

*Barry P. Skolnick  
Principal*

August 25, 2008

<Contact Name Intentionally Deleted>  
<Client Name Intentionally Deleted>  
<Address Intentionally Deleted>  
<City>, <State> <ZIP>

Re: Consulting Agreement # 08-0805  
Sample Self Storage Property  
<City>, <State>

Dear <Contact Name Intentionally Deleted>:

In accordance with the terms of the referenced Consulting Agreement, attached hereto please find the **Financial Analysis** for the referenced property.

The **In Place Net Operating Income** is \$ **1,652,924** after deduction of a **3.9 % Management Fee** and **Replacement Reserves** of \$ **00.00** per unit.

In accordance with your financial analysis policies, several adjustments were made to the property's operating history in order to derive the results summarized above. These changes include:

### **INCOME**

**Base Rent** is based on the July 2008 Gross Potential Rent applied to the Economic Occupancy achieved over the past 12 months. See Schedules Non-Commercial Rental Revenue and BR: Base Rent.

### **OPERATING EXPENSES**

**Real Property Tax Expenses** are based on actual (2008) tax amounts. See Schedules PT: Property Taxes and TB: Tax Bill Analysis.

**Repairs & Maintenance Expense** has been adjusted to exclude non-recurring alarm inspection, replacement of sign transformers and florescent lamps, and sidewalk repair expenses. See Schedule R&M: Repairs & Maintenance.

### **CLIENT ADJUSTMENTS**

Based on your Underwriting Guidelines, we have also identified the following items that could serve as potential **Client Adjustments** to the Financial Analysis:

## **INCOME**

In accordance with your Underwriting Guidelines for this asset, **Base Rent** is based on an average of the last three months of Rental Revenue, annualized. See Schedule BR: Base Rent.

In accordance with your Underwriting Guidelines for this asset, **Other Income** is based on an average of the last three months of other income items, annualized. See Schedule OI: Other Income.

## **OPERATING EXPENSES**

**Payroll Expense** has been adjusted to reflect Client's most recent estimate for staffing at the property. See Schedules PR&STAFF: Payroll & Staff Analysis.

**Management Fees** have been calculated based on a **3.0% Management Fee** applied against the U/W Total Income.

**Real Estate Tax Expense** has been adjusted to reflect Client's estimated Year 1 real estate taxes. See Schedule RE: Real Estate Taxes.

**Insurance Expense** has been adjusted to reflect Client's estimated Year 1 property and liability insurance. See Schedule I: Insurance.

**Reserves for Replacement of \$ 0.25 per square foot** have been included. See Schedule RR: Replacement Reserves.

The treatment of the identified **Client Adjustments** is left to your discretion. If the identified **Client Adjustments** were to be made, the resulting **Underwriting Net Operating Income** would be is **\$ 1,643,350** after deduction of a **3.0 % Management Fee** and **Replacement Reserves of \$ 0.25 per square foot**.

Please contact me if I can answer any additional questions or provide any additional explanation of the work completed. It has been a pleasure to work with you on this transaction.

Yours truly,

/attachments