned Checks	\$ 1,748	\$ 1,748
Security Deposits	\$ 2,340	\$ 2,340
Miscellaneous	\$ 508	\$ 508
Total Gross Transaction Income	\$ 334,244	\$ 365,339
Less Credits	\$ (17,404) 5.2%	\$ (19,023) 5.2%
Total Gross Deposit Income	\$ 316,840	\$ 346,316
Rental Office Income	\$ 11,448	\$ 11,448
Less Rental Office Vacancy Reserve	\$ (572) 5.0%	\$ (572) 5.0%
Effective Gross Income	\$ 327,716	\$ 357,192
Less Expenses		
Legal & Accounting	\$ 1,526	\$ 1,526
Advertising	\$ 11,016	\$ 11,016
Office Expense	\$ 1,376	\$ 1,376
Landscaping	\$ 2,464	\$ 2,464
Taxes & Licenses	\$ 29,649	\$ 29,649
Refunds	\$ 2,104	\$ 2,104
Workmans Comp	\$ 568	\$ 568
Insurance	\$ 4,099	\$ 4,099
Postage & Delivery	\$ 520	\$ 520
Total Repairs	\$ 1,935	\$ 1,935
Telephone	\$ 2,420	\$ 2,420
Garbage	\$ 297	\$ 297
Irrigation	\$ 215	\$ 215
Portapotty	\$ 1,010	\$ 1,010
Sewer & Water	\$ 228	\$ 228
Gas & Electric	\$ 4,856	\$ 4,856
Total Payroll	\$ 37,786	\$ 37,786
Total Expenses	\$ (102,070) 31.1%	\$ (102,070) 28.6%
Net Operating Income	\$ 225,646 8.1%	\$ 255,122 9.1%
Less Debt Service	\$ (151,585) 1.49	\$ (151,585) 1.68
Pretax Cash on Cash Return	\$ 74,061 7.6%	\$ 103,537 10.6%
Principal Reduction (7 yr Ave.)	\$ 35,510	\$ 35,510
TOTAL Pretax Return	\$ 109,571 11.2%	\$ 139,047 14.2%

[1] Actual income is based on annualized YTD 4/30/10 income.

[2] Proforma income is based on a 10% rental rate increase. Current rental rates are over 20% below that of area competitors. A market area rent survey is available upon request.

Proposed New Financing

Principal Balance	\$1,820,000	
Down Payment	\$980,000	35%
Debt Coverage Ratio	1.49	
Interest Rate	6.80%	
Ammortized	25 years	
Fixed Term	7 years	
Maturity Date	10 years	
Monthly Payment	\$12,632	

The information presented has been obtained from sources believed reliable. You are responsible for confirming its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction depends on many factors which should be evaluated through investigation by your advisors.

Experience Results.



**Affordable Self Storage
Boise, ID 83709**

Rent Roll

Type	Size	Units			Square Footage				Rental Rate				
		Total	Rented	Vacant	Unit	Total	Rented	Vacant	Unit	Per SF	Total	Rented	Vacant
A	5x5	12	12	0	25	300	300	0	\$ 19	\$ 0.76	\$ 228	\$ 228	\$ -
B	5x10	43	36	7	50	2150	1800	350	\$ 32	\$ 0.64	\$ 1,376	\$ 1,152	\$ 224
BA	10x5	6	6	0	50	300	300	0	\$ 32	\$ 0.64	\$ 192	\$ 192	\$ -
BB	5x12	10	9	1	60	600	540	60	\$ 34	\$ 0.57	\$ 340	\$ 306	\$ 34
BC	6x10	16	16	0	60	960	960	0	\$ 34	\$ 0.57	\$ 544	\$ 544	\$ -
BD	10x7	6	6	0	70	420	420	0	\$ 36	\$ 0.51	\$ 216	\$ 216	\$ -
C	6x12	15	14	1	72	1080	1008	72	\$ 38	\$ 0.53	\$ 570	\$ 532	\$ 38
CA	5x15	1	1	0	75	75	75	0	\$ 40	\$ 0.53	\$ 40	\$ 40	\$ -
D	10x10	20	20	0	100	2000	2000	0	\$ 50	\$ 0.50	\$ 1,000	\$ 1,000	\$ -
DA	12x10	4	4	0	120	480	480	0	\$ 53	\$ 0.44	\$ 212	\$ 212	\$ -
DB	10x12	21	20	1	120	2520	2400	120	\$ 53	\$ 0.44	\$ 1,113	\$ 1,060	\$ 53
DC	10x14	3	3	0	140	420	420	0	\$ 54	\$ 0.39	\$ 162	\$ 162	\$ -
DD	12x12	3	3	0	144	432	432	0	\$ 56	\$ 0.39	\$ 168	\$ 168	\$ -
E	10x15	20	20	0	150	3000	3000	0	\$ 61	\$ 0.41	\$ 1,220	\$ 1,220	\$ -
EA	12x14	8	8	0	168	1344	1344	0	\$ 66	\$ 0.39	\$ 528	\$ 528	\$ -
EB	12x16	43	41	2	192	8256	7872	384	\$ 69	\$ 0.36	\$ 2,967	\$ 2,829	\$ 138
F	10x20	43	43	0	200	8600	8600	0	\$ 72	\$ 0.36	\$ 3,096	\$ 3,096	\$ -
FA	12x20	40	38	2	240	9600	9120	480	\$ 75	\$ 0.31	\$ 3,000	\$ 2,850	\$ 150
G	10x25	15	15	0	250	3750	3750	0	\$ 77	\$ 0.31	\$ 1,155	\$ 1,155	\$ -
GA	12x21	4	4	0	252	1008	1008	0	\$ 79	\$ 0.31	\$ 316	\$ 316	\$ -
GB	12x25	5	5	0	300	1500	1500	0	\$ 85	\$ 0.28	\$ 425	\$ 425	\$ -
GC	11x30	1	1	0	330	330	330	0	\$ 96	\$ 0.29	\$ 96	\$ 96	\$ -
H	10x35	8	7	1	350	2800	2450	350	\$ 100	\$ 0.29	\$ 800	\$ 700	\$ 100
I	12x30	8	6	2	360	2880	2160	720	\$ 103	\$ 0.29	\$ 824	\$ 618	\$ 206
J	10x40	2	2	0	400	800	800	0	\$ 119	\$ 0.30	\$ 238	\$ 238	\$ -
K	25x22	2	2	0	550	1100	1100	0	\$ 124	\$ 0.23	\$ 248	\$ 248	\$ -
L	26x22	2	2	0	572	1144	1144	0	\$ 145	\$ 0.25	\$ 290	\$ 290	\$ -
M	20x30	6	6	0	600	3600	3600	0	\$ 159	\$ 0.27	\$ 954	\$ 954	\$ -
MA	18x35	1	1	0	630	630	630	0	\$ 161	\$ 0.26	\$ 161	\$ 161	\$ -
MB	30x22	6	5	1	660	3960	3300	660	\$ 165	\$ 0.25	\$ 990	\$ 825	\$ 165
MC	20x35	2	2	0	700	1400	1400	0	\$ 175	\$ 0.25	\$ 350	\$ 350	\$ -
MD	22x35	1	1	0	770	770	770	0	\$ 187	\$ 0.24	\$ 187	\$ 187	\$ -
N	20x40	1	1	0	800	800	800	0	\$ 197	\$ 0.25	\$ 197	\$ 197	\$ -
O	43x22	2	2	0	946	1892	1892	0	\$ 226	\$ 0.24	\$ 452	\$ 452	\$ -
RV	13x22	34	24	10	286	9724	6864	2860	\$ 83	\$ 0.29	\$ 2,822	\$ 1,992	\$ 830
		414	386	28		80625	74569	6056			\$ 27,477	\$ 25,539	\$ 1,938
		100%	93.2%	6.8%		100%	92.5%	7.5%			100%	92.9%	7.1%

The information presented has been obtained from sources believed reliable. You are responsible for confirming its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction depends on many factors which should be evaluated through investigation by your advisors.