U-Store-It Trust
Form 10-K
March 01, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2010

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 001-32324

U-STORE-IT TRUST

(Exact Name of Registrant as Specified in Its Charter)

Maryland (State or Other Jurisdiction of Incorporation or Organization)	**20-1024732** (IRS Employer Identification No.)
460 East Swedesford Road **Suite 3000** **Wayne, Pennsylvania** (Address of Principal Executive Offices)	**19087** (Zip Code)

Registrant s telephone number, including area code **(610) 293-5700**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Shares, $0.01 par value per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES x NO ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES o NO x

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. YES x NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer o	Accelerated Filer x

Non-Accelerated Filer o	Smaller Reporting Company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES o NO x

As of June 30, 2010, the last business day of the registrant s most recently completed second fiscal quarter, the aggregate market value of common shares held by non-affiliates of the registrant was $693,467,344.

As of February 25, 2011 the number of common shares of the registrant outstanding was 99,427,944.

Documents incorporated by reference: Portions of the Proxy Statement for the 2011 Annual Meeting of Shareholders of the Registrant to be filed subsequently with the SEC are incorporated by reference into Part III of this report.

Table of Contents

TABLE OF CONTENTS

Table of Contents

PART I

Forward-Looking Statements

This Annual Report on Form 10-K and other statements and information publicly disseminated by U- Store-It Trust (we, us, our or the Company), contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Such statements are based on assumptions and expectations that may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Although we believe the expectations reflected in these forward-looking statements are based on reasonable assumptions, future events and actual results, performance, transactions or achievements, financial and otherwise, may differ materially from the results, performance, transactions or achievements expressed or implied by the forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to:

- national and local economic, business, real estate and other market conditions;

- the competitive environment in which we operate, including our ability to raise rental rates;

- the execution of our business plan;

- the availability of external sources of capital;

- financing risks, including the risk of over-leverage and the corresponding risk of default on our mortgage and other debt and potential inability to refinance existing indebtedness;

- increases in interest rates and operating costs;

- counterparty non-performance related to the use of derivative financial instruments;

- our ability to maintain our status as a real estate investment trust (REIT) for federal income tax purposes;

- acquisition and development risks;
- increases in taxes, fees, and assessments from state and local jurisdictions;
- changes in real estate and zoning laws or regulations;
- risks related to natural disasters;
- potential environmental and other liabilities;
- other factors affecting the real estate industry generally or the self-storage industry in particular; and
- other risks identified in our Annual Report on Form 10-K and, from time to time, in other reports we file with the Securities and Exchange Commission (the SEC) or in other documents that we publicly disseminate.

We undertake no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise except as may be required in securities laws.

Table of Contents

ITEM 1. *BUSINESS*

Overview

We are a self-administered and self-managed real estate company focused primarily on the ownership, operation, acquisition and development of self-storage facilities in the United States.

As of December 31, 2010, we owned 363 self-storage facilities located in 26 states and in the District of Columbia containing an aggregate of approximately 23.6 million rentable square feet. As of December 31, 2010, approximately 76.3% of the rentable square footage at our owned facilities was leased to approximately 152,000 tenants, and no single tenant represented a significant concentration of our revenues. In addition, as of December 31, 2010, we managed 93 properties for third parties, bringing the total number of properties we owned and/or managed to 456.

Our self-storage facilities are designed to offer affordable, easily-accessible and secure storage space for our residential and commercial customers. Our customers rent storage units for their exclusive use, typically on a month-to-month basis. Additionally, some of our facilities offer outside storage areas for vehicles and boats. Our facilities are designed to accommodate both residential and commercial customers, with features such as security systems and wide aisles and load-bearing capabilities for large truck access. All of our facilities have an on-site manager during business hours, and 267, or approximately 74%, of our facilities have a manager who resides in an apartment at the facility. Our customers can access their storage units during business hours, and some of our facilities provide customers with 24-hour access through computer controlled access systems. Our goal is to provide customers with the highest standard of facilities and service in the industry. To that end, approximately 69% of our facilities include climate controlled units, compared to the national average of 36% reported by the 2010 Self-Storage Almanac.

We were formed in July 2004 as a Maryland REIT. We own our assets and conduct our business through our operating partnership, U-Store-It, L.P. (our Operating Partnership), and its subsidiaries. We control the Operating Partnership as its sole general partner and, as of December 31, 2010, we owned an approximately 95.4% interest in the Operating Partnership. Our Operating Partnership has been engaged in virtually all aspects of the self-storage business, including the development, acquisition, ownership and operation of self-storage facilities.

Acquisition and Disposition Activity

As of December 31, 2010 and 2009, we owned 363 and 367 facilities, respectively, that contained an aggregate of 23.6 million and 23.7 million rentable square feet with occupancy rates of 76.3% and 75.2%, respectively. As of December 31, 2010 we had facilities in the District of Columbia and the following 26 states: Alabama, Arizona, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, Utah, Virginia and Wisconsin. A complete listing of, and additional information about, our facilities is included in Item 2 of this Annual Report on Form 10-K. The following is a summary of our 2010 and 2009 acquisition and disposition activity:

Table of Contents

Facility/Portfolio	Location	Transaction Date	Number of Facilities		Purchase / Sales Price (in thousands)
2010 Acquisitions:					
Frisco Asset	Frisco, TX	July 2010	1	$	5,800
New York City Assets	New York, NY	September 2010	2		26,700
Northeast Assets	Multiple locations in NJ, NY and MA	November 2010	5		18,560
Manassas Asset	Manassas, VA	November 2010	1		6,050
Apopka Asset	Orlando, FL	November 2010	1		4,235
Wyckoff Asset	New York, NY	December 2010	1		13,600
McLearen Asset	McLearen, VA	December 2010	1		10,200
			12	$	85,145
2010 Dispositions:					
Sun City Asset	Sun City, CA	October 2010	1	$	3,100
Inland Empire/Fayetteville Assets	Multiple locations in CA amd NC	December 2010	15		35,000
			16	$	38,100
2009 Dispositions:					
68th Street Asset	Miami, FL	January 2009	1	$	2,973
Albuquerque, NM Asset	Albuquerque, NM	April 2009	1		2,825
S. Palmetto Asset	Ontario, CA	June 2009	1		5,925
Hotel Circle Asset	Albuquerque, NM	July 2009	1		3,600
Jersey City Asset	Jersey City, NJ	August 2009	1		11,625
Dale Mabry Asset	Tampa, FL	August 2009	1		2,800
Winner Assets 1	Multiple locations in CO	September 2009	6		17,300
Baton Rouge Asset (Eminent Domain)	Baton Rouge, LA	September 2009	(b)		1,918
North H Street Asset (Eminent Domain)	San Bernardino, CA	September 2009	1		(c)
Boulder Assets (a)	Boulder, CO	September 2009	4		32,000
Winner Assets 2	Multiple locations in CO	October 2009	2		6,600
Brecksville Asset	Brecksville, OH	November 2009	1		3,300
			20	$	90,866
2008 Acquisitions:					
Uptown Asset	Washington, DC	January 2008	1	$	13,300
2008 Dispositions:					
77th Street Asset	Miami, FL	March 2008	1	$	2,175
Leesburg Asset	Leesburg, FL	March 2008	1		2,400
Lakeland Asset	Lakeland, FL	April 2008	1		2,050
Endicott Asset	Union, NY	May 2008	1		2,250
Linden Asset	Linden, NJ	June 2008	1		2,825
Baton Rouge/Prairieville Assets	Multiple locations in LA	June 2008	2		5,400
Churchill Assets	Multiple locations in MS	August 2008	4		8,333
Biloxi/Gulf Breeze Assets	Multiple locations in MS/FL	September 2008	2		10,760
Deland Asset	Deland, FL	September 2008	1		2,780
Mobile Assets	Mobile, AL	September 2008	2		6,140
Hudson Assets	Hudson, OH	October 2008	2		2,640
Stuart/Vero Beach Assets	Multiple locations in FL	October 2008	2		4,550
Skipper Road Assets	Multiple locations in FL	November 2008	2		5,020
Waterway Asset	Miami, FL	December 2008	1		4,635
			23	$	61,958

Table of Contents

(a) We provided $17.6 million in seller financing to the buyer as part of the Boulder Assets disposition. This financing was subsequently repaid during 2010.

(b) Approximately one third of the Baton Rouge Asset was taken in conjunction with eminent domain proceedings. We continue to own and operate the remaining two thirds of the asset and include the asset in our total portfolio property count.

(c) The entirety of the North H Street Asset was taken in conjunction with eminent domain proceedings and we have removed this asset from our total portfolio asset count. We expect to finalize compensatory terms with the State of California during 2011.

The comparability of our results of operations is affected by the timing of acquisition and disposition activities during the periods reported. At December 31, 2010 and 2009, we owned 363 and 367 self-storage facilities and related assets, respectively. The following table summarizes the change in number of owned self-storage facilities from January 1, 2009 through December 31, 2010:

	2010	**2009**
Balance - January 1	367	387
Facilities acquired		
Facilities sold		(1)
Balance - March 31	367	386
Facilities acquired		
Facilities sold		(2)
Balance - June 30	367	384
Facilities acquired	3	
Facilities sold		(16)
Balance - September 30	370	368
Facilities acquired	9	
Facilities sold	(16)	(1)
Balance - December 31	363	367

Financing Activities

The following summarizes certain financing activities during the year ended December 31, 2010:

- *Amended Credit Facility.* On September 29, 2010, we amended our existing $450 million credit facility. The amended credit facility consists of a $200 million unsecured term loan and a $250 million unsecured revolving credit facility. The amended credit facility has a three year term expiring on December 7, 2013, is unsecured, and borrowings on the facility incur interest at a borrowing spread based on the our leverage levels plus LIBOR. We incurred $2.5 million in connection with executing this amendment. Such costs are included as a component of loan procurement costs, net of amortization on our consolidated balance sheet.

- *Third Party Management.* On April 28, 2010, we acquired 85 management contracts from United Stor-All Management, LLC (United Stor-All). The transaction was accounted for as a business combination. The 85 management contracts relate to facilities located in 16 states and the District of Columbia. We paid $4.1 million in cash for the contracts and recognized $1.8 million in contingent consideration. We will account for the contingent consideration in our earnings by recording the changes in fair value of the liability.

- *Facility Acquisitions.* During the year ended December 31, 2010, we acquired 12 self-storage facilities located throughout the United States for an aggregate purchase price of approximately $85.1 million. In connection with these acquisitions, we allocated a portion of the purchase price to the intangible value of in-place leases which aggregated $3.7 million.

Table of Contents

- *Facility Dispositions.* During the year ended December 31, 2010, we sold 16 self-storage facilities located throughout California and North Carolina for an aggregate sales price of approximately $38.1 million. These sales resulted in the recognition of gains that totaled $1.9 million.

- *Offering Proceeds.* During 2010, we sold 5.6 million common shares under our at-the-market program for an average sales price of $8.62 per share resulting in net proceeds of $47.6 million ($57.6 million of net proceeds and 8.1 million shares sold with an average sales price of $7.28 from program inception to December 31, 2010). We used the net proceeds to fund the acquisition of storage facilities and for general corporate purposes.

Business Strategy

Our business strategy consists of several elements:

- **Maximize cash flow from our facilities** Our operating strategy focuses on maximizing sustainable rents at our facilities while achieving and sustaining occupancy targets. We utilize our operating systems and experienced personnel to manage the balance between rental rates, discounts, and physical occupancy with an objective of maximizing our rental revenue.

- **Acquire facilities within targeted markets** During 2011, we expect to complete selective acquisitions in markets that we believe have high barriers to entry, strong demographic fundamentals and demand for storage in excess of storage capacity. We expect to focus our evaluation of acquisition opportunities in markets where we currently maintain management that can be extended to additional facilities. We believe the self-storage industry will continue to afford us opportunities for growth through acquisitions due to the highly fragmented composition of the industry.

Investment and Market Selection Process

We maintain a disciplined and focused process in the acquisition and development of self-storage facilities. Our investment committee, comprised of executive officers and led by Dean Jernigan, our Chief Executive Officer, oversees our investment process. Our investment process involves six stages identification, initial due diligence, economic assessment, investment committee approval (and when required, Board approval), final due diligence, and documentation. Through our investment committee, we intend to focus on the following criteria:

- **Targeted markets** Our targeted markets include areas where we currently maintain management that can be extended to additional facilities, or where we believe that we can acquire a significant number of facilities efficiently and within a short period of time. We evaluate both the broader market and the immediate area, typically five miles around the facility, for their ability to support above-average demographic growth. We seek to increase our presence primarily in areas that we expect will experience growth, including areas within Illinois, Texas, Florida, California and the Northeastern United States and to enter new markets should suitable opportunities arise.

- **Quality of facility** We focus on self-storage facilities that have good visibility and are located near retail centers, which typically provide high traffic corridors and are generally located near residential communities and commercial customers.

- **Growth potential** We target acquisitions that offer growth potential through increased operating efficiencies and, in some cases, through additional leasing efforts, renovations or expansions. In addition to acquiring single facilities, we seek to invest in portfolio acquisitions, including those offering significant potential for increased operating efficiency and the ability to spread our fixed costs across a large base of facilities.

Segment

We have one reportable segment: we own, operate, develop, manage and acquire self-storage facilities.

Table of Contents

Concentration

Our self-storage facilities are located in major metropolitan areas as well as rural areas and have numerous tenants per facility. No single tenant represented a significant concentration of our 2010 revenues. Our facilities in Florida, California, Texas and Illinois provided approximately 18%, 15%, 10% and 7%, respectively, of our total 2010 and 2009 revenues.

Seasonality

We typically experience seasonal fluctuations in occupancy levels at our facilities, with the levels generally slightly higher during the summer months due to increased moving activity.

Financing Strategy

Although our organizational documents do not limit the amount of debt that we may incur, we maintain a capital structure that we believe is reasonable and prudent and that will enable us to have ample cash flow to cover debt service and make distributions to our shareholders. As of December 31, 2010, our debt to total capitalization ratio (determined by dividing the carrying value of our total indebtedness by the sum of (a) the market value of our outstanding common shares and operating partnership units and (b) the carrying value of our total indebtedness) was approximately 38.5% compared to approximately 51.9% as of December 31, 2009. Our ratio of debt to the depreciated cost of our real estate assets as of December 31, 2010 was approximately 43.1% compared to approximately 53.7% as of December 31, 2009. We expect to finance additional investments in self-storage facilities through the most attractive available sources of capital at the time of the transaction, in a manner consistent with maintaining a strong financial position and future financial flexibility. These capital sources may include borrowings under the revolving portion of our unsecured credit facility and through additional secured financings, sales of common or preferred shares in public offerings or private placements, issuances of common or preferred units in our Operating Partnership in exchange for contributed properties or cash and formations of joint ventures. We also may sell facilities that we no longer view as core assets and reallocate the sales proceeds to fund other growth.

Competition

New self-storage facility development has intensified the competition among self-storage operators in many market areas in which we operate. Self-storage facilities compete based on a number of factors, including location, rental rates, security, suitability of the facility s design to prospective customers needs and the manner in which the facility is operated and marketed. In particular, the number of competing self-storage facilities in a particular market could have a material effect on our occupancy levels, rental rates and on the overall operating performance of our facilities. We believe that the primary competition for potential customers of any of our self-storage facilities comes from other self-storage facilities within a three-mile radius of that facility. We believe our facilities are well-positioned within their respective markets and we emphasize customer convenience, security and professionalism.

Our key competitors include local and regional operators as well as the other public self-storage REITS, including Public Storage, Sovran Self Storage and Extra Space Storage Inc. These companies, some of which operate significantly more facilities than we do and have greater resources than we have, and other entities may generally be able to accept more risk than we determine is prudent for us, including risks with respect to the geographic proximity of facility investments and the payment of higher facility acquisition prices. This competition may generally reduce the number of suitable acquisition opportunities available to us, increase the price required to consummate the acquisition of particular facilities and reduce the demand for self-storage space in areas where our facilities are located. Nevertheless, we believe that our experience in operating, acquiring, developing and obtaining financing for self-storage facilities should enable us to compete effectively.

Government Regulation

We are subject to various laws, ordinances and regulations, including regulations relating to lien sale rights and procedures and various federal, state and local environmental regulations that apply generally to the ownership of real property and the operation of self-storage facilities.

Under various federal, state and local laws, ordinances and regulations, an owner or operator of real property may become liable for the costs of removal or remediation of hazardous substances released on or in its property. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of such hazardous substances. The presence of hazardous substances, or the failure to properly remediate such substances, when released, may

Table of Contents

adversely affect the property owner s ability to sell the real estate or to borrow using the real estate as collateral, and may cause the property owner to incur substantial remediation costs. In addition to claims for cleanup costs, the presence of hazardous substances on a property could result in a claim by a private party for personal injury or a claim by an adjacent property owner or user for property damage. We may also become liable for the costs of removal or remediation of hazardous substances stored at the facilities by a customer even though storage of hazardous substances would be without our knowledge or approval and in violation of the customer s storage lease agreement with us.

Our practice is to conduct or obtain environmental assessments in connection with the acquisition or development of facilities. Whenever the environmental assessment for one of our facilities indicates that a facility is impacted by soil or groundwater contamination from prior owners/operators or other sources, we work with our environmental consultants and, where appropriate, state governmental agencies, to ensure that the facility is either cleaned up, that no cleanup is necessary because the low level of contamination poses no significant risk to public health or the environment, or that the responsibility for cleanup rests with a third party.

We are not aware of any environmental cleanup liability that we believe will have a material adverse effect on us. We cannot assure you, however, that these environmental assessments and investigations have revealed or will reveal all potential environmental liabilities, that no prior owner created any material environmental condition not known to us or the independent consultant or that future events or changes in environmental laws will not result in the imposition of environmental liability on us.

We have not received notice from any governmental authority of any material noncompliance, claim or liability in connection with any of our facilities, nor have we been notified of a claim for personal injury or property damage by a private party in connection with any of our facilities relating to environmental conditions.

We are not aware of any environmental condition with respect to any of our facilities that could reasonably be expected to have a material adverse effect on our financial condition or results of operations, and we do not expect that the cost of compliance with environmental regulations will have a material adverse effect on our financial condition or results of operations. We cannot assure you, however, that this will continue to be the case.

Insurance

We carry comprehensive liability, fire, extended coverage and rental loss insurance covering all of the facilities in our portfolio. We believe the policy specifications and insured limits are appropriate and adequate given the relative risk of loss, the cost of the coverage and industry practice. We do not carry insurance for losses such as loss from riots, war or acts of God, and, in some cases, environmental hazards, because such coverage is not available or is not available at commercially reasonable rates. Some of our policies, such as those covering losses due to terrorist activities, hurricanes, floods and earthquakes, are insured subject to limitations involving large deductibles or co-payments and policy limits that may not be sufficient to cover losses. We also carry liability insurance to insure against personal injuries that might be sustained on our properties and director and officer liability insurance.

Offices

Our principal executive office is located at 460 E. Swedesford Road, Suite 3000, Wayne, PA 19087. Our telephone number is (610) 293-5700. We believe that our current facilities are adequate for our present and future operations.

Employees

As of December 31, 2010, we employed 1,172 employees, of whom 178 were corporate executive and administrative personnel and 994 were property level personnel. We believe that our relations with our employees are good. Our employees are not unionized.

Available Information

We file registration statements, proxy statements, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports, with the Securities and Exchange Commission (the SEC). You may obtain copies of these documents by visiting the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549, by calling the SEC at 1-800-SEC-0330 or by accessing the SEC s website at www.sec.gov. Our

Table of Contents

internet website address is www.ustoreit.com. You also can obtain on our website, free of charge, a copy of our annual report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after we electronically file such reports or amendments with, or furnish them to, the SEC. Our internet website and the information contained therein or connected thereto are not intended to be incorporated by reference into this Annual Report on Form 10-K.

Also available on our website, free of charge, are copies of our Code of Business Conduct and Ethics, our Corporate Governance Guidelines, and the charters for each of the committees of our Board of Trustees the Audit Committee, the Corporate Governance and Nominating Committee, and the Compensation Committee. Copies of each of these documents are also available in print free of charge, upon request by any shareholder. You can obtain copies of these documents by contacting Investor Relations by mail at 460 E. Swedesford Road, Suite 3000, Wayne, PA 19087.

ITEM 1A. *RISK FACTORS*

Overview

Investors should carefully consider, among other factors, the risks set forth below. These risks are not the only ones that we may face. Additional risks not presently known to us or that we currently consider immaterial may also impair our business operations and hinder our ability to make expected distributions to our shareholders.

Risks Related to our Business and Operations

Adverse macroeconomic and business conditions may significantly and negatively affect our revenues, profitability and results of operations.

The United States has recently experienced an economic slowdown that has resulted in higher unemployment, shrinking demand for products, large-scale business failures and tight credit markets. Our results of operations may be sensitive to changes in overall economic conditions that impact consumer spending, including discretionary spending, as well as to increased bad debts due to recessionary pressures. A continuation of ongoing adverse economic conditions affecting disposable consumer income, such as employment levels, business conditions, interest rates, tax rates, fuel and energy costs, and other matters could reduce consumer spending or cause consumers to shift their spending to other products and services. A general reduction in the level of discretionary spending or shifts in consumer discretionary spending could adversely affect our growth and profitability.

It is difficult to determine the breadth and duration of the economic and financial market problems and the many ways in which they may affect our customers and our business in general. Nonetheless, continuation or further worsening of these difficult financial and macroeconomic conditions could have a significant adverse effect on our sales, profitability and results of operations.

Many states and local jurisdictions are facing severe budgetary problems which may have an adverse impact on our business and financial results.

Many states and jurisdictions are facing severe budgetary problems. Action that may be taken in response to these problems, such as increases in property taxes on commercial properties, changes to sales taxes or other governmental efforts, including mandating medical insurance for employees, could adversely impact our business and results of operations.

Our financial performance is dependent upon the economic and other conditions of the markets in which our facilities are located.

We are susceptible to adverse developments in the markets in which we operate, such as business layoffs or downsizing, industry slowdowns, relocations of businesses, changing demographics and other factors. Our facilities in Florida, California, Texas, Ohio, Tennessee, Illinois and Arizona accounted for approximately 16%, 14%, 12%, 8%, 7%, 7% and 5%, respectively, of our total rentable square feet as of December 31, 2010. As a result of this geographic concentration of our facilities, we are particularly susceptible to adverse market conditions in these areas. Any adverse economic or real estate developments in these markets, or in any of the other markets in which we operate, or any decrease in demand for self-storage space resulting from the local business climate could adversely affect our rental revenues, which could impair our ability to satisfy our debt service obligations and pay distributions to our shareholders.

Table of Contents

We face risks associated with facility acquisitions.

We have in the past acquired, and intend at some time in the future to acquire, individual and portfolios of self-storage facilities that would increase our size and potentially alter our capital structure. Although we believe that the acquisitions that we expect to undertake in the future will enhance our future financial performance, the success of such transactions is subject to a number of factors, including the risks that:

- we may not be able to obtain financing for acquisitions on favorable terms;
- acquisitions may fail to perform as expected;
- the actual costs of repositioning or redeveloping acquired facilities may be higher than our estimates;
- acquisitions may be located in new markets where we may have limited knowledge and understanding of the local economy, an absence of business relationships in the area or an unfamiliarity with local governmental and permitting procedures;
- there is only limited recourse, or no recourse, to the former owners of newly acquired facilities for unknown or undisclosed liabilities such as the clean-up of undisclosed environmental contamination; claims by tenants, vendors or other persons arising on account of actions or omissions of the former owners of the facilities; ordinary course of business expenses; and claims by local governments, adjoining property owners, property owner associations, and easement holders for fees, assessments, taxes on other property-related changes.

As a result, if a liability were asserted against us based upon ownership of an acquired facility, we might be required to pay significant sums to settle it, which could adversely affect our financial results and cash flow.

We will incur costs and will face integration challenges when we acquire additional facilities.

As we acquire or develop additional self-storage facilities, we will be subject to risks associated with integrating and managing new facilities, including customer retention and mortgage default risks. In the case of a large portfolio purchase, we could experience strains in our existing management information capacity. In addition, acquisitions or developments may cause disruptions in our operations and divert management s attention away from day-to-day operations. Furthermore, our profitability may suffer because we will be required to expense acquisition-related costs and amortize in future periods costs for acquired goodwill and other intangible assets. Our failure to successfully integrate any future facilities into our portfolio could have an adverse effect on our operating costs and our ability to make distributions to our shareholders.

The acquisition of new facilities that lack operating history with us will give rise to difficulties in predicting revenue potential.

We intend to continue to acquire additional facilities. These acquisitions could fail to perform in accordance with expectations. If we fail to accurately estimate occupancy levels, rental rates, operating costs or costs of improvements to bring an acquired facility up to the standards established for our intended market position, the performance of the facility may be below expectations. Acquired facilities may have characteristics or deficiencies affecting their valuation or revenue potential that we have not yet discovered. We cannot assure you that the performance of facilities acquired by us will increase or be maintained under our management.

We depend on external sources of capital that are outside of our control; the unavailability of capital from external sources could adversely affect our ability to acquire or develop facilities, satisfy our debt obligations and/or make distributions to shareholders.

We depend on external sources of capital to fund acquisitions and facility development, to satisfy our debt obligations and to make the required distributions to our shareholders in order to maintain our status as a REIT, which may or may not be available on favorable terms, if at all. Our access to external sources of capital depends on a number of things, including the market s perception of our growth potential and our current and potential future earnings and our ability to continue to qualify as a REIT for federal income tax purposes. If we are unable to obtain external sources of capital, we may not be able to acquire or develop facilities when strategic opportunities exist, satisfy our debt obligations or make distributions to shareholders that would permit us to qualify as a REIT or avoid paying tax on our REIT taxable income.

Table of Contents

Rising operating expenses could reduce our cash flow and funds available for future distributions.

Our facilities and any other facilities we acquire or develop in the future are and will be subject to operating risks common to real estate in general, any or all of which may negatively affect us. Our facilities are subject to increases in operating expenses such as real estate and other taxes, personnel costs including the cost of providing specific medical coverage to our employees, utilities, insurance, administrative expenses and costs for repairs and maintenance. If operating expenses increase without a corresponding increase in revenues, our profitability could diminish and limit our ability to make distributions to our shareholders.

We cannot assure you of our ability to pay dividends in the future.

Historically, we have paid quarterly distributions to our shareholders, and we intend to pay quarterly dividends and to make distributions to our shareholders in amounts such that all or substantially all of our taxable income in each year, subject to certain adjustments, is distributed. This, along with other factors, should enable us to qualify for the tax benefits accorded to a REIT under the Internal Revenue Code. We have not established a minimum dividends payment level and all future distributions will be made at the discretion of our Board of Trustees. Our ability to pay dividends will depend upon, among other factors:

- the operational and financial performance of our facilities;
- capital expenditures with respect to existing and newly acquired facilities;
- general and administrative costs associated with our operation as a publicly-held REIT;
- maintenance of our REIT status;
- the amount of, and the interest rates on, our debt;
- the absence of significant expenditures relating to environmental and other regulatory matters; and
- other risk factors described in this Annual Report on Form 10-K.

Certain of these matters are beyond our control and any significant difference between our expectations and actual results could have a material adverse effect on our cash flow and our ability to make distributions to shareholders.

***If we are unable to promptly re-let our units or if the rates upon such re-letting are significantly lower than expected, then our business and results of operations would be adversely affected*.**

We derive revenues principally from rents received from customers who rent units at our self-storage facilities under month-to-month leases. Any delay in re-letting units as vacancies arise would reduce our revenues and harm our operating results. In addition, lower than expected rental rates upon re-letting could adversely affect our revenues and impede our growth.

Property ownership through joint ventures may limit our ability to act exclusively in our interest.

We have in the past, and may continue to, co-invest with third parties through joint ventures. In any such joint venture, we may not be in a position to exercise sole decision-making authority regarding the facilities owned through joint ventures. Investments in joint ventures may, under certain circumstances, involve risks not present when a third party is not involved, including the possibility that joint venture partners might become bankrupt or fail to fund their share of required capital contributions. Joint venture partners may have business interests or goals that are inconsistent with our business interests or goals and may be in a position to take actions contrary to our policies or objectives. Such investments also have the potential risk of impasse on strategic decisions, such as a sale, in cases where neither we nor the joint venture partner would have full control over the joint venture. In other circumstances, joint venture partners may have the ability without our agreement to make certain major decisions, including decisions about sales, capital expenditures and/or financing. Any disputes that may arise between us and our joint venture partners could result in litigation or arbitration that could increase our expenses and distract our officers and/or Trustees from focusing their time and effort on our business. In addition, we might in certain

Table of Contents

circumstances be liable for the actions of our joint venture partners, and the activities of a joint venture could adversely affect our ability to qualify as a REIT, even though we do not control the joint venture.

We face risks and significant competition associated with actions taken by our competitors.

Actions by our competitors may decrease or prevent increases of the occupancy and rental rates of our properties. We compete with numerous developers, owners and operators of self-storage, including other REITs, some of which own or may in the future own properties similar to ours in the same submarkets in which our properties are located and some of which may have greater capital resources. In addition, due to the relatively low cost of each individual self-storage facility, other developers, owners and operators have the capability to build additional facilities that may compete with our facilities.

If our competitors build new facilities that compete with our facilities or offer space at rental rates below current market rates or below the rental rates we currently charge our tenants, we may lose potential tenants, and we may be pressured to reduce our rental rates below those we currently charge in order to retain tenants when our tenants leases expire. As a result, our financial condition, cash flow, cash available for distribution, market price of our stock and ability to satisfy our debt service obligations could be materially adversely affected. In addition, increased competition for customers may require us to make capital improvements to facilities that we would not have otherwise made. Any unbudgeted capital improvements we undertake may reduce cash available for distributions to our shareholders.

We also face significant competition for acquisitions and development opportunities. Some of our competitors have greater financial resources than we do and a greater ability to borrow funds to acquire facilities. These competitors may also be willing to accept more risk than we can prudently manage, including risks with respect to the geographic proximity of investments and the payment of higher facility acquisition prices. This competition for investments may reduce the number of suitable investment opportunities available to us, may increase acquisition costs and may reduce demand for self-storage space in certain areas where our facilities are located and, as a result, adversely affect our operating results.

We may become subject to litigation or threatened litigation which may divert management s time and attention, require us to pay damages and expenses or restrict the operation of our business.

We may become subject to disputes with commercial parties with whom we maintain relationships or other parties with whom we do business. Any such dispute could result in litigation between us and the other parties. Whether or not any dispute actually proceeds to litigation, we may be required to devote significant management time and attention to its successful resolution (through litigation, settlement or otherwise), which would detract from our management s ability to focus on our business. Any such resolution could involve the payment of damages or expenses by us, which may be significant. In addition, any such resolution could involve our agreement with terms that restrict the operation of our business.

One type of commercial dispute could involve our use of our brand name and other intellectual property (for example, logos, signage and other marks), for which we generally have common law rights but no federal trademark registration. There are other commercial parties, at both a local and national level, that may assert that our use of our brand names and other intellectual property conflict with their rights to use brand names and other intellectual property that they consider to be similar to ours. Any such commercial dispute and related resolution would involve all of the risks described above, including, in particular, our agreement to restrict the use of our brand name or other intellectual property.

We also could be sued for personal injuries and/or property damage occurring on our properties. We maintain liability insurance with limits that we believe adequate to provide for the defense and/or payment of any damages arising from such lawsuits. There can be no assurance that such coverage will cover all costs and expenses from such suits.

Potential losses may not be covered by insurance, which could result in the loss of our investment in a facility and the future cash flows from the facility.

We carry comprehensive liability, fire, extended coverage and rental loss insurance covering all of the facilities in our portfolio. We believe the policy specifications and insured limits are appropriate and adequate given the relative risk of loss, the cost of the coverage and industry practice. We do not carry insurance for losses such as loss from riots, war or acts of God, and, in some cases, flooding and environmental hazards, because such coverage is not available or is not available at commercially reasonable rates. Some of our policies, such as those covering losses due to terrorism, hurricanes, floods and earthquakes, are insured subject to limitations involving large deductibles or co-payments and policy limits that may not be

Table of Contents

sufficient to cover losses. If we experience a loss at a facility that is uninsured or that exceeds policy limits, we could lose the capital invested in that facility as well as the anticipated future cash flows from that facility. Inflation, changes in building codes and ordinances, environmental considerations, and other factors also might make it impractical or undesirable to use insurance proceeds to replace a facility after it has been damaged or destroyed. In addition, if the damaged facilities are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these facilities were irreparably damaged.

Our insurance coverage may not comply fully with certain loan requirements.

Certain of our properties serve as collateral for our mortgage-backed debt, some of which was assumed in connection with our acquisition of facilities that requires us to maintain insurance at levels and on terms that are not commercially reasonable in the current insurance environment. We may be unable to obtain required insurance coverage if the cost and/or availability make it impractical or impossible to comply with debt covenants. If we cannot comply with a lender s requirements in any respect, the lender could declare a default that could affect our ability to obtain future financing and could have a material adverse effect on our results of operations and cash flows and our ability to obtain future financing. In addition, we may be required to self-insure against certain losses or the Company s insurance costs may increase.

Potential liability for environmental contamination could result in substantial costs.

We are subject to federal, state and local environmental regulations that apply generally to the ownership of real property and the operation of self-storage facilities. If we fail to comply with those laws, we could be subject to significant fines or other governmental sanctions.

Under various federal, state and local laws, ordinances and regulations, an owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances or petroleum product releases at a facility and may be held liable to a governmental entity or to third parties for property damage and for investigation and clean up costs incurred by such parties in connection with contamination. Such liability may be imposed whether or not the owner or operator knew of, or was responsible for, the presence of these hazardous or toxic substances. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to properly remediate such substances, may adversely affect the owner s ability to sell or rent such facility or to borrow using such facility as collateral. In addition, in connection with the ownership, operation and management of real properties, we are potentially liable for property damage or injuries to persons and property.

Our practice is to conduct or obtain environmental assessments in connection with the acquisition or development of additional facilities. We obtain or examine environmental assessments from qualified and reputable environmental consulting firms (and intend to conduct such assessments prior to the acquisition or development of additional facilities). The environmental assessments received to date have not revealed, nor do we have actual knowledge of, any environmental liability that we believe will have a material adverse effect on us. However, we cannot assure you that any environmental assessments performed have identified or will identify all material environmental conditions, that any prior owner of any facility did not create a material environmental condition not actually known to us or that a material environmental condition does not otherwise exist with respect to any of our facilities.

Americans with Disabilities Act and applicable state accessibility act compliance may require unanticipated expenditures.

Under the Americans with Disabilities Act of 1990 and applicable state accessibility act laws (collectively, the ADA), all places of public accommodation are required to meet federal requirements related to physical access and use by disabled persons. A number of other federal, state and local laws may also impose access and other similar requirements at our facilities. A failure to comply with the ADA or similar state or local requirements could result in the governmental imposition of fines or the award of damages to private litigants affected by the noncompliance. Although we believe that our facilities comply in all material respects with these requirements (or would be eligible for applicable exemptions from material requirements because of adaptive assistance provided), a determination that one or more of our facilities is not in compliance with the ADA or similar state or local requirements would result in the incurrence of additional costs associated with bringing the facilities into compliance. If we are required to make substantial modifications to comply with the ADA or similar state or local requirements, we may be required to incur significant unanticipated expenditures, which could have an adverse effect on our operating costs and our ability to make distributions to our shareholders.

Table of Contents

Privacy concerns could result in regulatory changes that may harm our business.

Personal privacy has become a significant issue in the jurisdictions in which we operate. Many jurisdictions in which we operate have imposed restrictions and requirements on the use of personal information by those collecting such information. Changes to law or regulations affecting privacy, if applicable to our business, could impose additional costs and liability on us and could limit our use and disclosure of such information.

We face system security risks as we depend upon automated processes and the Internet.

We are increasingly dependent upon automated information technology processes. While we attempt to mitigate this risk through offsite backup procedures and contracted data centers that include, in some cases, redundant operations, we could still be severely impacted by a catastrophic occurrence, such as a natural disaster or a terrorist attack. In addition, an increasing portion of our business operations are conducted over the Internet, increasing the risk of viruses that could cause system failures and disruptions of operations despite our deployment of anti-virus measures. Experienced computer programmers may be able to penetrate our network security and misappropriate our confidential information, create system disruptions or cause shutdowns.

Terrorist attacks and other acts of violence or war may adversely impact our performance and may affect the markets on which our securities are traded.

Terrorist attacks against our facilities, the United States or our interests, may negatively impact our operations and the value of our securities. Attacks or armed conflicts could negatively impact the demand for self-storage facilities and increase the cost of insurance coverage for our facilities, which could reduce our profitability and cash flow. Furthermore, any terrorist attacks or armed conflicts could result in increased volatility in or damage to the United States and worldwide financial markets and economy.

Risks Related to the Real Estate Industry

Our performance and the value of our self-storage facilities are subject to risks associated with our properties and with the real estate industry.

Our rental revenues and operating costs and the value of our real estate assets, and consequently the value of our securities, are subject to the risk that if our facilities do not generate revenues sufficient to meet our operating expenses, including debt service and capital expenditures, our cash flow and ability to pay distributions to our shareholders will be adversely affected. Events or conditions beyond our control that may adversely affect our operations or the value of our facilities include but are not limited to:

- downturns in the national, regional and local economic climate;

- local or regional oversupply, increased competition or reduction in demand for self-storage space;

- vacancies or changes in market rents for self-storage space;

- inability to collect rent from customers;

- increased operating costs, including maintenance, insurance premiums and real estate taxes;

- changes in interest rates and availability of financing;

- hurricanes, earthquakes and other natural disasters, civil disturbances, terrorist acts or acts of war that may result in uninsured or underinsured losses;

- significant expenditures associated with acquisitions and development projects, such as debt service payments, real estate taxes, insurance and maintenance costs which are generally not reduced when circumstances cause a reduction in revenues from a property;

Table of Contents

- costs of complying with changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes; and

- the relative illiquidity of real estate investments.

In addition, prolonged periods of economic slowdown or recession, rising interest rates or declining demand for self-storage, or the public perception that any of these events may occur, could result in a general decline in rental revenues, which could impair our ability to satisfy our debt service obligations and to make distributions to our shareholders.

Rental revenues are significantly influenced by demand for self-storage space generally, and a decrease in such demand would likely have a greater adverse effect on our rental revenues than if we owned a more diversified real estate portfolio.

Because our portfolio of facilities consists primarily of self-storage facilities, we are subject to risks inherent in investments in a single industry. A decrease in the demand for self-storage space would have a greater adverse effect on our rental revenues than if we owned a more diversified real estate portfolio. Demand for self-storage space has been and could be adversely affected by ongoing weakness in the national, regional and local economies, changes in supply of, or demand for, similar or competing self-storage facilities in an area and the excess amount of self-storage space in a particular market. To the extent that any of these conditions occur, they are likely to affect market rents for self-storage space, which could cause a decrease in our rental revenue. Any such decrease could impair our ability to satisfy debt service obligations and make distributions to our shareholders.

Because real estate is illiquid, we may not be able to sell properties when appropriate.

Real estate property investments generally cannot be sold quickly. Also, the tax laws applicable to REITs require that we hold our facilities for investment, rather than sale in the ordinary course of business, which may cause us to forgo or defer sales of facilities that otherwise would be in our best interest. Therefore, we may not be able to dispose of facilities promptly, or on favorable terms, in response to economic or other market conditions, which may adversely affect our financial position.

Risks Related to our Qualification and Operation as a REIT

Failure to qualify as a REIT would subject us to U.S. federal income tax which would reduce the cash available for distribution to our shareholders.

We operate our business to qualify to be taxed as a REIT for federal income tax purposes. We have not requested and do not plan to request a ruling from the IRS that we qualify as a REIT, and the statements in this Annual Report on Form 10-K are not binding on the IRS or any court.

As a REIT, we generally will not be subject to federal income tax on the income that we distribute currently to our shareholders. Many of the REIT requirements, however, are highly technical and complex. The determination that we are a REIT requires an analysis of various factual matters and circumstances that may not be totally within our control. For example, to qualify as a REIT, at least 95% of our gross income must come from specific passive sources, such as rent, that are itemized in the REIT tax laws. In addition, to qualify as a REIT, we cannot own specified amounts of debt and equity securities of some issuers. We also are required to distribute to our shareholders with respect to each year at least 90% of our REIT taxable income ,excluding net capital gains. The fact that we hold substantially all of our assets through the Operating Partnership and its subsidiaries further complicates the application of the REIT requirements for us. Even a technical or inadvertent mistake could jeopardize our REIT status and, given the highly complex nature of the rules governing REITs and the ongoing importance of factual determinations, we cannot provide any assurance that we will continue to qualify as a REIT. Furthermore, Congress and the IRS might make changes to the tax laws and regulations, and the courts might issue new rulings, that make it more difficult, or impossible, for us to remain qualified as a REIT. If we fail to qualify as a REIT for federal income tax purposes and are able to avail ourselves of one or more of the statutory savings provisions in order to maintain our REIT status, we would nevertheless be required to pay penalty taxes of $50,000 or more for each such failure.

If we fail to qualify as a REIT for federal income tax purposes, and are unable to avail ourselves of certain savings provisions set forth in the Internal Revenue Code, we would be subject to federal income tax at regular corporate rates on all of our income. As a taxable corporation, we would not be allowed to take a deduction for distributions to shareholders in computing our taxable income or pass through long term capital gains to individual shareholders at favorable rates. We also could be subject to the federal alternative minimum tax and possibly increased state and local taxes. We would not be able to

Table of Contents

elect to be taxed as a REIT for four years following the year we first failed to qualify unless the IRS were to grant us relief under certain statutory provisions. If we failed to qualify as a REIT, we would have to pay significant income taxes, which would reduce our net earnings available for investment or distribution to our shareholders. This likely would have a significant adverse effect on our earnings and likely would adversely affect the value of our securities. In addition, we would no longer be required to pay any distributions to shareholders.

Failure of the Operating Partnership (or a subsidiary partnership) to be treated as a partnership would have serious adverse consequences to out shareholders.

If the IRS were to successfully challenge the tax status of the Operating Partnership or any of its subsidiary partnerships for federal income tax purposes, the Operating Partnership or the affected subsidiary partnership would be taxable as a corporation. In such event we would cease to qualify as a REIT and the imposition of a corporate tax on the Operating Partnership or a subsidiary partnership would reduce the amount of cash available for distribution from the Operating Partnership to us and ultimately to our shareholders.

To maintain our REIT status, we may be forced to borrow funds on a short term basis during unfavorable market conditions.

As a REIT, we are subject to certain distribution requirements, including the requirement to distribute 90% of our REIT taxable income, that may result in our having to make distributions at a disadvantageous time or to borrow funds at unfavorable rates. Compliance with this requirement may hinder our ability to operate solely on the basis of maximizing profits.

We will pay some taxes even if we qualify as a REIT, which will reduce the cash available for distribution to our shareholders.

Even if we qualify as a REIT for federal income tax purposes, we will be required to pay certain federal, state and local taxes on our income and property. For example, we will be subject to income tax to the extent we distribute less than 100% of our REIT taxable income, including capital gains. Additionally, we will be subject to a 4% nondeductible excise tax on the amount, if any, by which dividends paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years. Moreover, if we have net income from prohibited transactions, that income will be subject to a 100% penalty tax. In general, prohibited transactions are sales or other dispositions of property held primarily for sale to customers in the ordinary course of business. The determination as to whether a particular sale is a prohibited transaction depends on the facts and circumstances related to that sale. We cannot guarantee that sales of our properties would not be prohibited transactions unless we comply with certain statutory safe-harbor provisions.

In addition, any net taxable income earned directly by our taxable REIT subsidiaries, or through entities that are disregarded for federal income tax purposes as entities separate from our taxable REIT subsidiaries, will be subject to federal and possibly state corporate income tax. We have elected to treat some of our subsidiaries as taxable REIT subsidiaries, including U-Store-It Mini Warehouse Co., and we may elect to treat other subsidiaries as taxable REIT subsidiaries in the future. In this regard, several provisions of the laws applicable to REITs and their subsidiaries ensure that a taxable REIT subsidiary will be subject to an appropriate level of federal income taxation. For example, a taxable REIT subsidiary is limited in its ability to deduct certain interest payments made to an affiliated REIT. In addition, the REIT has to pay a 100% penalty tax on some payments that it receives or on some deductions taken by a taxable REIT subsidiary if the economic arrangements between the REIT, the REIT s customers, and the taxable REIT subsidiary are not comparable to similar arrangements between unrelated parties. Finally, some state and local jurisdictions may tax some of our income even though as a REIT we are not subject to federal income tax on that income because not all states and localities follow the federal income tax treatment of REITs. To the extent that we and our affiliates are required to pay federal, state and local taxes, we will have less cash available for distributions to our shareholders.

We face possible federal, state and local tax audits.

Because we are organized and qualify as a REIT, we are generally not subject to federal income taxes, but are subject to certain state and local taxes. Certain entities through which we own real estate either have undergone, or are currently undergoing, tax audits. Although we believe that we have substantial arguments in favor of our positions in the ongoing audits, in some instances there is no controlling precedent or interpretive guidance on the specific point at issue. Collectively, tax deficiency notices received to date from the jurisdictions conducting the ongoing audits have not been

Table of Contents

material. However, there can be no assurance that future audits will not occur with increased frequency or that the ultimate result of such audits will not have a material adverse effect on our results of operations.

Risks Related to our Debt Financings

We face risks related to current debt maturities, including refinancing and counterparty risk.

Certain of our mortgages will have significant outstanding balances on their maturity dates, commonly known as balloon payments. We may not have the cash resources available to repay those amounts, and we may have to raise funds for such repayment either through the issuance of capital stock, additional borrowings (which may include extension of maturity dates), joint ventures or asset sales. There can be no assurance that we will be able to refinance the debt on favorable terms or at all. To the extent we cannot refinance debt on favorable terms or at all, we may be forced to dispose of properties on disadvantageous terms or pay higher interest rates, either of which would have an adverse impact on our financial performance and ability to pay dividends to investors

In addition, we may be exposed to the potential risk of counterparty default or non-payment with respect to interest rate hedges, swap agreements, floors, caps and other interest rate hedging contracts that we may enter into from time to time, in which event we could suffer a material loss on the value of those agreements. Although these agreements may lessen the impact of rising interest rates on us, they also expose us to the risk that other parties to the agreements will not perform or that we cannot enforce the agreements. There is no assurance that our potential counterparties on these agreements are likely to perform their obligations under such agreements.

Financing our future growth plan or refinancing existing debt maturities could be impacted by negative capital market conditions.

Recently, domestic financial markets have experienced extreme volatility and uncertainty. Overall liquidity has tightened in the domestic financial markets, including the investment grade debt and equity capital markets for which we historically sought financing. Consequently, there is greater uncertainty regarding our ability to access the credit markets in order to attract financing on reasonable terms nor can there be any assurance we can issue common or preferred equity securities at a reasonable price. Our ability to finance new acquisitions and refinance future debt maturities could be adversely impacted by our inability to secure permanent financing on reasonable terms, if at all.

The terms and covenants relating to our indebtedness could adversely impact our economic performance.

Like other real estate companies that incur debt, we are subject to risks associated with debt financing, such as the insufficiency of cash flow to meet required debt service payment obligations and the inability to refinance existing indebtedness. If our debt cannot be paid, refinanced or extended at maturity, we may not be able to make distributions to shareholders at expected levels or at all and may not be able to acquire new properties. Failure to make distributions to our shareholders could result in our failure to qualify as a REIT for federal income tax purposes. Furthermore, an increase in our interest expense could adversely affect our cash flow and ability to make distributions to shareholders. If we do not meet our debt service obligations, any facilities securing such indebtedness could be foreclosed on, which would have a material adverse effect on our cash flow and ability to make distributions and, depending on the number of facilities foreclosed on, could threaten our continued viability.

Our credit facility contains (and any new or amended facility we may enter into from time to time will likely contain) customary affirmative and negative covenants, including financial covenants that, among other things, require us to comply with certain liquidity and net worth tests. Our ability to borrow under our credit facility is (and any new or amended facility we may enter into from time to time will be) subject to compliance with such financial and other covenants. In the event that we fail to satisfy these covenants, we would be in default under the credit facility and may be required to repay such debt with capital from other sources. Under such circumstances, other sources of debt or equity capital may not be available to us, or may be available only on unattractive terms. Moreover, the presence of such covenants in our credit agreements could cause us to operate our business with a view toward compliance with such covenants, which might not produce optimal returns for shareholders.

Increases in interest rates on variable rate indebtedness would increase our interest expense, which could adversely affect our cash flow and ability to make distributions to shareholders. Rising interest rates could also restrict our ability to refinance existing debt when it matures. In addition, an increase in interest rates could decrease the amounts that third parties

Table of Contents

are willing to pay for our assets, thereby limiting our ability to alter our portfolio promptly in relation to economic or other conditions.

Our organizational documents contain no limitation on the amount of debt we may incur. As a result, we may become highly leveraged in the future.

Our organizational documents contain no limitations on the amount of indebtedness that we or our Operating Partnership may incur. We could alter the balance between our total outstanding indebtedness and the value of our assets at any time. If we become more highly leveraged, then the resulting increase in debt service could adversely affect our ability to make payments on our outstanding indebtedness and to pay our anticipated distributions and/or the distributions required to maintain our REIT status, and could harm our financial condition.

Risks Related to our Organization and Structure

We are dependent upon our senior management team whose continued service is not guaranteed.

Our executive team, including our Named Executive Officers, have extensive self-storage, real estate and public company experience. Although we have employment agreements with these members of our senior management team, we cannot provide any assurance that any of them will remain in our employment. The loss of services of one or more members of our senior management team could adversely affect our operations and our future growth.

We are dependent upon our on-site personnel to maximize customer satisfaction; any difficulties we encounter in hiring, training and retaining skilled field personnel may adversely affect our rental revenues.

As of December 31, 2010, we had 994 field personnel involved in the management and operation of our facilities. The customer service, marketing skills and knowledge of local market demand and competitive dynamics of our facility managers are contributing factors to our ability to maximize our rental income and to achieve the highest sustainable rent levels at each of our facilities. We compete with various other companies in attracting and retaining qualified and skilled personnel. Competitive pressures may require that we enhance our pay and benefits package to compete effectively for such personnel. If there is an increase in these costs or if we fail to attract and retain qualified and skilled personnel, our business and operating results could be harmed.

Certain provisions of Maryland law could inhibit changes in control, which may discourage third parties from conducting a tender offer or seeking other change of control transactions that could involve a premium price for our shares or otherwise benefit our shareholders.

Certain provisions of Maryland law may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change of control under circumstances that otherwise could provide the holders of our common shares with the opportunity to realize a premium over the then-prevailing market price of those shares, including:

- business combination moratorium/fair price provisions that, subject to limitations, prohibit certain business combinations between us and an interested shareholder (defined generally as any person who beneficially owns 10% or more of the voting power of our shares or an affiliate thereof) for five years after the most recent date on which the shareholder becomes an interested shareholder, and thereafter imposes stringent fair price and super-majority shareholder voting requirements on these combinations; and

- control share provisions that provide that control shares of our company (defined as shares which, when aggregated with other shares controlled by the shareholder, entitle the shareholder to exercise one of three increasing ranges of voting power in electing Trustees) acquired in a control share acquisition (defined as the direct or indirect acquisition of ownership or control of control shares from a party other than the issuer) have no voting rights except to the extent approved by our shareholders by the affirmative vote of at least two thirds of all the votes entitled to be cast on the matter, excluding all interested shares, and are subject to redemption in certain circumstances.

We have opted out of these provisions of Maryland law. However, our Board of Trustees may opt to make these provisions applicable to us at any time without shareholder approval.

Table of Contents

Our Trustees also have the discretion, granted in our bylaws and Maryland law, without shareholder approval to, among other things (1) create a staggered Board of Trustees, and (2) amend our bylaws or repeal individual bylaws in a manner that provides the Board of Trustees with greater authority. Any such action could inhibit or impede a third party from making a proposal to acquire us at a price that could be beneficial to our shareholders.

Robert J. Amsdell, our former Chairman and Chief Executive Officer; Barry L. Amsdell, a former Trustee; Todd C. Amsdell, our former Chief Operating Officer and former President of our development subsidiary; and the Amsdell Entities (collectively, The Amsdell Family) collectively own an approximate 13.3% beneficial interest in our company on a fully diluted basis and therefore have the ability to exercise significant influence on any matter presented to our shareholders.

The Amsdell Family collectively owns approximately 11.97% of our outstanding common shares, and an approximate 13.3% beneficial interest in our company on a fully diluted basis. Consequently, the Amsdell Family may be able to significantly influence the outcome of matters submitted for shareholder action, including the election of our Board of Trustees and approval of significant corporate transactions, including business combinations, consolidations and mergers. As a result, Robert J. Amsdell, Barry L. Amsdell and Todd C. Amsdell have substantial influence on us and could exercise their influence in a manner that conflicts with the interests of our other shareholders.

Our shareholders have limited control to prevent us from making any changes to our investment and financing policies.

Our Board of Trustees has adopted policies with respect to certain activities. These policies may be amended or revised from time to time at the discretion of our Board of Trustees without a vote of our shareholders. This means that our shareholders have limited control over changes in our policies. Such changes in our policies intended to improve, expand or diversify our business may not have the anticipated effects and consequently may adversely affect our business and prospects, results of operations and share price.

Our rights and the rights of our shareholders to take action against our Trustees and officers are limited.

Maryland law provides that a trustee or officer has no liability in that capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. Our declaration of trust and bylaws require us to indemnify our Trustees and officers for actions taken on behalf of the Company by them in those capacities to the extent permitted by Maryland law. Accordingly, in the event that actions taken in good faith by any Trustee or officer impede our performance, our shareholders ability to recover damages from that Trustee or officer will be limited.

Our declaration of trust permits our Board of Trustees to issue preferred shares with terms that may discourage third parties from conducting a tender offer or seeking other change of control transactions that could involve a premium price for our shares or otherwise benefit our shareholders.

Our declaration of trust permits our Board of Trustees to issue up to 40,000,000 preferred shares, having those preferences, conversion or other rights, voting powers, restrictions, limitations as to distributions, qualifications, or terms or conditions of redemption as determined by our

Board. In addition, our Board may reclassify any unissued common shares into one or more classes or series of preferred shares. Thus, our Board could authorize, without shareholder approval, the issuance of preferred shares with terms and conditions that could have the effect of discouraging a takeover or other transaction in which holders of some or a majority of our shares might receive a premium for their shares over the then-prevailing market price of our shares. We currently do not expect that the Board would require shareholder approval prior to such a preferred issuance. In addition, any preferred shares that we issue would rank senior to our common shares with respect to the payment of distributions, in which case we could not pay any distributions on our common shares until full distributions have been paid with respect to such preferred shares.

Risks Related to our Securities

Additional issuances of equity securities may be dilutive to shareholders.

The interests of our shareholders could be diluted if we issue additional equity securities to finance future acquisitions or developments or to repay indebtedness. Our Board of Trustees may authorize the issuance of additional equity securities without shareholder approval. Our ability to execute our business strategy depends upon our access to an appropriate blend

Table of Contents

of debt financing, including unsecured lines of credit and other forms of secured and unsecured debt, and equity financing, including the issuance of common and preferred equity.

Many factors could have an adverse effect on the market value of our securities.

A number of factors might adversely affect the price of our securities, many of which are beyond our control. These factors include:

- increases in market interest rates, relative to the dividend yield on our shares. If market interest rates go up, prospective purchasers of our securities may require a higher yield. Higher market interest rates would not, however, result in more funds for us to distribute and, to the contrary, would likely increase our borrowing costs and potentially decrease funds available for distribution. Thus, higher market interest rates could cause the market price of our common shares to go down;

- anticipated benefit of an investment in our securities as compared to investment in securities of companies in other industries (including benefits associated with tax treatment of dividends and distributions);

- perception by market professionals of REITs generally and REITs comparable to us in particular;

- level of institutional investor interest in our securities;

- relatively low trading volumes in securities of REITs;

- our results of operations and financial condition;

- investor confidence in the stock market generally; and

- additions and departures of key personnel.

The market value of our common shares is based primarily upon the market s perception of our growth potential and our current and potential future earnings and cash distributions. Consequently, our common shares may trade at prices that are higher or lower than our net asset value per common share. If our future earnings or cash distributions are less than expected, it is likely that the market price of our common shares will diminish.

The market price of our common shares has been, and may continue to be, particularly volatile, and our shareholders may be unable to resell their shares at a profit.

The market price of our common shares has been subject to significant fluctuations and may continue to fluctuate or decline. Between 2009 and December 31, 2010, our common stock has been particularly volatile as the price of our common stock has ranged from a high of $9.62 to a low of $1.50. In the past several years, REIT stocks have experienced high levels of volatility and significant declines in value from their historic highs. Additionally, as a result of the current global credit crisis and the concurrent economic downturn in the U.S. and globally, there have been significant declines in the values of equity securities generally in the U.S. and abroad.

In the past, following periods of volatility in the market price of a company s securities, securities class action litigation has often been brought against that company. If our stock price is volatile, we may become the target of securities litigation. Securities litigation could result in substantial costs and divert our management s attention and resources from our business.

ITEM 1B. ***UNRESOLVED STAFF COMMENTS***

None.

Table of Contents

ITEM 2. *PROPERTIES*

Overview

As of December 31, 2010, we owned 363 self-storage facilities located in 26 states and the District of Columbia; and aggregating approximately 23.6 million rentable square feet. The following table sets forth certain summary information regarding our facilities by state as of December 31, 2010.

State	Number of Facilities	Number of Units	Total Rentable Square Feet	% of Total Rentable Square Feet	Occupancy
Florida	52	36,595	3,871,103	16.3%	75.9%
California	44	27,849	3,203,558	13.5%	70.0%
Texas	44	21,374	2,718,409	11.5%	79.9%
Ohio	33	15,336	1,873,017	7.8%	75.9%
Illinois	27	13,875	1,608,368	6.8%	82.0%
Tennessee	24	12,821	1,683,937	7.1%	77.7%
Arizona	24	11,569	1,246,379	5.3%	80.7%
Connecticut	17	7,091	847,311	3.6%	78.0%
New Jersey	16	10,366	1,039,610	4.4%	67.5%
Georgia	9	6,033	759,575	3.2%	75.8%
Indiana	9	5,157	592,790	2.5%	73.3%
New York	9	7,269	559,239	2.4%	75.1%
New Mexico	9	3,408	387,340	1.6%	82.4%
Colorado	8	4,061	492,344	2.1%	83.9%
North Carolina	6	3,859	462,998	2.0%	74.0%
Maryland	5	4,162	518,252	2.2%	80.2%
Virginia	4	2,517	273,267	1.2%	72.3%
Michigan	4	1,885	270,869	1.2%	72.7%
Utah	4	2,253	241,523	1.0%	73.0%
Massachusetts	4	2,378	207,326	0.9%	65.3%
Louisiana	3	1,415	195,017	0.8%	80.1%
Pennsylvania	2	1,615	173,819	0.7%	83.2%
Nevada	2	893	96,732	0.4%	84.9%
Alabama	1	797	128,999	0.6%	73.5%
Washington DC	1	752	63,085	0.3%	89.9%
Mississippi	1	507	61,251	0.3%	80.9%
Wisconsin	1	485	58,500	0.3%	76.2%
Total/Weighted Average	**363**	**206,322**	**23,634,618**	**100.0%**	**76.3%**

Our Facilities

The following table sets forth certain additional information with respect to each of our facilities as of December 31, 2010. Our ownership of each facility consists of a fee interest in the facility held by our Operating Partnership, or one of its subsidiaries, except for our Morris Township, NJ facility, that is subject to a ground lease. In addition, small parcels of land at five of our other facilities are subject to ground leases.

Table of Contents

Facility Location	Year Acquired/ Developed (1)	Year Built	Rentable Square Feet	Occupancy (2)	Units	Manager Apartment (3)	% Climate Controlled (4)
Mobile, AL	1997	1974/90	128,999	73.5%	797	Y	1.4%
Chandler, AZ	2005	1985	47,520	77.4%	437	Y	6.9%
Glendale, AZ	1998	1987	56,850	78.6%	517	Y	0.0%
Green Valley, AZ	2005	1985	25,100	62.2%	253	N	8.2%
Mesa I, AZ	2006	1985	52,375	85.9%	482	N	0.0%
Mesa II, AZ	2006	1981	45,445	87.3%	383	Y	8.4%
Mesa III, AZ	2006	1986	58,264	75.1%	489	Y	4.5%
Phoenix I, AZ	2006	1987	100,762	76.4%	756	Y	8.8%
Phoenix II, AZ	2006	1974	45,270	89.0%	402	Y	4.7%
Scottsdale, AZ	1998	1995	80,425	83.2%	657	Y	9.6%
Tempe, AZ	2005	1975	53,890	77.8%	403	Y	13.0%
Tucson I, AZ	1998	1974	59,350	82.2%	483	Y	0.0%
Tucson II, AZ	1998	1988	43,950	82.7%	528	Y	100.0%
Tucson III, AZ	2005	1979	49,822	84.6%	481	Y	0.0%
Tucson IV, AZ	2005	1982	48,008	78.5%	494	Y	3.6%
Tucson V, AZ	2005	1982	45,234	75.8%	416	Y	3.0%
Tucson VI, AZ	2005	1982	40,766	81.5%	408	Y	3.4%
Tucson VII, AZ	2005	1982	52,688	86.4%	595	Y	2.0%
Tucson VIII, AZ	2005	1979	46,650	84.4%	445	Y	0.0%
Tucson IX, AZ	2005	1984	67,648	74.1%	604	Y	2.0%
Tucson X, AZ	2005	1981	46,350	73.0%	421	N	0.0%
Tucson XI, AZ	2005	1974	42,800	84.1%	423	Y	0.0%
Tucson XII, AZ	2005	1974	42,325	86.9%	435	Y	4.8%
Tucson XIII, AZ	2005	1974	45,792	80.4%	509	Y	0.0%
Tucson XIV, AZ	2005	1976	49,095	88.4%	548	Y	8.8%
Apple Valley I, CA	1997	1984	73,440	59.3%	527	Y	0.0%
Apple Valley II, CA	1997	1988	61,555	75.1%	458	Y	5.3%
Benecia, CA	2005	1988/93/05	74,770	85.8%	736	Y	0.0%
Cathedral City, CA	2006	1982/92	109,340	59.2%	708	Y	2.3%
Citrus Heights, CA	2005	1987	75,620	70.8%	659	Y	0.0%
Diamond Bar, CA	2005	1988	103,034	75.0%	898	Y	0.0%
Escondido, CA	2007	2002	142,870	80.0%	1,228	Y	6.5%
Fallbrook, CA	1997	1985/88	46,620	87.5%	449	Y	0.0%
Lancaster, CA	2001	1987	60,625	53.8%	367	N	0.0%
Long Beach, CA	2006	1974	125,163	62.0%	1,351	Y	0.0%
Murrieta, CA	2005	1996	49,815	83.5%	421	Y	2.9%
North Highlands, CA	2005	1980	57,244	85.7%	469	Y	0.0%
Orangevale, CA	2005	1980	50,392	75.1%	525	Y	0.0%
Palm Springs I, CA	2006	1989	72,675	62.0%	572	Y	0.0%
Palm Springs II, CA	2006	1982/89	122,370	54.9%	627	Y	8.5%
Pleasanton, CA	2005	2003	85,055	88.0%	692	Y	0.0%
Rancho Cordova, CA	2005	1979	54,128	73.0%	454	Y	0.0%
Rialto I, CA	1997	1987	57,411	59.7%	505	Y	0.0%
Rialto II, CA	2006	1980	99,783	72.0%	749	N	0.0%
Riverside I, CA	2006	1977	67,170	80.6%	641	Y	0.0%
Riverside II, CA	2006	1985	85,196	50.9%	828	Y	3.9%
Roseville, CA	2005	1979	59,869	78.2%	549	Y	0.0%
Sacramento I, CA	2005	1979	51,114	77.9%	540	Y	0.0%
Sacramento II, CA	2005	1986	61,856	61.7%	551	Y	0.0%
San Bernardino I, CA	1997	1987	31,070	61.4%	250	N	0.0%

San Bernardino II, CA	1997	1991	41,546	69.3%	375	Y	0.0%
San Bernardino IV, CA	1997	1985/92	35,671	73.0%	398	N	0.0%
San Bernardino V, CA	2005	2002/04	83,507	61.6%	733	Y	11.8%
San Bernardino VI, CA	2006	1974	57,145	52.8%	501	Y	4.2%
San Bernardino VII, CA	2006	1975	103,860	55.8%	951	Y	0.0%
San Bernardino VIII, CA	2006	1978	78,729	82.0%	623	Y	1.3%
San Bernardino IX, CA	2006	1977	95,129	52.5%	890	Y	0.0%
San Marcos, CA	2005	1979	37,430	76.4%	244	Y	0.0%
Santa Ana, CA	2006	1984	63,571	81.4%	714	Y	2.4%
South Sacramento, CA	2005	1979	51,940	68.0%	412	Y	0.0%
Spring Valley, CA	2006	1980	55,045	79.5%	714	Y	0.0%
Temecula I, CA	1998	1985/2003	81,700	65.7%	684	Y	46.4%
Temecula II, CA	2006	2003	84,398	80.3%	627	Y	51.3%
Thousand Palms, CA	2006	1988/01	75,445	57.8%	766	Y	27.1%
Vista I, CA	2001	1988	74,405	83.9%	615	Y	0.0%
Vista II, CA	2005	2001/02/03	147,281	74.7%	1,270	Y	2.3%
Walnut, CA	2005	1987	50,708	72.5%	536	Y	9.2%
West Sacramento, CA	2005	1984	39,715	78.1%	484	Y	0.0%
Westminster, CA	2005	1983/98	68,148	75.2%	558	Y	0.0%
Aurora, CO	2005	1981	75,827	80.9%	603	Y	0.0%
Colorado Springs I, CO	2005	1986	47,975	92.0%	455	Y	0.0%
Colorado Springs II, CO	2006	2001	62,400	92.9%	425	Y	0.0%
Denver, CO	2006	1997	59,200	83.2%	451	Y	0.0%

Table of Contents

Facility Location	Year Acquired/ Developed (1)	Year Built	Rentable Square Feet	Occupancy (2)	Units	Manager Apartment (3)	% Climate Controlled (4)
Federal Heights, CO	2005	1980	54,770	84.8%	559	Y	0.0%
Golden, CO	2005	1985	86,580	81.6%	623	Y	1.2%
Littleton I , CO	2005	1987	53,490	80.8%	447	Y	37.4%
Northglenn, CO	2005	1980	52,102	77.2%	498	Y	0.0%
Bloomfield, CT	1997	1987/93/94	48,700	71.6%	436	Y	6.6%
Branford, CT	1995	1986	50,679	75.9%	431	Y	2.2%
Bristol, CT	2005	1989/99	47,950	82.2%	443	N	22.4%
East Windsor, CT	2005	1986/89	45,800	78.8%	298	N	0.0%
Enfield, CT	2001	1989	52,875	87.9%	369	Y	0.0%
Gales Ferry, CT	1995	1987/89	54,230	70.9%	597	N	6.5%
Manchester I, CT (6)	2002	1999/00/01	47,125	76.0%	459	N	37.6%
Manchester II, CT	2005	1984	52,725	72.4%	394	N	0.0%
Milford, CT	1994	1975	44,885	82.4%	376	N	4.0%
Monroe, CT	2005	1996/03	58,500	71.5%	394	N	0.0%
Mystic, CT	1994	1975/86	50,725	82.9%	560	Y	2.3%
Newington I, CT	2005	1978/97	42,520	68.4%	247	N	0.0%
Newington II, CT	2005	1979/81	36,140	89.0%	197	N	0.0%
Old Saybrook I, CT	2005	1982/88/00	86,950	86.1%	716	N	5.9%
Old Saybrook II, CT	2005	1988/02	26,425	85.1%	254	N	54.2%
South Windsor, CT	1994	1976	72,125	68.3%	553	Y	1.1%
Stamford, CT	2005	1997	28,957	84.8%	367	N	32.8%
Washington, DC	2008	2002	63,085	89.9%	752	Y	96.5%
Boca Raton, FL	2001	1998	37,958	81.2%	605	N	68.2%
Boynton Beach I, FL	2001	1999	61,977	81.4%	763	Y	54.2%
Boynton Beach II, FL	2005	2001	61,727	66.9%	580	Y	82.3%
Bradenton I, FL	2004	1979	68,391	63.9%	635	N	2.7%
Bradenton II, FL	2004	1996	87,815	81.3%	854	Y	40.1%
Cape Coral, FL	2000*	2000	76,567	75.6%	865	Y	83.5%
Dania, FL	1994	1988	58,270	69.9%	497	Y	26.9%
Dania Beach, FL (6)	2004	1984	181,463	64.8%	1,969	N	20.4%
Davie, FL	2001*	2001	81,135	81.3%	843	Y	55.6%
Deerfield Beach, FL	1998*	1998	57,280	84.6%	517	Y	38.8%
Delray Beach, FL	2001	1999	67,821	72.6%	832	Y	39.3%
Fernandina Beach, FL	1996	1986	110,785	74.9%	828	Y	35.7%
Ft. Lauderdale, FL	1999	1999	70,093	88.0%	694	Y	46.8%
Ft. Myers, FL	1998	1998	67,558	60.3%	592	Y	67.2%
Jacksonville I, FL	2005	2005	80,376	86.8%	716	N	100.0%
Jacksonville II, FL	2007	2004	65,070	91.4%	650	N	100.0%
Jacksonville III, FL	2007	2003	65,575	93.7%	683	N	100.0%
Jacksonville IV, FL	2007	2006	77,515	78.7%	701	N	100.0%
Jacksonville V, FL	2007	2004	82,165	80.4%	702	N	82.4%
Kendall, FL	2007	2003	75,395	85.1%	703	N	71.0%
Lake Worth, FL	1998	1998/02	161,808	89.6%	1,367	Y	37.2%
Lakeland, FL	1994	1988	49,095	79.3%	491	Y	79.4%
Lutz I, FL	2004	2000	66,895	70.6%	614	Y	37.0%
Lutz II, FL	2004	1999	69,232	78.3%	538	Y	20.6%

Margate I, FL	1994	1979/81	54,505	78.4%	339	N	10.0%
Margate II, FL	1996	1985	65,186	78.2%	425	Y	28.8%
Merrit Island, FL	2000	2000	50,417	78.7%	465	Y	56.7%
Miami I, FL	1995	1995	46,825	83.9%	560	Y	52.1%
Miami II, FL	1994	1989	67,060	71.3%	568	Y	8.0%
Miami IV, FL	2005	1988/03	150,590	71.3%	1,523	N	86.9%
Naples I, FL	1996	1996	48,150	95.1%	328	Y	26.6%
Naples II, FL	1997	1985	65,850	83.1%	637	Y	44.6%
Naples III, FL	1997	1981/83	80,627	68.4%	818	Y	23.8%
Naples IV, FL	1998	1990	40,475	75.3%	435	N	43.3%
Ocoee, FL	2005	1997	76,130	80.1%	627	Y	15.5%
Orange City, FL	2004	2001	59,586	80.2%	648	N	39.1%
Orlando I, FL (6)	1997	1987	52,170	62.0%	497	Y	4.9%
Orlando II, FL	2005	2002/04	63,084	87.0%	580	N	74.2%
Orlando III, FL	2006	1988/90/96	104,140	65.6%	791	Y	6.9%
Orlando IV, FL	2010	2009	76,615	44.8%	645	N	64.4%
Oviedo, FL	2006	1988/1991	49,251	70.6%	426	Y	3.2%
Pembroke Pines, FL	1997	1997	67,321	81.6%	697	Y	63.2%
Royal Palm Beach I, FL	1994	1988	98,961	61.1%	675	N	54.5%
Royal Palm Beach II, FL	2007	2004	81,415	69.5%	767	N	82.3%
Sanford, FL	2006	1988/2006	61,810	72.3%	440	Y	28.6%
Sarasota, FL	1998	1998	71,102	65.2%	525	Y	42.5%
St. Augustine, FL	1996	1985	59,725	71.9%	698	Y	29.9%
Stuart, FL	1997	1995	86,883	64.4%	978	Y	51.7%
SW Ranches, FL	2007	2004	64,955	81.8%	648	N	85.3%
Tampa, FL	2007	2001/2002	83,738	83.6%	796	N	28.5%
West Palm Beach I, FL	2001	1997	68,063	79.0%	984	Y	47.2%

Table of Contents

Facility Location	Year Acquired/ Developed (1)	Year Built	Rentable Square Feet	Occupancy (2)	Units	Manager Apartment (3)	% Climate Controlled (4)
West Palm Beach II, FL	2004	1996	94,503	84.8%	836	Y	73.9%
Alpharetta, GA	2001	1996	90,485	77.5%	665	Y	75.1%
Austell , GA	2006	2000	83,625	70.8%	644	Y	66.0%
Decatur, GA	1998	1986	148,480	72.9%	1,281	Y	2.3%
Norcross, GA	2001	1997	85,410	77.1%	573	Y	55.8%
Peachtree City, GA	2001	1997	49,875	86.7%	438	N	75.6%
Smyrna, GA	2001	2000	56,820	82.1%	488	Y	100.0%
Snellville, GA	2007	1996/1997	80,000	85.3%	755	Y	27.1%
Suwanee I, GA	2007	2000/2003	85,240	68.5%	616	Y	28.7%
Suwanee II, GA	2007	2005	79,640	69.9%	573	N	61.8%
Addison, IL	2004	1979	31,325	88.9%	367	Y	0.0%
Aurora, IL	2004	1996	74,435	75.8%	554	Y	6.9%
Bartlett, IL	2004	1987	51,425	83.2%	411	Y	33.5%
Bellwood, IL	2001	1999	86,650	83.6%	742	Y	52.1%
Des Plaines, IL (6)	2004	1978	74,400	89.1%	637	N	0.0%
Elk Grove Village, IL	2004	1987	64,129	88.0%	626	Y	5.5%
Glenview, IL	2004	1998	100,115	95.0%	738	Y	100.0%
Gurnee, IL	2004	1987	80,300	78.7%	722	N	34.1%
Hanover, IL	2004	1987	41,178	76.0%	408	Y	0.4%
Harvey, IL	2004	1987	60,090	84.2%	575	Y	3.0%
Joliet, IL	2004	1993	73,175	72.0%	528	Y	100.0%
Kildeer, IL	2004	1988	46,275	89.0%	429	Y	0.0%
Lombard, IL	2004	1981	58,188	85.3%	548	Y	9.8%
Mount Prospect, IL	2004	1979	65,000	88.2%	587	Y	12.7%
Mundelein, IL	2004	1990	44,700	79.6%	490	Y	8.9%
North Chicago, IL	2004	1985	53,350	74.2%	428	N	0.0%
Plainfield I, IL	2004	1998	53,800	88.7%	401	N	3.3%
Plainfield II, IL	2005	2000	51,900	72.3%	353	N	22.8%
Schaumburg, IL	2004	1988	31,160	88.3%	321	N	5.6%
Streamwood, IL	2004	1982	64,305	73.9%	567	N	4.4%
Warrensville, IL	2005	1977/89	48,796	77.6%	378	N	0.0%
Waukegan, IL	2004	1977	79,500	79.1%	691	Y	8.4%
West Chicago, IL	2004	1979	48,175	83.5%	426	Y	0.0%
Westmont, IL	2004	1979	53,700	90.6%	386	Y	0.0%
Wheeling I, IL	2004	1974	54,210	81.6%	493	N	0.0%
Wheeling II, IL	2004	1979	67,825	68.7%	603	Y	7.3%
Woodridge, IL	2004	1987	50,262	79.9%	466	Y	6.7%
Indianapolis I, IN	2004	1987	43,600	76.9%	326	N	0.0%
Indianapolis II, IN	2004	1997	44,900	75.9%	454	Y	15.6%
Indianapolis III, IN	2004	1999	60,850	77.8%	496	Y	32.8%
Indianapolis IV, IN	2004	1976	62,105	68.6%	526	Y	0.0%
Indianapolis V, IN	2004	1999	74,825	88.7%	584	Y	33.6%
Indianapolis VI, IN	2004	1976	73,003	68.7%	717	Y	0.0%
Indianapolis VII, IN	2004	1992	91,777	71.5%	808	Y	6.4%
Indianapolis VIII, IN	2004	1975	79,998	63.8%	702	Y	0.0%
Indianapolis IX, IN	2004	1976	61,732	70.5%	544	Y	0.0%
Baton Rouge I, LA	1997	1980	35,200	80.5%	329	N	11.6%
Baton Rouge II, LA	1997	1980/1995	80,277	80.6%	563	Y	40.5%
Slidell, LA	2001	1998	79,540	79.5%	523	Y	46.6%
Boston I, MA	2010	555	33,993	51.1%	592	N	98.5%

Boston II, MA	2002	2001	60,695	71.6%	630	Y	100.0%
Leominster, MA	1998	1987/88/00	53,823	65.3%	500	Y	38.5%
Medford, MA	2007	2001	58,815	67.1%	656	Y	96.0%
Baltimore, MD	2001	1999/00	93,350	77.2%	809	Y	45.3%
California, MD	2004	1998	77,865	86.7%	723	Y	39.0%
Gaithersburg, MD	2005	1998	87,045	85.8%	784	Y	42.0%
Laurel, MD	2001	1978/99/00	162,792	73.8%	1,020	N	41.1%
Temple Hills, MD	2001	2000	97,200	83.4%	826	Y	68.8%
Grand Rapids, MI	1996	1976	87,381	66.3%	525	Y	0.0%
Portage, MI (6)	1996	1980	50,280	92.6%	386	Y	0.0%
Romulus, MI	1997	1997	42,050	73.8%	339	Y	7.4%
Wyoming, MI	1996	1987	91,158	67.2%	635	N	0.0%
Gulfport, MS	1997	1977/93	61,251	80.9%	507	Y	33.5%
Belmont, NC	2001	1996/97/98	81,448	71.7%	581	N	24.2%
Burlington I, NC	2001	1990/91/93/94/98	109,346	61.5%	947	N	4.7%
Burlington II, NC	2001	1991	42,205	69.3%	394	Y	12.0%
Cary, NC	2001	1993/94/97	112,324	75.2%	793	N	7.3%
Charlotte, NC	1999	1999	69,000	86.0%	736	Y	52.8%
Raleigh, NC	1998	1994/95	48,675	90.4%	408	N	8.2%
Brick, NJ	1994	1981	51,725	71.1%	431	N	0.0%
Cherry Hill, NJ	2010	2004	52,600	51.5%	374	Y	0.0%
Clifton, NJ	2005	2001	105,550	78.1%	1,018	Y	85.5%

Table of Contents

Facility Location	Year Acquired/ Developed (1)	Year Built	Rentable Square Feet	Occupancy (2)	Units	Manager Apartment (3)	% Climate Controlled (4)
Cranford, NJ	1994	1987	91,250	72.6%	852	Y	7.9%
East Hanover, NJ	1994	1983	107,579	64.4%	970	N	1.6%
Egg Harbor I, NJ	2010	2005	39,425	37.3%	284	N	11.5%
Egg Harbor II, NJ	2010	2002	71,175	37.5%	706	N	16.4%
Elizabeth, NJ	2005	1925/97	38,830	77.3%	673	N	0.0%
Fairview, NJ	1997	1989	27,925	68.5%	449	N	100.0%
Hamilton, NJ	2006	1990	70,550	60.5%	610	Y	0.0%
Hoboken, NJ	2005	1945/97	34,180	80.3%	742	N	100.0%
Linden, NJ	1994	1983	100,325	62.9%	1,117	N	2.8%
Morris Township, NJ (5)	1997	1972	71,776	72.4%	565	Y	1.3%
Parsippany, NJ	1997	1981	66,325	84.2%	566	Y	6.9%
Randolph, NJ	2002	1998/99	52,565	75.7%	546	Y	82.5%
Sewell, NJ	2001	1984/98	57,830	83.5%	463	N	5.3%
Albuquerque I, NM	2005	1985	65,927	83.3%	610	Y	3.2%
Albuquerque II, NM	2005	1985	58,598	83.1%	514	Y	4.1%
Albuquerque III, NM	2005	1986	57,536	87.3%	503	Y	4.7%
Carlsbad, NM	2005	1975	39,999	95.2%	341	Y	0.0%
Deming, NM	2005	1973/83	33,005	83.5%	232	Y	0.0%
Las Cruces, NM	2005	1984	65,740	69.2%	532	Y	2.1%
Lovington, NM	2005	1975	15,550	85.5%	250	Y	0.0%
Silver City, NM	2005	1972	26,975	86.2%	252	Y	0.0%
Truth or Consequences, NM	2005	1977/99/00	24,010	74.2%	174	Y	0.0%
Las Vegas I, NV	2006	1986	47,882	79.8%	375	Y	5.6%
Las Vegas II, NV	2006	1997	48,850	89.9%	518	Y	75.2%
Jamaica, NY	2001	2000	88,415	74.6%	919	Y	30.7%
Bronx, NY	2010	1931/2004	66,865	74.7%	1,333	N	100.0%
Brooklyn, NY	2010	1917/2004	56,970	76.6%	861	N	100.0%
Queens, NY	2010	1962/2003	61,090	65.9%	1,143	N	25.2%
Wyckoff, NY	2010	1910/2007	62,245	81.3%	1,039	N	90.2%
New Rochelle, NY	2005	1998	48,431	80.1%	399	N	15.0%
North Babylon, NY	1998	1988/99	78,188	79.5%	650	N	9.0%
Riverhead, NY	2005	1985/86/99	38,240	71.2%	326	N	0.0%
Southold, NY	2005	1989	58,795	70.5%	599	N	3.0%
Boardman, OH	1980	1980/89	65,495	74.9%	515	Y	24.0%
Canton I, OH	2005	1979/87	39,750	73.2%	407	N	0.0%
Canton II, OH	2005	1997	26,200	88.9%	192	N	0.0%
Centerville I, OH	2004	1976	80,690	68.2%	619	Y	0.0%
Centerville II, OH	2004	1976	43,150	63.9%	304	N	0.0%
Cleveland I, OH	2005	1997/99	46,000	87.6%	338	Y	4.9%
Cleveland II, OH	2005	2000	58,425	53.2%	568	Y	0.0%
Columbus, OH	2006	1999	72,155	73.1%	607	Y	26.1%
Dayton I, OH	2004	1978	43,100	64.3%	341	N	0.0%
Dayton II, OH	2005	1989/00	48,149	80.0%	391	Y	1.7%
Euclid I, OH	1988*	1988	46,710	71.6%	423	N	22.3%
Euclid II, OH	1988*	1988	47,275	59.5%	376	Y	0.0%
Grove City, OH	2006	1997	89,290	75.1%	772	Y	16.9%
Hilliard, OH	2006	1995	89,690	71.9%	780	Y	24.5%
Lakewood, OH	1989*	1989	39,337	81.2%	456	Y	24.6%
Louisville, OH	2005	1988/90	53,900	74.5%	387	N	0.0%
Marblehead, OH	2005	1988/98	52,300	78.8%	378	Y	0.0%

Mason, OH	1998	1981	33,900	79.3%	279	Y	0.0%
Mentor, OH	2005	1983/99	51,225	90.4%	366	N	16.1%
Miamisburg, OH	2004	1975	59,930	66.4%	430	Y	0.0%
Middleburg Heights, OH	1980*	1980	93,025	88.5%	669	Y	3.8%
North Canton I, OH	1979*	1979	45,200	78.7%	318	Y	0.0%
North Canton II, OH	1983*	1983	44,140	80.0%	346	Y	15.8%
North Olmsted I, OH	1979*	1979	48,665	76.6%	440	Y	7.0%
North Olmsted II, OH	1988*	1988	47,850	75.6%	397	Y	14.2%
North Randall, OH	1998*	1998/02	80,099	84.9%	799	N	90.8%
Perry, OH	2005	1992/97	63,700	75.7%	420	Y	0.0%
Reynoldsburg, OH	2006	1979	66,895	71.9%	664	Y	0.0%
Strongsville, OH	2007	1978	43,727	85.0%	399	Y	100.0%
Warrensville Heights, OH	1980*	1980/82/98	90,281	80.6%	713	Y	0.0%
Westlake, OH	2005	2001	62,750	86.9%	453	Y	6.1%
Willoughby, OH	2005	1997	34,064	70.4%	266	Y	10.1%
Youngstown, OH	1977*	1977	65,950	72.6%	523	Y	1.2%
Levittown, PA	2001	2000	76,180	79.6%	654	Y	36.3%
Philadelphia, PA	2001	1999	97,639	86.0%	961	N	47.1%
Alcoa, TN	2005	1986	42,325	83.9%	355	Y	0.0%
Antioch, TN	2005	1985/98	76,160	83.3%	618	Y	8.5%
Cordova I, TN	2005	1987	54,125	72.5%	386	Y	0.0%

Table of Contents

Facility Location	Year Acquired/ Developed (1)	Year Built	Rentable Square Feet	Occupancy (2)	Units	Manager Apartment (3)	% Climate Controlled (4)
Cordova II, TN	2006	1995	67,700	83.3%	715	Y	7.1%
Knoxville I, TN	1997	1984	29,337	87.1%	283	Y	6.8%
Knoxville II, TN	1997	1985	38,000	75.0%	328	Y	6.9%
Knoxville III, TN	1998	1991	45,736	73.2%	443	Y	6.9%
Knoxville IV, TN	1998	1983	58,752	64.6%	438	N	1.1%
Knoxville V, TN	1998	1977	42,790	70.0%	370	N	0.0%
Knoxville VI, TN	2005	1975	63,440	71.9%	586	Y	0.0%
Knoxville VII, TN	2005	1983	55,094	67.2%	442	Y	0.0%
Knoxville VIII, TN	2005	1978	95,868	65.6%	761	Y	0.0%
Memphis I, TN	2001	1999	92,320	88.3%	695	N	57.1%
Memphis II, TN	2001	2000	71,710	80.2%	556	N	46.3%
Memphis III, TN	2005	1983	40,807	79.8%	347	Y	6.4%
Memphis IV, TN	2005	1986	38,750	81.5%	322	Y	4.3%
Memphis V, TN	2005	1981	60,120	84.7%	498	Y	0.0%
Memphis VI, TN	2006	1985/93	108,771	85.1%	874	Y	3.3%
Memphis VII, TN	2006	1980/85	115,253	68.3%	578	Y	0.0%
Memphis VIII, TN	2006	1990	96,060	72.6%	553	Y	0.0%
Nashville I, TN	2005	1984	103,310	80.7%	693	Y	0.0%
Nashville II, TN	2005	1986/00	83,584	82.7%	633	Y	6.6%
Nashville III, TN	2006	1985	101,475	72.8%	620	Y	5.2%
Nashville IV, TN	2006	1986/00	102,450	89.8%	727	Y	7.0%
Austin I, TX	2005	2001	59,520	81.0%	536	Y	58.8%
Austin II, TX	2006	2000/03	65,241	88.3%	594	Y	38.9%
Austin III, TX	2006	2004	70,560	80.8%	579	Y	85.4%
Baytown, TX	2005	1981	38,950	77.4%	360	Y	0.0%
Bryan, TX	2005	1994	60,450	68.1%	495	Y	0.0%
College Station, TX	2005	1993	26,550	69.8%	346	N	0.0%
Dallas, TX	2005	2000	58,382	86.7%	536	Y	28.5%
Denton, TX	2006	1996	60,836	83.5%	462	Y	3.9%
El Paso I, TX	2005	1980	59,652	82.4%	519	Y	0.9%
El Paso II, TX	2005	1980	48,704	92.5%	413	Y	0.0%
El Paso III, TX	2005	1980	71,276	76.2%	595	Y	2.0%
El Paso IV, TX	2005	1983	67,058	81.9%	523	Y	3.2%
El Paso V, TX	2005	1982	62,300	74.4%	398	Y	0.0%
El Paso VI, TX	2005	1985	36,570	91.6%	258	Y	0.0%
El Paso VII, TX	2005	1982	34,545	82.1%	13	N	0.0%
Fort Worth I, TX	2005	2000	50,621	76.4%	406	Y	26.6%
Fort Worth II, TX	2006	2003	72,925	83.5%	655	Y	49.0%
Frisco I, TX	2005	1996	50,854	84.0%	431	Y	17.5%
Frisco II, TX	2005	1998/02	71,299	83.5%	511	Y	23.8%
Frisco III, TX	2006	2004	75,215	74.9%	610	Y	88.0%
Frisco IV, TX	2010	2007	74,835	73.7%	511	Y	16.4%
Garland I, TX	2006	1991	70,100	79.8%	652	Y	4.4%
Garland II, TX	2006	2004	68,425	79.1%	470	Y	39.6%
Greenville I, TX	2005	2001/04	59,385	73.4%	451	Y	28.8%
Greenville II, TX	2005	2001	44,900	63.7%	312	N	36.3%
Houston I, TX	2005	1981	100,630	79.8%	626	Y	0.0%
Houston II, TX	2005	1977	71,300	79.0%	391	Y	0.0%
Houston III, TX	2005	1984	61,120	70.4%	462	Y	4.3%
Houston IV, TX	2005	1987	43,975	70.9%	383	Y	6.1%
Houston V, TX	2006	1980/1997	125,930	85.6%	1,011	Y	55.1%
Keller, TX	2006	2000	61,885	79.5%	486	Y	21.1%
La Porte, TX	2005	1984	44,850	81.0%	429	Y	18.6%
Lewisville, TX	2006	1996	58,140	62.7%	429	Y	20.2%

Mansfield, TX	2006	2003	63,075	81.3%	495	Y	38.4%
McKinney I, TX	2005	1996	47,040	89.4%	363	Y	9.0%
McKinney II, TX	2006	1996	70,050	80.2%	539	Y	46.3%
North Richland Hills, TX	2005	2002	57,175	82.8%	432	Y	47.6%
Roanoke, TX	2005	1996/01	59,300	83.7%	448	Y	30.0%
San Antonio I, TX	2005	2005	73,330	84.2%	573	Y	79.0%
San Antonio II, TX	2006	2005	73,230	89.2%	670	N	82.3%
San Antonio III, TX	2007	2006	72,075	85.6%	566	N	87.0%
Sherman I, TX	2005	1998	54,975	77.3%	506	Y	21.1%
Sherman II, TX	2005	1996	48,425	78.3%	391	Y	30.9%
Spring, TX	2006	1980/86	72,751	74.6%	538	N	14.1%
Murray I, UT	2005	1976	60,180	69.9%	647	Y	0.0%
Murray II, UT	2005	1978	71,221	85.6%	371	Y	2.6%
Salt Lake City I, UT	2005	1976	56,446	70.2%	732	Y	0.0%
Salt Lake City II, UT	2005	1978	53,676	62.8%	503	Y	0.0%
Fredericksburg I, VA	2005	2001/04	69,475	67.4%	601	N	21.4%
Fredericksburg II, VA	2005	1998/01	61,257	65.9%	558	N	100.0%
McLearen, VA	2010	2002	69,490	79.0%	719	Y	91.2%

Table of Contents

Facility Location	Year Acquired/ Developed (1)	Year Built	Rentable Square Feet	Occupancy (2)	Units	Manager Apartment (3)	% Climate Controlled (4)
Mannasas, VA	2010	1998	73,045	76.0%	639	Y	51.1%
Milwaukee, WI	2004	1988	58,500	76.2%	485	Y	0.0%
Total/Weighted Average (363 Facilities)			**23,634,618**	**76.3%**	**206,322**		

* Denotes facilities developed by us.

Denotes facilities that contain a significant amount of commercial rentable square footage. All of this commercial space, which was developed in conjunction with the self-storage units, is located within or adjacent to our self-storage facilities and is managed by our self-storage facility managers. As of December 31, 2010, there was an aggregate of approximately 420,000 rentable square feet of commercial space at these facilities.

(1) Represents the year acquired for those facilities acquired from a third party or the year developed for those facilities developed by us.

(2) Represents occupied square feet divided by total rentable square feet at December 31, 2010.

(3) Indicates whether a facility has an on-site apartment where a manager resides.

(4) Represents the percentage of rentable square feet in climate-controlled units.

(5) We do not own the land at this facility. We lease the land pursuant to a ground lease that expires in 2013, but have eight five-year renewal options.

(6) We have ground leases for certain small parcels of land adjacent to these facilities that expire between 2010 and 2015.

Our growth has been achieved by adding facilities to our portfolio through acquisitions and development. The tables set forth below show the average occupancy, annual rent per occupied square foot, average occupied square feet and total revenues for our facilities owned as of December 31, 2010, and for each of the previous three years, grouped by the year during which we first owned or operated the facility.

Our Facilities by Year Acquired - Average Occupied Square Feet (1)

		Rentable Square		Average Occupancy	
Year Acquired (2)	**# of Facilities**	**Feet**	**2010**	**2009**	**2008**
2007 and earlier	350	22,811,295	76.7%	76.0%	79.8%
2008	1	84,975	80.1%	72.3%	69.5%
2009					
2010	12	738,348	67.7%		
All Facilities Owned as of December 31, 2010	363	23,634,618	76.7%	75.9%	79.8%

Table of Contents

Our Facilities by Year Acquired - Annual Rent Per Occupied Square Foot (1)

Year Acquired (2)	# of Facilities	Rent per Square Foot 2010	2009	2008
2007 and earlier	350	$ 11.57	$ 11.73	$ 11.49
2008	1	21.59	22.13	21.12
2009				
2010	12	13.50		
All Facilities Owned as of December 31, 2010	363	$ 11.66	$ 11.76	$ 11.52

Facilities by Year Acquired - Average Occupied Square Feet (3)

Year Acquired (2)	# of Facilities	Average Occupied Square Feet 2010	2009	2008
2007 and earlier	350	17,512,913	17,982,611	18,961,704
2008	1	67,973	61,113	58,844
2009				
2010	12	480,918		
All Facilities Owned as of December 31, 2010	363	18,061,804	18,043,724	19,020,548

Facilities by Year Acquired - Total Revenues (dollars in thousands) (4)

Year Acquired (2)	# of Facilities	Total Revenues 2010	2009	2008
2007 and earlier	350	$ 209,222	$ 215,245	$ 222,748
2008	1	1,527	1,404	1,309
2009				
2010	12	1,663		
All Facilities Owned as of December 31, 2010	363	$ 212,412	$ 216,649	$ 224,057

(1) Determined by dividing the aggregate rental revenue for each twelve-month period by the average of the month-end occupied square feet for the period. Rental revenue includes customer rental revenues, access, administrative and late fees and revenues from auctions, but does not include ancillary revenues generated at our facilities.

(2) For facilities developed by us, Year Acquired represents the year in which such facilities were acquired by our operating partnership from an affiliated entity, which in some cases is later than the year developed.

(3) Represents the average of the aggregate month-end occupied square feet for the twelve-month period for each group of facilities.

Table of Contents

(4) Represents the result obtained by multiplying total income per occupied square foot by the average occupied square feet for the twelve-month period for each group of facilities. This result will vary from amounts reported on the financial statements.

Planned Renovations and Improvements

We have a capital improvement and property renovation program that includes office upgrades, adding climate control at selected units, construction of parking areas, safety and security enhancements, and general facility upgrades. For 2011, we anticipate spending approximately $7 million to $9 million associated with these capital expenditures and expect to enhance the safety and improve the aesthetic appeal of our facilities.

ITEM 3. *LEGAL PROCEEDINGS*

We are involved in claims from time to time, including the proceeding identified below, which arise in the ordinary course of business. In the opinion of management, we have made adequate provisions for potential liabilities, if any, arising from any such matters. However, litigation is inherently unpredictable, and the costs and other effects of pending or future litigation, governmental investigations, legal and administrative cases and proceedings (whether civil or criminal), settlements, judgments and investigations, claims and changes in any such matters, could have a material adverse effect on our business, financial condition and operating results.

On November 4, 2009, our Operating Partnership was sued in the Delaware Court of Chancery by Robert J. Amsdell, Barry L. Amsdell, and Amsdell Holdings I, Inc. (collectively, the Amsdell Plaintiffs). The Amsdell Plaintiffs amended their complaint in 2010 to include the Company as a defendant. The Amsdell Plaintiffs lawsuit seeks to compel our Operating Partnership to indemnify the Amsdell Plaintiffs for losses and expenses allegedly incurred by the Amsdell Plaintiffs from legal proceedings filed against the Amsdell Plaintiffs, which proceedings alleged, *inter alia*, that the Amsdell Plaintiffs breached an agreement to purchase certain real estate located in Brighton, Massachusetts in 2001. We are vigorously defending against this action. The matter is presently in the discovery phase and no trial date has been set by the Court. While management currently believes that resolving this matter will not have a material adverse impact on our business, financial condition or operating results, litigation, as noted above, is subject to inherent uncertainties and management s view of this matter may change in the future.

ITEM 4. *REMOVED AND RESERVED*

Table of Contents

PART II

ITEM 5. ***MARKET FOR REGISTRANT S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES***

As of December 31, 2010, there were approximately 52 registered record holders of our common shares. This figure does not include beneficial owners who hold shares in nominee name. The following table shows the high and low closing prices per share for our common shares, as reported by the New York Stock Exchange, and the cash dividends declared with respect to such shares:

	High	Low	Cash Dividends Declared
2009			
First quarter	$ 5.03	$ 1.40	$ 0.025
Second quarter	$ 4.93	$ 2.12	$ 0.025
Third quarter	$ 6.83	$ 4.23	$ 0.025
Fourth quarter	$ 7.60	$ 5.70	$ 0.025
2010			
First quarter	$ 7.70	$ 6.31	$ 0.025
Second quarter	$ 8.98	$ 7.25	$ 0.025
Third quarter	$ 8.86	$ 6.88	$ 0.025
Fourth quarter	$ 9.56	$ 8.19	$ 0.070

Since our initial quarter as a publicly-traded REIT, we have made regular quarterly distributions to our shareholders. Distributions to shareholders are usually taxable as ordinary income, although a portion of the distribution may be designated as capital gain or may constitute a tax-free return of capital. Annually, we provide each of our shareholders a statement detailing distributions paid during the preceding year and their characterization as ordinary income, capital gain or return of capital. The characterization of our dividends for 2010 was 100% ordinary income distribution.

We intend to continue to declare quarterly distributions. However, we cannot provide any assurance as to the amount or timing of future distributions. Under our revolving credit facility, we are restricted from paying distributions on our common shares that would exceed an amount equal to the greater of (i) 95% of our funds from operations, and (ii) such amount as may be necessary to maintain our REIT status.

To the extent that we make distributions in excess of our earnings and profits, as computed for federal income tax purposes, these distributions will represent a return of capital, rather than a dividend, for federal income tax purposes. Distributions that are treated as a return of capital for federal income tax purposes generally will not be taxable as a dividend to a U.S. shareholder, but will reduce the shareholder s basis in its shares (but not below zero) and therefore can result in the shareholder having a higher gain upon a subsequent sale of such shares. Return of capital distributions in excess of a shareholder s basis generally will be treated as gain from the sale of such shares for federal income tax purposes.

Share Performance Graph

The SEC requires us to present a chart comparing the cumulative total shareholder return on our common shares with the cumulative total shareholder return of (i) a broad equity index and (ii) a published industry or peer group index. The following chart compares the yearly cumulative total shareholder return for our common shares with the cumulative shareholder return of companies on (i) the S&P 500 Index, (ii) the Russell 2000 and (iii) the NAREIT All Equity REIT Index as provided by NAREIT for the period beginning December 31, 2005 and ending December 31, 2010.

Table of Contents

	Period Ending					
Index	**12/31/05**	**12/31/06**	**12/31/07**	**12/31/08**	**12/31/09**	**12/31/10**
U-Store-It Trust	100.00	103.33	49.25	25.62	43.25	57.05
S&P 500	100.00	115.79	122.16	76.96	97.33	111.99
Russell 2000	100.00	118.37	116.51	77.15	98.11	124.46
NAREIT All Equity REIT Index	100.00	135.06	113.87	70.91	90.76	116.12

The following table provides information about repurchases of the Company s common shares during the three-month period ended December 31, 2010.

	Total Number of Shares Purchased (1)	**Average Price Paid Per Share**	**Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs**	**Maximum Number of Shares that May Yet Be Purchased Under the Plans (2)**
October	171	$ 8.43	N/A	3,000,000
November	N/A	N/A	N/A	3,000,000

December	544	$ 8.79	N/A	3,000,000
Total	715		N/A	3,000,000

(1) Represents common shares withheld by the Company upon the vesting of restricted shares to cover employee tax obligations.

Table of Contents

(2) On June 27, 2007, the Company announced that the Board of Trustees approved a share repurchase program for up to 3.0 million of the Company s outstanding common shares. Unless terminated earlier by resolution of the Board of Trustees, the program will expire when the number of authorized shares has been repurchased. The Company has made no repurchases under this program.

ITEM 6. ***SELECTED FINANCIAL DATA***

The following table sets forth selected financial and operating data on a historical consolidated basis for the Company. The selected historical financial information for the five-year period ended December 31, 2010 was derived from the Company s financial statements.

The following data should be read in conjunction with the audited financial statements and notes thereto of the Company and Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this report.

Table of Contents

	For the year ended December 31,				
	2010	2009	2008	2007	2006
	(Dollars and shares in thousands, except per share data)				
REVENUES					
Rental income	$ 195,357	$ 194,590	$ 202,200	$ 186,330	$ 171,059
Other property related income	18,640	16,086	15,130	15,148	13,344
Other - related party				365	457
Property management fee income	2,829	56			
Total revenues	216,826	210,732	217,330	201,843	184,860
OPERATING EXPENSES					
Property operating expenses	93,696	91,380	92,533	86,358	75,921
Property operating expenses - related party				59	69
Depreciation and amortization	62,945	69,125	71,974	63,183	58,043
Asset write-off					305
Lease abandonment				1,316	
General and administrative	25,406	22,569	24,964	21,966	21,675
General and administrative - related party				337	613
Total operating expenses	182,047	183,074	189,471	173,219	156,626
OPERATING INCOME	34,779	27,658	27,859	28,624	28,234
OTHER INCOME (EXPENSE)					
Interest:					
Interest expense on loans	(37,794)	(45,269)	(52,014)	(54,108)	(45,628)
Loan procurement amortization expense	(6,463)	(2,339)	(1,929)	(1,772)	(1,972)
Early extinguishment of debt					(1,907)
Interest income	621	681	153	401	1,336
Acquisition related costs	(759)				
Other	(235)	(33)	94	118	191
Total other expense	(44,630)	(46,960)	(53,696)	(55,361)	(47,980)
LOSS FROM CONTINUING OPERATIONS	(9,851)	(19,302)	(25,837)	(26,737)	(19,746)
DISCONTINUED OPERATIONS					
Income from discontinued operations	2,006	4,831	9,219	9,973	10,422
Net gain on disposition of discontinued operations	1,826	14,139	19,720	2,517	
Total discontinued operations	3,832	18,970	28,939	12,490	10,422
NET (LOSS) INCOME	(6,019)	(332)	3,102	(14,247)	(9,324)
NET LOSS (INCOME) ATTRIBUTABLE TO NONCONROLLING INTERESTS					
Noncontrolling interests in the Operating Partnership	381	60	(310)	1,170	773
Noncontrolling interest in subsidiaries	(1,755)	(665)			
NET (LOSS) INCOME ATTRIBUTABLE TO THE COMPANY	$ (7,393)	$ (937)	$ 2,792	$ (13,077)	$ (8,551)
Basic and diluted loss per share from continuing operations attributable to common shareholders	$ (0.12)	$ (0.27)	$ (0.41)	$ (0.43)	$ (0.32)
Basic and diluted earnings per share from discontinued operations attributable to common shareholders	$ 0.04	$ 0.26	$ 0.46	$ 0.21	$ 0.17
Basic and diluted (loss) earnings per share attributable to common shareholders	$ (0.08)	$ (0.01)	$ 0.05	$ (0.22)	$ (0.15)
Weighted-average basic and diluted shares outstanding (1)	93,998	70,988	57,621	57,497	57,287

AMOUNTS ATTRIBUTABLE TO THE COMPANY S COMMON SHAREHOLDERS:										
Loss from continuing operations	$	(11,049)	$	(18,921)	$	(23,803)	$	(24,542)	$	(18,108)
Total discontinued operations		3,656		17,984		26,595		11,465		9,557
Net (loss) income	$	(7,393)	$	(937)	$	2,792	$	(13,077)	$	(8,551)

Table of Contents

	At December 31, 2010	2009	2008	2007	2006
Balance Sheet Data (in thousands):					
Storage facilities, net	$ 1,428,491	$ 1,430,533	$ 1,559,958	$ 1,647,118	$ 1,566,815
Total assets	1,478,819	1,598,870	1,597,659	1,687,831	1,615,339
Revolving credit facility	43,000		172,000	219,000	90,500
Unsecured term loan	200,000		200,000	200,000	200,000
Secured term loan		200,000	57,419	47,444	
Mortgage loans and notes payable	372,457	569,026	548,085	561,057	588,930
Total liabilities	668,266	814,146	1,028,705	1,083,230	930,948
Noncontrolling interest in the Operating Partnership	45,145	45,394	46,026	48,982	107,606
U-Store-It Trust shareholders equity	724,216	695,309	522,928	555,619	576,785
Noncontrolling interests in subsidiaries	41,192	44,021			
Total liabilities and equity	1,478,819	1,598,870	1,597,659	1,687,831	1,615,339
Other Data:					
Number of facilities	363	367	387	409	399
Total rentable square feet (in thousands)	23,635	23,749	24,973	26,119	25,436
Occupancy percentage	76.3%	75.2%	78.9%	79.5%	78.2%
Cash dividends declared per share (2)	$ 0.145	$ 0.10	$ 0.565	$ 1.05	$ 1.16

(1) Excludes operating partnership units issued at our IPO and in connection with the acquisition of facilities subsequent to our IPO. Operating partnership units have been excluded from the earnings per share calculations as the related income or loss is presented in Noncontrolling interests in the Operating Partnership.

(2) The Company announced full quarterly dividends of $0.29 per common share on December 1, 2005, February 22, 2006, April 24, 2006, August 23, 2006, November 3, 2006, February 21, 2007, May 8, 2007, and August 14, 2007; dividends of $0.18 per common share on December 13, 2007, February 27, 2008, May 7, 2008, and August 6, 2008; dividends of $0.025 per common share on December 11, 2008, January 22, 2009, April 22, 2009, July 22, 2009, October 22, 2009, December 5, 2009, February 24, 2010, June 2, 2010, and August 4, 2010; and dividends of $0.07 per common share on December 14, 2010.

Table of Contents

ITEM 7. ***MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS***

The following discussion should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this report. The Company makes certain statements in this section that are forward-looking statements within the meaning of the federal securities laws. For a complete discussion of forward-looking statements, see the section in this report entitled Forward-Looking Statements. Certain risk factors may cause actual results, performance or achievements to differ materially from those expressed or implied by the following discussion. For a discussion of such risk factors, see the section in this report entitled Risk Factors.

Overview

The Company is an integrated self-storage real estate company, which means that it has in-house capabilities in the operation, design, development, leasing, and acquisition of self-storage facilities. The Company has elected to be taxed as a REIT for federal tax purposes. At December 31, 2010 and 2009, the Company owned 363 and 367 self-storage facilities, respectively, totaling approximately 23.6 million and 23.7 million rentable square feet, respectively. In addition, as of December 31, 2010, the Company managed 93 properties for third parties, bringing the total number of properties which it owned and/or managed to 456.

The Company derives revenues principally from rents received from its customers who rent units at its self-storage facilities under month-to-month leases. Therefore, our operating results depend materially on our ability to retain our existing customers and lease our available self-storage units to new customers while maintaining and, where possible, increasing our pricing levels. In addition, our operating results depend on the ability of our customers to make required rental payments to us. We have a decentralized approach to the management and operation of our facilities, which places an emphasis on local, market level oversight and control. We believe this approach allows us to respond quickly and effectively to changes in local market conditions, and to maximize revenues by managing rental rates and occupancy levels.

The Company typically experiences seasonal fluctuations in the occupancy levels of our facilities, which are generally slightly higher during the summer months due to increased moving activity.

The United States has recently experienced an economic downturn that has resulted in higher unemployment, stagnant employment growth, shrinking demand for products, large-scale business failures and tight credit markets. Our results of operations may be sensitive to changes in overall economic conditions that impact consumer spending, including discretionary spending, as well as to increased bad debts due to recessionary pressures. A continuation of ongoing adverse economic conditions affecting disposable consumer income, such as employment levels, business conditions, interest rates, tax rates, fuel and energy costs, and other matters could reduce consumer spending or cause consumers to shift their spending to other products and services. A general reduction in the level of discretionary spending or shifts in consumer discretionary spending could adversely affect our growth and profitability.

In the future, the Company intends to focus on maximizing internal growth opportunities and selectively pursuing targeted acquisitions and developments of self-storage facilities. We intend to incur additional debt in connection with any such future acquisitions or developments.

The Company has one reportable segment: we own, operate, develop, manage and acquire self-storage facilities.

The Company s self-storage facilities are located in major metropolitan and rural areas and have numerous tenants per facility. No single tenant represents a significant concentration of our revenues. The facilities in Florida, California, Texas and Illinois provided approximately 18%, 15%, 10% and 7%, respectively, of total revenues for the year ended December 31, 2010.

Summary of Critical Accounting Policies and Estimates

Set forth below is a summary of the accounting policies that management believes are critical to the preparation of the consolidated financial statements included in this report. Certain of the accounting policies used in the preparation of these consolidated financial statements are particularly important for an understanding of the financial position and results of operations presented in the historical consolidated financial statements included in this report. A summary of significant accounting policies is also provided in the notes to our consolidated financial statements (See Note 2 to the consolidated

Table of Contents

financial statements). These policies require the application of judgment and assumptions by management and, as a result, are subject to a degree of uncertainty. Due to this uncertainty, actual results could differ materially from estimates calculated and utilized by management.

Basis of Presentation

The accompanying consolidated financial statements include all of the accounts of the Company, and its majority-owned and/or controlled subsidiaries. The portion of these entities not owned by the Company is presented as noncontrolling interests as of and during the periods presented. All significant intercompany accounts and transactions have been eliminated in consolidation.

When the Company obtains an economic interest in an entity, the Company evaluates the entity to determine if the entity is deemed a variable interest entity (VIE), and if the Company is deemed to be the primary beneficiary, in accordance with authoritative guidance issued by the Financial Accounting Standards Board (FASB) on the consolidation of VIEs. When an entity is not deemed to be a VIE, the Company considers the provisions of additional FASB guidance to determine whether a general partner, or the general partners as a group, controls a limited partnership or similar entity when the limited partners have certain rights. The Company consolidates (i) entities that are VIEs and of which the Company is deemed to be the primary beneficiary and (ii) entities that are non-VIEs which the Company controls and which the limited partners do not have the ability to dissolve or remove the Company without cause nor substantive participating rights.

For analytical presentation, all percentages are calculated using the numbers presented in the financial statements contained in this Annual Report on Form 10-K.

Self-Storage Facilities

The Company records self-storage facilities at cost less accumulated depreciation. Depreciation on the buildings and equipment is recorded on a straight-line basis over their estimated useful lives, which range from five to 40 years. Expenditures for significant renovations or improvements that extend the useful life of assets are capitalized. Repairs and maintenance costs are expensed as incurred.

When facilities are acquired, the purchase price is allocated to the tangible and intangible assets acquired and liabilities assumed based on estimated fair values. When a portfolio of facilities is acquired, the purchase price is allocated to the individual facilities based upon an income approach or a cash flow analysis using appropriate risk adjusted capitalization rates, which take into account the relative size, age and location of the individual facility along with current and projected occupancy and rental rate levels or appraised values, if available. Allocations to the individual assets and liabilities are based upon comparable market sales information for land, buildings and improvements and estimates of depreciated replacement cost of equipment.

In allocating the purchase price for an acquisition, the Company determines whether the acquisition includes intangible assets or liabilities. Substantially all of the leases in place at acquired facilities are at market rates, as the majority of the leases are month-to-month contracts. Accordingly, to date no portion of the purchase price has been allocated to above- or below-market lease intangibles. To date, no intangible asset has been recorded for the value of tenant relationships, because the Company does not have any concentrations of significant tenants and the average tenant turnover is fairly frequent.

During 2008, the Company acquired a self storage facility and allocated approximately $1.0 million to the intangible value of the in-place leases. This asset represents the value of in-place leases at the time of acquisition and was fully amortized at December 31, 2009.

On April 28, 2010, the Company acquired 85 management contracts from United Stor-All Management, LLC (United Stor-All). The Company accounted for this acquisition as a business combination. The Company recorded the fair value of the assets acquired which includes the intangible value related to the management contracts as other assets, net on the Company s consolidated balance sheet. The average estimated life of the intangible value of the management contracts is 56 months and the amortization expense that was recognized during 2010 was approximately $0.9 million.

During the year ended December 31, 2010, the Company acquired 12 self-storage facilities located throughout the United States.   In connection with these acquisitions, the Company allocated a portion of the purchase price to the intangible value of in-place leases which aggregated $3.7 million. The estimated life of these in-place leases is 12 months and the amortization expense that was recognized during 2010 was approximately $0.7 million.

Table of Contents

Long-lived assets classified as held for use are reviewed for impairment when events and circumstances such as declines in occupancy and operating results indicate that there may be impairment. The carrying value of these long-lived assets is compared to the undiscounted future net operating cash flows, plus a terminal value, attributable to the assets to determine if the property s basis is recoverable. If a property s basis is not considered recoverable, an impairment loss is recorded to the extent the net carrying value of the asset exceeds the fair value. The impairment loss recognized equals the excess of net carrying value over the related fair value of the asset. There were no impairment losses recognized in accordance with these procedures during 2010, 2009 and 2008.

The Company considers long-lived assets to be held for sale upon satisfaction of the following criteria: (a) management commits to a plan to sell a facility (or group of facilities), (b) the facility is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such facilities, (c) an active program to locate a buyer and other actions required to complete the plan to sell the facility have been initiated, (d) the sale of the facility is probable and transfer of the asset is expected to be completed within one year, (e) the facility is being actively marketed for sale at a price that is reasonable in relation to its current fair value, and (f) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Typically these criteria are all met when the relevant asset is under contract, significant non-refundable deposits have been made by the potential buyer, the assets are immediately available for transfer and there are no contingencies related to the sale that may prevent the transaction from closing. In most transactions, these contingencies are not satisfied until the actual closing of the transaction; accordingly, the facility is not identified as held for sale until the closing actually occurs. However, each potential transaction is evaluated based on its separate facts and circumstances. Properties classified as held for sale are reported at the lesser of carrying value or fair value less estimated costs to sell.

Revenue Recognition

Management has determined that all our leases with tenants are operating leases. Rental income is recognized in accordance with the terms of the lease agreements or contracts, which generally are month-to-month.

The Company recognizes gains on disposition of properties only upon closing in accordance with the guidance on sales of real estate. Payments received from purchasers prior to closing are recorded as deposits. Profit on real estate sold is recognized using the full accrual method upon closing when the collectability of the sales price is reasonably assured and the Company is not obligated to perform significant activities after the sale. Profit may be deferred in whole or part until the sale meets the requirements of profit recognition on sales under this guidance.

Share Based Payments

We apply the fair value method of accounting for contingently issued shares and share options issued under our equity incentive plans. Accordingly, share compensation expense was recorded ratably over the vesting period relating to such contingently issued shares and options. The Company has elected to recognize compensation expense on a straight-line method over the requisite service period.

Noncontrolling Interests

Noncontrolling interests are the portion of equity (net assets) in a subsidiary not attributable, directly or indirectly, to a parent. The ownership interests in the subsidiary that are held by owners other than the parent are noncontrolling interests. In accordance with authoritative guidance issued by the FASB on noncontrolling interests in consolidated financial statements, such noncontrolling interests are reported on the consolidated balance sheets within equity, separately from the Company s equity. On the consolidated statements of operations, revenues, expenses and net income or loss from less-than-wholly-owned subsidiaries are reported at the consolidated amounts, including both the amounts attributable to the Company and noncontrolling interests. Presentation of consolidated equity activity is included for both quarterly and annual financial statements, including beginning balances, activity for the period and ending balances for shareholders equity, noncontrolling interests and total equity.

Table of Contents

Income Taxes

The Company elected to be taxed as a real estate investment trust under Sections 856-860 of the Internal Revenue Code beginning with the period from October 21, 2004 (commencement of operations) through December 31, 2004. In management s opinion, the requirements to maintain these elections are being met. Accordingly, no provision for federal income taxes has been reflected in the consolidated financial statements other than for operations conducted through our taxable REIT subsidiaries.

Earnings and profits, which determine the taxability of distributions to shareholders, differ from net income reported for financial reporting purposes due to differences in cost basis, the estimated useful lives used to compute depreciation, and the allocation of net income and loss for financial versus tax reporting purposes.

The Company is subject to a 4% federal excise tax if sufficient taxable income is not distributed within prescribed time limits. The excise tax equals 4% of the annual amount, if any, by which the sum of (a) 85% of the Company s ordinary income and (b) 95% of the Company s net capital gain exceeds cash distributions and certain taxes paid by the Company.

Recent Accounting Pronouncements

The FASB issued authoritative guidance on accounting for transfers of financial assets in June 2009, which we adopted on a prospective basis beginning January 1, 2010. The guidance requires entities to provide more information regarding sales of securitized financial assets and similar transactions, particularly if the entity has continuing exposure to the risks related to transferred financial assets. It also eliminates the concept of a qualifying special-purpose entity, changes the requirements for derecognizing financial assets and requires additional disclosures. The application did not have an impact on our consolidated financial position, results of operations or cash flows.

The FASB issued authoritative guidance on how a company determines when an entity should be consolidated in June 2009, which we adopted on a prospective basis beginning January 1, 2010. The guidance clarifies that the determination of whether a company is required to consolidate an entity is based on, among other things, an entity s purpose and design and a company s ability to direct the activities of the entity that most significantly impact the entity s economic performance. The guidance requires an ongoing reassessment of whether a company is the primary beneficiary of a variable interest entity. It also requires additional disclosures about a company s involvement in variable interest entities and any significant changes in risk exposure due to that involvement. The application did not have an impact on our consolidated financial position, results of operations or cash flows.

Results of Operations

The following discussion of our results of operations should be read in conjunction with the consolidated financial statements and the accompanying notes thereto. Historical results set forth in the consolidated statements of operations reflect only the existing facilities and should not be taken as indicative of future operations. The Company considers its same-store portfolio to consist of only those facilities owned and operated on a stabilized basis at the beginning and at the end of the applicable years presented. Same-store results are considered to be useful to investors in evaluating our performance because it provides information relating to changes in facility-level operating performance without taking into account the effects of acquisitions, developments or dispositions.

The Company s results of operations are affected by the acquisition and disposition activity during the 2010, 2009, and 2008 periods as listed below. At December 31, 2010, 2009, and 2008, the Company owned 363, 367, and 387 self-storage facilities and related assets, respectively.

- In 2010, 12 self-storage facilities were acquired for approximately $85.1 million (the 2010 Acquisitions) and 16 self-storage facilities were sold for approximately $38.1 million (the 2010 Dispositions).

- In 2009, 20 self-storage facilities were sold for approximately $90.9 million (the 2009 Dispositions).

- In 2008, one self-storage facility was acquired for approximately $13.3 million (the 2008 Acquisition) and 23 self-storage facilities were sold for approximately $62.0 million (the 2008 Dispositions).

Comparison of the Year Ended December 31, 2010 to the Year Ended December 31, 2009 (dollars in thousands)

	Same-Store Property Portfolio				Non Same-Store Properties		Other/ Eliminations		Total Portfolio			
	2010	2009	Increase/ (Decrease)	% Change	2010	2009	2010	2009	2010	2009	Increase/ (Decrease)	Change
REVENUES:												
Rental income	$ 192,739	$ 193,383	$ (644)	0%	$ 2,618	$ 1,207	$	$	$ 195,357	$ 194,590	$ 767	0%
Other property related income	16,854	15,654	1,200	8%	1,190	432	596		18,640	16,086	2,554	16%
Property management fee income							2,829	56	2,829	56	2,773	4952%
Total revenues	209,593	209,037	556	0%	3,808	1,639	3,425	56	216,826	210,732	6,094	3%
OPERATING EXPENSES:												
Property operating expenses	82,179	82,835	(656)	-1%	2,258	972	9,259	7,573	93,696	91,380	2,316	3%
NET OPERATING INCOME:	127,414	126,202	1,212	1%	1,550	667	(5,834)	(7,517)	123,130	119,352	3,778	3%
Depreciation and amortization									62,945	69,125	(6,180)	-9%
General and administrative									25,406	22,569	2,837	13%
Subtotal									88,351	91,694	(3,343)	-4%
Operating income									34,779	27,658	7,121	26%
Other Income (Expense):												
Interest:												
Interest expense on loans									(37,794)	(45,269)	7,475	-17%
Loan procurement amortization expense									(6,463)	(2,339)	(4,124)	176%
Interest income									621	681	(60)	-9%
Acquisition related costs									(759)		(759)	100%
Other									(235)	(33)	(202)	612%
Total other expense									(44,630)	(46,960)	2,330	-5%
LOSS FROM CONTINUING OPERATIONS									(9,851)	(19,302)	9,451	49%
DISCONTINUED OPERATIONS												
Income from discontinued operations									2,006	4,831	(2,825)	-58%
Net gain on disposition of discontinued operations									1,826	14,139	(12,313)	-87%
Total discontinued operations									3,832	18,970	(15,138)	-80%
NET LOSS									(6,019)	(332)	(5,687)	-1713%
NET LOSS (INCOME) ATTRIBUTABLE TO NONCONTROLLING INTERESTS												

Noncontrolling interests in the Operating Partnership	381	60	321	535%
Noncontrolling interests in subsidiaries	(1,755)	(665)	(1,090)	-164%
NET LOSS ATTRIBUTABLE TO THE COMPANY	$ (7,393)	$ (937)	$ (6,456)	-689%

Revenues

Rental income increased from $194.6 million in 2009 to $195.4 million in 2010, an increase of $0.8 million. This increase is primarily attributable to additional income from the 2010 acquisitions of approximately $1.6 million in 2010 with no similar income in 2009, offset by a decrease in the realized annual rent per square foot of 1% related to the same-store property portfolio which resulted in a $0.6 million decrease in same-store rental income.

Other property related income increased from $16.1 million in 2009 to $18.6 million in 2010, an increase of $2.5 million, or 16%. This increase is primarily attributable to increased fee revenue and insurance commissions related to the same-store properties of $1.3 million and an increase in other property related income of $1.4 million related to the 2010 Acquisitions and other non-same store revenue during 2010 as compared to 2009.

Property management fee income increased to $2.8 million in 2010 from $56,000 during 2009, an increase of $2.8 million. This increase is attributable to an increase in management fees related to the third party management business, which included 93 facilities as of December 31, 2010 compared to eight facilities as of December 31, 2009.

Operating Expenses

Property operating expenses increased from $91.4 million in 2009 to $93.7 million in 2010, an increase of $2.3 million, or 3%. This increase is primarily attributable to $1.3 million of increased expenses associated with non same-store properties and additional costs incurred to support the growth of the third party management business, offset by a $0.7 million decrease in same-store expenses primarily attributable to a $0.5 million decrease in real estate tax expense in the 2010 as compared to 2009.

Table of Contents

Depreciation and amortization decreased from $69.1 million in 2009 to $62.9 million in 2010, a decrease of $6.2 million, or 9%. This decrease is primarily attributable to depreciation expense recognized in 2009 related to assets that became fully depreciated during 2009, with no similar activity on these fully depreciated assets in 2010.

General and administrative expenses increased from $22.6 million in 2009 to $25.4 million in 2010, an increase of $2.8 million, or 13%. This increase is primarily attributable to costs related to additional personnel costs during 2010 to support operational functions of the Company as well as non-recurring contract related costs incurred in conjunction with amendments to employment agreements with members of our senior management.

Other Income (Expenses)

Interest expense decreased from $45.3 million in 2009 to $37.8 million in 2010, a decrease of $7.5 million, or 17%. Approximately $3.9 million of the reduced interest expense related to $175 million of net mortgage loan repayments during the period from January 1, 2009 through December 31, 2010. Interest expense also decreased by approximately $3.6 million as a result of reduced average outstanding credit facility borrowings and lower interest rates during 2010 as compared to 2009.

Loan procurement amortization expense increased from $2.3 million in 2009 to $6.5 million in 2010, an increase of $4.2 million, or 176%. The increase is attributable to the amortization of additional costs incurred in relation to the amendment of the credit facility in 2010, and a full year of amortization of costs related to the credit facility and the 17 secured financings entered into in 2009.

Acquisition related costs increased $0.8 million during 2010 with no comparable costs in 2009 as a result of the acquisition of 12 self-storage facilities, in addition to the acquisition of 85 management contracts from United Stor-All, during 2010, compared to no acquisition activity during 2009.

Discontinued Operations

Gains on disposition of discontinued operations decreased from $14.1 million in the 2009 period to $1.8 million in the 2010 period, a decrease of $12.3 million. Gains during 2009 related to the sale of the 20 assets sold during 2009, and gains during 2010 related to the 16 assets sold during 2010.

Noncontrolling Interests in Subsidiaries

Noncontrolling interests in subsidiaries increased to $1.8 million in the 2010 period from $0.7 million in the 2009 period. This increase is primarily a result of a full year of activity related to the operations of a joint venture (HART), which was formed in August 2009 to own and operate 22 self-storage facilities. The Company retained a 50% ownership interest in HART and accordingly presents the 50% of the related results that are allocated to the venture partner as an adjustment to net income (loss) when arriving at net income (loss) attributable to shareholders.

Table of Contents

Comparison of the Year Ended December 31, 2009 to the Year Ended December 31, 2008 (dollars in thousands)

	Same-Store Property Portfolio				Non Same-Store Properties		Other/ Eliminations		Total Portfolio			
	2009	2008	Increase/ (Decrease)	% Change	2009	2008	2009	2008	2009	2008	Increase/ (Decrease)	Change
REVENUES:												
Rental income	$ 190,343	$ 198,659	$ (8,316)	-4%	$ 4,247	$ 3,541	$	$	$ 194,590	$ 202,200	$ (7,610)	-4%
Other property related income	15,362	14,773	589	4%	724	357			16,086	15,130	956	6%
Property management fee income							56		56		56	100%
Total revenues	205,705	213,432	(7,727)	-4%	4,971	3,898	56		210,732	217,330	(6,598)	-3%
OPERATING EXPENSES:												
Property operating expenses	81,432	82,486	(1,054)	-1%	2,405	2,064	7,543	7,983	91,380	92,533	(1,153)	-1%
NET OPERATING INCOME:	124,273	130,946	(6,673)	-5%	2,566	1,834	(7,487)	(7,983)	119,352	124,797	(5,445)	-4%
Depreciation and amortization									69,125	71,974	(2,849)	-4%
General and administrative									22,569	24,964	(2,395)	-10%
Subtotal									91,694	96,938	(5,244)	-5%
Operating income									27,658	27,859	(201)	-1%
Other Income (Expense):												
Interest:												
Interest expense on loans									(45,269)	(52,014)	6,745	-13%
Loan procurement amortization expense									(2,339)	(1,929)	(410)	21%
Interest income									681	153	528	345%
Other									(33)	94	(127)	-135%
Total other expense									(46,960)	(53,696)	6,736	-13%
LOSS FROM CONTINUING OPERATIONS									(19,302)	(25,837)	6,535	25%
DISCONTINUED OPERATIONS												
Income from discontinued operations									4,831	9,219	(4,388)	-48%
Net gain on disposition of discontinued operations									14,139	19,720	(5,581)	-28%
Total discontinued operations									18,970	28,939	(9,969)	-34%
NET INCOME (LOSS)									(332)	3,102	(3,434)	-111%
NET LOSS (INCOME) ATTRIBUTABLE TO NONCONTROLLING												

INTERESTS				
Noncontrolling interests in the Operating Partnership	60	(310)	370	119%
Noncontrolling interests in subsidiaries	(665)		(665)	-100%
NET INCOME (LOSS) ATTRIBUTABLE TO THE COMPANY	$ (937)	$ 2,792	$ (3,729)	-134%

Revenues

Rental income decreased from $202.2 million in 2008 to $194.6 million in 2009, a decrease of $7.6 million, or 4%. This decrease is primarily attributable to a decrease of rental income from the same-store properties of $8.3 million due to decreased realized rent per occupied square foot of 4.9% during 2009 as compared to 2008, offset by an increase in rental income of $0.7 million from non same-store properties.

Other property related income increased from $15.1 million in 2008 to $16.1 million in 2009, an increase of $1.0 million, or 6%. This increase is primarily attributable to increased insurance commissions and merchandise sales of $1.0 million across the portfolio of storage facilities during 2009 as compared to 2008.

Property management fee income increased to $56,000 during 2009 with no comparable income during 2008. This increase is attributable to an increase in management fees related to the third party management business, which began in 2009 and included eight facilities as of December 31, 2009.

Operating Expenses

Property operating expenses decreased from $92.5 million in 2008 to $91.4 million in 2009, a decrease of $1.1 million, or 1%. $1.1 million of the decrease is attributable to a same-store expense decline primarily related to a $0.4 million decrease in repairs and maintenance expense and a $0.4 million decrease in utility expenses.

Depreciation and amortization expense decreased from $72.0 million in 2008 to $69.1 million in 2009, a decrease of $2.9 million, or 4%. The decrease is primarily attributable to amortization expense of $6.8 million incurred during 2008 related to two in-place lease intangible assets acquired in conjunction with property acquisitions during 2008 and 2007, with

Table of Contents

no similar activity during 2009; offset by additional depreciation expense during 2009 of $3.9 million as compared to 2008 related to capital improvements during 2008 and 2009.

General and administrative expenses decreased from $25.0 million in 2008 to $22.6 million in 2009, a decrease of $2.4 million, or 10%. This decrease is primarily attributable to $2.1 million in severance related costs incurred during 2008 that the Company did not incur during 2009.

Other Income (Expenses)

Interest expense decreased from $52.0 million in 2008 to $45.3 million in 2009, a decrease of $6.7 million, or 13%. The decrease is attributable to lower interest rates on borrowings under the Company s bank term loan and credit facility as well as lower outstanding borrowings on the credit facility during 2009 as compared to 2008.

Loan procurement amortization expense increased from $1.9 million in 2008 to $2.3 million in 2009, an increase of $0.4 million, or 21%. The increase is attributable to additional costs incurred in relation to the company s new credit facility and 17 secured financings entered into in 2009.

Interest income increased to $0.7 million in 2009 from $0.2 million in 2008. This increase is primarily attributable to interest income earned on proceeds from the secondary offering completed in August 2009.

Discontinued Operations

Gains on disposition of discontinued operations decreased from $19.7 million in 2008 to $14.1 million in 2009, a decrease of $5.6 million, as a result of the sale of 23 assets during the 2008 period as compared to 20 asset sales during the 2009 period.

Non-GAAP Financial Measures

NOI

We define net operating income, which we refer to as NOI, as total continuing revenues less continuing property operating expenses. NOI also can be calculated by adding back to net income (loss): interest expense on loans, loan procurement amortization expense, acquisition related costs, amounts attributable to noncontrolling interests, other expense, depreciation and amortization expense, lease abandonment charge, and general and administrative expense; and deducting from net income: income from discontinued operations, gains on disposition of discontinued operations, other income, and interest income. NOI is not a measure of performance calculated in accordance with GAAP.

We use NOI as a measure of operating performance at each of our facilities, and for all of our facilities in the aggregate. NOI should not be considered as a substitute for operating income, net income, cash flows provided by operating, investing and financing activities, or other income statement or cash flow statement data prepared in accordance with GAAP.

We believe NOI is useful to investors in evaluating our operating performance because:

- It is one of the primary measures used by our management and our facility managers to evaluate the economic productivity of our facilities, including our ability to lease our facilities, increase pricing and occupancy and control our property operating expenses;

- It is widely used in the real estate industry and the self-storage industry to measure the performance and value of real estate assets without regard to various items included in net income that do not relate to or are not indicative of operating performance, such as depreciation and amortization, which can vary depending upon accounting methods and the book value of assets; and

- We believe it helps our investors to meaningfully compare the results of our operating performance from period to period by removing the impact of our capital structure (primarily interest expense on our outstanding indebtedness) and depreciation of our basis in our assets from our operating results.

Table of Contents

There are material limitations to using a measure such as NOI, including the difficulty associated with comparing results among more than one company and the inability to analyze certain significant items, including depreciation and interest expense, that directly affect our net income. We compensate for these limitations by considering the economic effect of the excluded expense items independently as well as in connection with our analysis of net income. NOI should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP, such as total revenues, operating income and net income.

Cash Flows

Comparison of the Year Ended December 31, 2010 to the Year Ended December 31, 2009

A comparison of cash flow related to operating, investing and financing activities for the years ended December 31, 2010 and 2009 is as follows:

	Year Ended December 31,		
Net cash flow provided by (used in):	**2010**	**2009**	**Change**
	(in thousands)		
Operating activities	$ 71,517	$ 62,214	$ 9,303
Investing activities	$ (44,783)	$ 98,852	$ (143,635)
Financing activities	$ (123,611)	$ (62,042)	$ (61,569)

Cash flows provided by operating activities for the year ended December 31, 2010 and 2009 were $71.5 million and $62.2 million, respectively, an increase of $9.3 million. The increase primarily relates to timing differences associated with a $3.2 million increase in accounts payable and accrued expense activity and a $3.9 million decrease in restricted cash activity during 2010 as compared to 2009 and increased NOI levels during 2010 as compared to 2009.

Cash provided by (used in) investing activities decreased from $98.9 million in 2009 to ($44.8) million in 2010, a decrease of $143.6 million. The decrease primarily relates to decreased property dispositions in 2010 (aggregate proceeds of $37.3 million related to 16 facilities) compared to 2009 (aggregate proceeds of $68.3 million related to 20 facilities), net proceeds received from the formation of YSI HART Limited Partnership in August 2009 of approximately $48.7 million, with no similar transactions during 2010, as well as higher acquisition activity in 2010 (12 facilities for an aggregate cost of $84.7 million) relative to no acquisitions during 2009. The decrease was offset by repayment of notes receivable of $20.1 million during 2010.

Cash used in financing activities increased from $62.0 million in 2009 to $123.6 million in 2010, an increase of $61.6 million. The increase primarily relates to higher common share issuance activity in 2009 compared to 2010 (proceeds of $170.9 million and $47.6 million, respectively), and increased distributions paid to shareholders, and non-controlling interests of $5.9 million during 2010 as compared to 2009 due to additional outstanding shares during 2010, offset by decreased net debt repayments of $54.8 million and loan procurement costs of $12.6 million in 2010 as compared to 2009.

Comparison of the Year Ended December 31, 2009 to the Year Ended December 31, 2008

A comparison of cash flow related to operating, investing and financing activities for the years ended December 31, 2009 and 2008 is as follows:

Net cash flow provided by (used in):	**Year Ended December 31, 2009**	**2008**	**Change**
	(in thousands)		
Operating activities	$ 62,214	$ 67,012	$ (4,798)
Investing activities	$ 98,852	$ 27,177	$ 71,675
Financing activities	$ (62,042)	$ (94,962)	$ 32,920

Table of Contents

Cash flows provided by operating activities for the year ended December 31, 2009 and 2008 were $62.2 million and $67.0 million, respectively, a decrease of $4.8 million. The decrease primarily relates to reduced levels of net operating income in 2009 as compared to 2008 and a $1.0 million decrease in other assets during 2009 as compared to 2008 as a result of the timing of certain payments, offset by a $2.4 million reduction in general and administrative expenses during 2009 as compared to 2008.

Cash provided by investing activities was $98.9 million for the year ended December 31, 2009 and $27.2 million for the year ended December 31, 2008, an increase of $71.7 million. The increase primarily relates to increased proceeds from property dispositions of $11.4 million in 2009 as compared to 2008; net proceeds received from the closing of the a joint venture in August 2009 of approximately $48.7 million with no similar transactions during 2008; as well as higher acquisition activity in 2008 (one facility for a purchase price of $13.3 million) relative to 2009 (no facility acquisition activity).

Cash used in financing activities decreased from $95.0 million in 2008 to $62.0 million in 2009, a decrease of $33.0 million. The decrease relates primarily to increased net debt payoffs of $158.5 million during 2009 as compared to 2008, an increase of $16.1 million in loan procurement costs related to the origination of 17 new secured financings during 2009; and the new secured term loan in December 2009; offset by proceeds of approximately $170.9 million from the issuance of common shares in 2009, and distributions paid to shareholders and unit holders at $0.72 per share in 2008 as compared to similar distributions paid at $0.10 per share during 2009.

Liquidity and Capital Resources

Liquidity Overview

Our cash flow from operations has historically been one of our primary sources of liquidity to fund debt service, distributions and capital expenditures. We derive substantially all of our revenue from customers who lease space from us at our facilities. Therefore, our ability to generate cash from operations is dependent on the rents that we are able to charge and collect from our customers. We believe that the facilities in which we invest self-storage facilities are less sensitive than other real estate product types to current near-term economic downturns. However, prolonged economic downturns will adversely affect our cash flows from operations.

In order to qualify as a REIT for federal income tax purposes, we are required to distribute at least 90% of our REIT taxable income, excluding capital gains, to our shareholders on an annual basis or pay federal income tax. The nature of our business, coupled with the requirement that we distribute a substantial portion of our income on an annual basis, will cause us to have substantial liquidity needs over both the short-term and the long-term.

Our short-term liquidity needs consist primarily of funds necessary to pay operating expenses associated with our facilities, refinancing of certain mortgage indebtedness, interest expense and scheduled principal payments on debt, expected distributions to limited partners and shareholders and recurring capital expenditures. These funding requirements will vary from year to year, in some cases significantly. We expect recurring capital expenditures in the 2011 fiscal year to be approximately $7 million to $9 million. In addition, our currently scheduled principal payments on debt, including borrowings outstanding on the credit facility and unsecured term loan, are approximately $8.9 million in 2011.

Our most restrictive debt covenants limit the amount of additional leverage we can add; however, we believe cash flow from operations, access to our at the market program and access to our credit facility are adequate to execute our current business plan and remain in compliance with our debt covenants.

Our liquidity needs beyond 2011 consist primarily of contractual obligations which include repayments of indebtedness at maturity, as well as potential discretionary expenditures such as (i) non-recurring capital expenditures; (ii) redevelopment of operating facilities; (iii) acquisitions of additional facilities; and (iv) development of new facilities. We will have to satisfy our needs through either additional borrowings, including borrowings under our revolving credit facility, sales of common or preferred shares and/or cash generated through facility dispositions and joint venture transactions.

Notwithstanding the discussion above, we believe that, as a publicly traded REIT, we will have access to multiple sources of capital to fund long-term liquidity requirements, including the incurrence of additional debt and the issuance of additional equity. However, we cannot provide any assurance that this will be the case. Our ability to incur additional debt will be dependent on a number of factors, including our degree of leverage, the value of our unencumbered assets and borrowing

Table of Contents

restrictions that may be imposed by lenders. In addition, dislocation in the United States debt markets may significantly reduce the availability and increase the cost of long-term debt capital, including conventional mortgage financing and commercial mortgage-backed securities financing. There can be no assurance that such capital will be readily available in the future. Our ability to access the equity capital markets will be dependent on a number of factors as well, including general market conditions for REITs and market perceptions about us.

Current and Expected Sources of Cash Excluding Credit Facility

As of December 31, 2010, we had approximately $5.9 million in available cash and cash equivalents. In addition, we had approximately $207.0 million of availability for borrowings under our revolving credit facility.

Bank Credit Facilities

On December 8, 2009, we entered into a three-year, $450 million senior secured credit facility (the 2009 Credit Facility), consisting of a $200 million secured term loan and a $250 million secured revolving credit facility. The 2009 Credit Facility was collateralized by mortgages on borrowing base properties (as defined in the 2009 Credit Facility agreement). The 2009 Credit Facility replaced the prior, three-year $450 million unsecured credit facility (the 2006 Credit Facility), which was entered into in November 2006, and consisted of a $200 million unsecured term loan and $250 million in unsecured revolving loans. All borrowings under the 2006 Credit Facility were repaid in December 2009.

On September 29, 2010, we amended the 2009 Credit Facility. The amended credit facility (the Credit Facility) consists of a $200 million unsecured term loan and a $250 million unsecured revolving credit facility. The Credit Facility has a three-year term expiring on December 7, 2013, is unsecured, and borrowings on the facility incur interest based on a borrowing spread based on the our leverage levels plus LIBOR. We incurred $2.5 million of costs in connection with executing this amendment which was capitalized and is included as a component of loan procurement costs, net of amortization, on the our consolidated balance sheet.

At December 31, 2010, $200.0 million of unsecured term loan borrowings and $43.0 million of unsecured revolving credit facility borrowings were outstanding under the Credit Facility. Availability for borrowing under the unsecured revolving credit facility was $207.0 million. As of December 31, 2010, borrowings under the Credit Facility had a weighted average interest rate of 3.8%.

Our ability to borrow under the amended credit facility is subject to our ongoing compliance with the following financial covenants which include:

- Maximum total indebtedness to total asset value of 60.0% at any time;

- Minimum fixed charge coverage ratio of 1.50:1.00; and

- Minimum tangible net worth of $821,211,200 plus 75% of net proceeds from equity issuances after June 30, 2010.

Further, under the Credit Facility, we are restricted from paying distributions on our common shares that would exceed an amount equal to the greater of (i) 95% of our funds from operations, and (ii) such amount as may be necessary to maintain our REIT status.

We are currently in compliance with all of our covenants and anticipate being in compliance with all of our covenants through the term of the Credit Facility.

Table of Contents

Other Material Changes in Financial Position

	December 31, 2010		2009 (in thousands)		Increase (decrease)	
Selected Assets						
Storage facilities, net	$	1,428,491	$	1,430,533	$	(2,042)
Cash and cash equivalents	$	5,891	$	102,768	$	(96,877)
Notes receivable, net	$		$	20,112	$	(20,112)
Selected Liabilities						
Revolving credit facility	$	43,000	$		$	43,000
Unecured term loan	$	200,000	$		$	200,000
Secured term loan	$		$	200,000	$	(200,000)
Mortgage loans and notes payable	$	372,457	$	569,026	$	(196,569)

Storage facilities, net decreased $2.0 million during 2010 primarily as a result of $64.4 million of depreciation expense recognized during 2010 and $37.4 million related to the disposition of 16 facilities during 2010, offset by the acquisition of 12 facilities for $84.7 million and fixed asset additions. Cash and cash equivalents decreased $96.9 million primarily due to funding the 2010 acquisitions and the repayment of several mortgages during 2010, offset by proceeds from the 2010 dispositions. Notes receivable, net consisted of multiple promissory notes received in conjunction with storage facility dispositions and were fully repaid during 2010.

Our revolving credit facility increased $43.0 million as a result of borrowings related to payments for the 2010 acquisitions and the repayment of multiple mortgages in 2010. The unsecured term loan increased $200 million and the secured term loan balance decreased $200 million due to the amendment of the Credit Facility in September 2010. Mortgage loans and notes payable decreased $196.6 million due to scheduled principal payments and the repayment of several mortgages during the year.

Contractual Obligations

The following table summarizes our known contractual obligations as of December 31, 2010 (in thousands):

	Payments Due by Period													
		Total		2011		2012		2013		2014		2015		2016 and thereafter
Mortgage loans and notes payable (a)	$	372,481	$	8,893	$	163,710	$	26,240	$	91,058	$	60,095	$	22,485
Revolving credit facility and unsecured term loan (b)		243,000						243,000						
Interest payments (b)		95,424		29,303		26,561		20,186		9,891		4,450		5,033
Ground leases and third party office lease		548		149		149		149		101				
Related party office leases		1,948		475		475		499		499				

Software and service contracts		1,029		1,029									
Employment contracts		2,138		918		610		610					
	$	716,568	$	40,767	$	191,505	$	290,684	$	101,549	$	64,545	$	27,518

(a) Amounts do not include unamortized discounts/premiums.

(b) Interest on variable rate debt calculated using LIBOR as of December 31, 2010, plus a spread of 3.50%.

Table of Contents

We expect that the contractual obligations owed in 2011 will be satisfied by a combination of cash generated from operations and from draws on the revolving credit facility.

Off-Balance Sheet Arrangements

We do not currently have any off-balance sheet arrangements.

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

The Company s future income, cash flows and fair values relevant to financial instruments depend upon prevailing interest rates.

Market Risk

Our investment policy relating to cash and cash equivalents is to preserve principal and liquidity while maximizing the return through investment of available funds.

Effect of Changes in Interest Rates on our Outstanding Debt

The analysis below presents the sensitivity of the market value of our financial instruments to selected changes in market rates. The range of changes chosen reflects our view of changes which are reasonably possible over a one-year period. Market values are the present value of projected future cash flows based on the market rates chosen.

Our financial instruments consist of both fixed and variable rate debt. As of December 31, 2010, our consolidated debt consisted of $372.5 million in fixed rate loans payable, $200.0 million in a variable rate unsecured term loan and $43.0 million in the unsecured revolving credit facility. All financial instruments were entered into for other than trading purposes and the net market value of these financial instruments is referred to as the net financial position. Changes in interest rates have different impacts on the fixed and variable rate portions of our debt portfolio. A change in interest rates on the fixed portion of the debt portfolio impacts the net financial instrument position, but has no impact on interest incurred or cash flows. A change in interest rates on the variable portion of the debt portfolio impacts the interest incurred and cash flows, but does not impact the net financial instrument position.

If market rates of interest on our variable rate debt increase by 1%, the increase in annual interest expense on our variable rate debt would decrease future earnings and cash flows by approximately $2.4 million a year. If market rates of interest on our variable rate debt decrease by

1%, the decrease in interest expense on our variable rate debt would increase future earnings and cash flows by approximately $2.4 million a year.

If market rates of interest increase by 1%, the fair value of our outstanding fixed-rate mortgage debt would decrease by approximately $9.3 million. If market rates of interest decrease by 1%, the fair value of our outstanding fixed-rate mortgage debt would increase by approximately $9.7 million.

ITEM 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA***

Financial statements required by this item appear with an Index to Financial Statements and Schedules, starting on page F-1 of this report.

ITEM 9. ***CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE***

None.

Table of Contents

ITEM 9A. *CONTROLS AND PROCEDURES*

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)). Based on that evaluation, the CEO and the CFO have concluded that our disclosure controls and procedures are effective.

Based on that evaluation, the CEO and the CFO have concluded that our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during our most recent fiscal quarter, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management s Report on Internal Control Over Financial Reporting

Management s report on internal control over financial reporting is set forth on page F-2 of this Annual Report on Form 10-K, and is incorporated herein by reference.

ITEM 9B. *OTHER INFORMATION*

Not applicable.

Table of Contents

PART III

ITEM 10. *TRUSTEES AND EXECUTIVE OFFICERS*

We have adopted a Code of Ethics for all of our employees, officers and trustees, including our principal executive officer and principal financial officer, which is available on our website at www.ustoreit.com. We intend to disclose any amendment to, or a waiver from, a provision of our Code of Ethics on our website within four business days following the date of the amendment or waiver.

The remaining information required by this item regarding trustees, executive officers and corporate governance is hereby incorporated by reference to the material appearing in the Proxy Statement for the Annual Shareholders Meeting to be held in 2011 (the Proxy Statement) under the captions Proposal 1: Election of Trustees, Executive Officers and Meetings and Committees of the Board of Trustees. The information required by this item regarding compliance with Section 16(a) of the Exchange Act is hereby incorporated by reference to the material appearing in the Proxy Statement under the caption Section 16(a) Beneficial Ownership Reporting Compliance.

ITEM 11. *EXECUTIVE COMPENSATION*

The information required by this item is hereby incorporated by reference to the material appearing in the Proxy Statement under the captions Compensation Committee Report, Meetings and Committees of the Board of Trustees Compensation Committee Interlocks and Insider Participation, Compensation Discussion and Analysis, Executive Compensation, Potential Payments Upon Termination or Change in Control, and Trustee Compensation.

ITEM 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS*

The following table sets forth certain information regarding our equity compensation plans as of December 31, 2010.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a) (c)
Equity compensation plans approved by shareholders	5,013,760(1)	$ 10.38(2)	4,902,492
Equity compensation plans not approved by shareholders			

Total	5,013,760	$	10.38	4,902,492

(1) Excludes 671,822 shares subject to outstanding restricted share unit awards.

(2) This number reflects the weighted-average exercise price of outstanding options and has been calculated exclusive of outstanding restricted unit awards.

The information regarding security ownership of certain beneficial owners and management required by this item is hereby incorporated by reference to the material appearing in the Proxy Statement under the caption Security Ownership of Management and Security Ownership of Beneficial Owners.

ITEM 13. ***CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS***

The information required by this item is hereby incorporated by reference to the material appearing in the Proxy Statement under the captions Corporate Governance- Independence of Trustees, Policies and Procedures Regarding Review, Approval or Ratification of Transactions With Related Persons, and Transactions With Related Persons.

Table of Contents

ITEM 14. ***PRINCIPAL ACCOUNTANT FEES AND SERVICES***

The information required by this item is hereby incorporated by reference to the material appearing in the Proxy Statement under the captions Audit Committee Matters - Fees Paid to Our Independent Registered Public Accounting Firm and Audit Committee Pre-Approval Policies and Procedures.

PART IV

ITEM 15. ***EXHIBITS AND FINANCIAL STATEMENT SCHEDULES***

(a) Documents filed as part of this report:

1. *Financial Statements.*

The response to this portion of Item 15 is submitted as a separate section of this report.

2. *Financial Statement Schedules.*

The response to this portion of Item 15 is submitted as a separate section of this report.

3. *Exhibits.*

The list of exhibits filed with this report is set forth in response to Item 15(b). The required exhibit index has been filed with the exhibits.

(b) *Exhibits.* The following documents are filed as exhibits to this report:

3.1*

	Articles of Amendment and Restatement of Declaration of Trust of U-Store-It Trust, incorporated by reference to Exhibit 3.1 to the Company s Current Report on Form 8-K, filed on November 2, 2004.
3.2*	Second Amended and Restated Bylaws of U-Store-It Trust, incorporated by reference to Exhibit 3.2 to the Company s Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, filed on November 10, 2008.
4.1*	Form of Common Share Certificate, incorporated by reference to Exhibit 4.1 to Amendment No. 3 to the Company s Registration Statement on Form S-11, filed on October 20, 2004, File No. 333-117848.
10.1*	Second Amended and Restated Agreement of Limited Partnership of U-Store-It, L.P. dated as of October 27, 2004, incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on November 2, 2004.
10.2*	Amended and Restated Credit Agreement dated December 7, 2009, by and among U-Store-It, L.P., U-Store-It Trust, Wells Fargo Securities, LLC, Bank of America Securities LLC, Wachovia Bank, National Association, Bank of America, N.A., Regions Bank, SunTrust Bank and the financial institutions initially signatory thereto, incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on December 8, 2009.
10.3*	Form of Guaranty, incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on December 8, 2009.
10.4*	Form of Term Note, incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on December 8, 2009.
10.5*	Form of Revolving Note, incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on December 8, 2009.

Table of Contents

10.6*	Form of Swingline Note, incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on December 8, 2009.
10.7*	Form of Security Interest regarding fixed rate mortgage loan between YSI XX LP and Transamerica Financial Life Insurance Company, incorporated by reference to Exhibit 10.2 to the Company s Current Report on Form 8-K, filed on November 4, 2005.
10.8*	Secured Promissory Note, dated November 1, 2005, between YSI XX LP and Transamerica Financial Life Insurance Company, incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on November 4, 2005.
10.9*	Loan Agreement, dated August 4, 2005, by and between YASKY LLC and LaSalle Bank National Association, incorporated by reference to Exhibit 10.2 to the Company s Quarterly Report on Form 10-Q for the quarter ended September 30, 2005, filed on November 14, 2005.
10.10*	Loan Agreement, dated July 19, 2005, by and between YSI VI LLC and Lehman Brothers Bank, FSB, incorporated by reference to Exhibit 10.1 to the Company s Quarterly Report on Form 10-Q for the quarter ended September 30, 2005, filed on November 14, 2005.
10.11*	Loan Agreement, dated as of October 27, 2004, by and between YSI I LLC and Lehman Brothers Holdings Inc. d/b/a Lehman Capital, a division of Lehman Brothers Holdings Inc., incorporated by reference to Exhibit 10.2 to the Company s Current Report on Form 8-K, filed on November 2, 2004.
10.12*	Loan Agreement, dated as of October 27, 2004, by and between YSI II LLC and Lehman Brothers Holdings Inc. d/b/a Lehman Capital, a division of Lehman Brothers Holdings Inc., incorporated by reference to Exhibit 10.3 to the Company s Current Report on Form 8-K, filed on November 2, 2004.
10.13*	Standstill Agreement, by and among, U-Store-It Trust, Robert J. Amsdell, Barry L. Amsdell and Todd C. Amsdell, dated August 6, 2007, incorporated by reference to Exhibit 10.3 to the Company s Current Report on Form 8-K, filed on August 7, 2007.
10.14*	Settlement Agreement and Mutual Release, by and among U-Store-It Trust, U-Store-It, L.P., YSI Management LLC, U-Store-It Mini Warehouse Co., U-Store-It Development, LLC, Dean Jernigan, Kathleen A. Weigand, Robert J. Amsdell, Barry L. Amsdell, Todd C. Amsdell, Kyle V. Amsdell, Rising Tide Development LLC, and Amsdell and Amsdell, dated August 6, 2007, incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on August 7, 2007.
10.15*	Purchase and Sale Agreement, by and between U-Store-It, L.P. and Rising Tide Development, LLC, dated August 6, 2007, incorporated by reference to Exhibit 10.2 to the Company s Current Report on Form 8-K, filed on August 7, 2007.
10.16*	First Amendment to Lease, by and between U-Store-It, L.P. and Amsdell and Amsdell, dated August 6, 2007, amending Lease dated March 29, 2005, incorporated by reference to Exhibit 10.4 to the Company s Current Report on Form 8-K, filed on August 7, 2007.
10.17*	First Amendment to Lease, by and between U-Store-It, L.P. and Amsdell and Amsdell, dated August 6, 2007, amending Lease dated December 5, 2005, incorporated by reference to Exhibit 10.5 to the Company s Current Report on Form 8-K, filed on August 7, 2007.
10.18*	First Amendment to Lease, by and between U-Store-It, L.P. and Amsdell and Amsdell, dated August 6, 2007, amending Lease dated December 5, 2005, incorporated by reference to Exhibit 10.6 to the Company s Current Report on Form 8-K, filed on August 7, 2007.
10.19*	First Amendment to Lease, by and between U-Store-It, L.P. and Amsdell and Amsdell, dated August 6, 2007, amending Lease dated December 5, 2005, incorporated by reference to Exhibit 10.7 to the Company s Current Report on Form 8-K, filed on August 7, 2007.
10.20*	First Amendment to Lease, by and between U-Store-It, L.P. and Amsdell and Amsdell, dated August 6, 2007, amending Lease dated December 5, 2005, incorporated by reference to Exhibit 10.8 to the Company s Current Report on Form 8-K, filed on August 7, 2007.

Table of Contents

10.21*	Lease, dated March 29, 2005, by and between Amsdell and Amsdell and U-Store-It, L.P., incorporated by reference to Exhibit 10.41 to the Company s Annual Report on Form 10-K for the year ended December 31, 2004, filed on March 31, 2005.
10.22*	Lease, dated June 29, 2005, by and between Amsdell and Amsdell and U-Store-It, L.P., incorporated by reference to Exhibit 10.2 to the Company s Quarterly Report on Form 10-Q for the quarter ended June 30, 2005, filed on August 12, 2005.
10.23*	Lease, dated June 29, 2005, by and between Amsdell and Amsdell and U-Store-It, L.P., incorporated by reference to Exhibit 10.3 to the Company s Quarterly Report on Form 10-Q for the quarter ended June 30, 2005, filed on August 12, 2005.
10.24*	Option Termination Agreement, by and between U-Store-It, L.P. and Rising Tide Development LLC, dated August 6, 2007, incorporated by reference to Exhibit 10.9 to the Company s Current Report on Form 8-K, filed on August 7, 2007.
10.25*	Property Management Termination Agreement, by and among U-Store-It Trust, YSI Management LLC, and Rising Tide Development LLC, dated August 6, 2007, incorporated by reference to Exhibit 10.10 to the Company s Current Report on Form 8-K, filed on August 7, 2007.
10.26*	Marketing and Ancillary Services Termination Agreement, by and among U-Store-It Trust, U-Store-It Mini Warehouse Co., and Rising Tide Development LLC, dated August 6, 2007, incorporated by reference to Exhibit 10.11 to the Company s Current Report on Form 8-K, filed on August 7, 2007.
10.27*	Amended and Restated Executive Employment Agreement, dated June 29, 2010, by and between U-Store-It Trust and Dean Jernigan, incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on July 2, 2010.
10.28*	Amended and Restated Executive Employment Agreement, dated January 24, 2011, by and between U-Store-It Trust and Christopher P. Marr, incorporated by reference to Exhibit 10.2 to the Company s Current Report on Form 8-K, filed on January 27, 2011.
10.29*	Amended and Restated Executive Employment Agreement, dated June 29, 2010, by and between U-Store-It Trust and Timothy M. Martin, incorporated by reference to Exhibit 10.2 to the Company s Current Report on Form 8-K, filed on July 2, 2010.
10.30*	Indemnification Agreement, dated as of January 25, 2008, by and among U-Store-It Trust, U-Store-It, L.P. and Daniel B. Hurwitz, incorporated by reference to Exhibit 10.49 to the Company s Annual Report on Form 10-K for the year ended December 31, 2007, filed on February 29, 2008.
10.31*	Indemnification Agreement, dated as of March 22, 2007, by and among U-Store-It Trust, U-Store-It, L.P. and Marianne M. Keler, incorporated by reference to Exhibit 10.5 to the Company s Quarterly Report on Form 10-Q for the quarter ended March 31, 2007, filed on May 10, 2007.
10.32*	Indemnification Agreement, dated as of December 11, 2006, by and among U-Store-It Trust, U-Store-It, L.P. and Timothy M. Martin, incorporated by reference to Exhibit 10.47 to the Company s Annual Report on Form 10-K for the year ended December 31, 2006, filed on March 16, 2007.
10.33*	Indemnification Agreement, dated June 5, 2006, by and among U-Store-It Trust, U-Store-It, L.P. and Christopher P. Marr, incorporated by reference to Exhibit 10.2 to the Company s Quarterly Report on Form 10-Q for the quarter ended June 30, 2006, filed on August 8, 2006.
10.34*	Indemnification Agreement, dated as of April 24, 2006, by and among U-Store-It Trust, U-Store-It, L.P. and Dean Jernigan, incorporated by reference to Exhibit 10.2 to the Company s Current Report on Form 8-K, filed on April 24, 2006.
10.35*	Indemnification Agreement, dated as of October 27, 2004, by and among U-Store-It Trust, U-Store-It, L.P. and Robert J. Amsdell, incorporated by reference to Exhibit 10.12 to the

Table of Contents

	Company s Current Report on Form 8-K, filed on November 2, 2004.
10.36*	Indemnification Agreement, dated as of October 27, 2004, by and among U-Store-It Trust, U-Store-It, L.P. and Barry L. Amsdell, incorporated by reference to Exhibit 10.14 to the Company s Current Report on Form 8-K, filed on November 2, 2004.
10.37*	Indemnification Agreement, dated as of October 27, 2004, by and among U-Store-It Trust, U-Store-It, L.P. and Todd C. Amsdell, incorporated by reference to Exhibit 10.15 to the Company s Current Report on Form 8-K, filed on November 2, 2004.
10.38*	Indemnification Agreement, dated as of October 27, 2004, by and among U-Store-It Trust, U-Store-It, L.P. and John C. Dannemiller, incorporated by reference to Exhibit 10.17 to the Company s Current Report on Form 8-K, filed on November 2, 2004.
10.39*	Indemnification Agreement, dated as of October 27, 2004, by and among U-Store-It Trust, U-Store-It, L.P. and Thomas A. Commes, incorporated by reference to Exhibit 10.18 to the Company s Current Report on Form 8-K, filed on November 2, 2004.
10.40*	Indemnification Agreement, dated as of October 27, 2004, by and among U-Store-It Trust, U-Store-It, L.P. and David J. LaRue, incorporated by reference to Exhibit 10.19 to the Company s Current Report on Form 8-K, filed on November 2, 2004.
10.41*	Indemnification Agreement, dated as of October 27, 2004, by and among U-Store-It Trust, U-Store-It, L.P. and Harold S. Haller, incorporated by reference to Exhibit 10.20 to the Company s Current Report on Form 8-K, filed on November 2, 2004.
10.42*	Indemnification Agreement, dated as of October 27, 2004, by and among U-Store-It Trust, U-Store-It, L.P. and William M. Diefenderfer III, incorporated by reference to Exhibit 10.21 to the Company s Current Report on Form 8-K, filed on November 2, 2004.
10.43*	Indemnification Agreement, dated as of November 5, 2009, by and among U-Store-It Trust, U-Store-It, L.P. and John F. Remondi, incorporated by reference to Exhibit 10.43 to the Company s Annual Report on Form 10-K for the year ended December 31, 2009, filed on March 1, 2010.
10.44*	Amended and Restated Noncompetition Agreement, dated as of June 29, 2010, by and between U-Store-It Trust and Timothy M. Martin, incorporated by reference to Exhibit 10.4 to the Company s Current Report on Form 8-K, filed on July 2, 2010.
10.45*	Amended and Restated Noncompetition Agreement, dated as of January 24, 2011, by and between U-Store-It Trust and Christopher P. Marr, incorporated by reference to Exhibit 10.3 to the Company s Current Report on Form 8-K, filed on January 27, 2011.
10.46*	Amended and Restated Noncompetition Agreement, dated as of June 29, 2010, by and between U-Store-It Trust and Dean Jernigan, incorporated by reference to Exhibit 10.3 to the Company s Current Report on Form 8-K, filed on July 2, 2010.
10.47*	Schedule of Compensation for Non-Employee Trustees of U-Store-It Trust, effective May 8, 2007, incorporated by reference to Exhibit 10.11 to the Company s Quarterly Report on Form 10-Q for the quarter ended March 31, 2007, filed on May 10, 2007.
10.48*	Nonqualified Share Option Agreement, dated as of June 5, 2006, by and between U-Store-It Trust and Christopher P. Marr, incorporated by reference to Exhibit 10.4 to the Company s Quarterly Report on Form 10-Q for the quarter ended June 30, 2006, filed on August 8, 2006.
10.49*	Nonqualified Share Option Agreement, dated as of April 19, 2006, by and between U-Store-It Trust and Dean Jernigan, incorporated by reference to Exhibit 10.4 to the Company s Current Report on Form 8-K, filed on April 24, 2006.
10.50*	Form of Restricted Share Agreement for Non-Employee Trustees under the U-Store-It Trust 2007 Equity Incentive Plan, incorporated by reference to Exhibit 10.83 to the Company s Annual Report on Form 10-K for the year ended December 31, 2007, filed on February 29, 2008.

10.51*	Form of Restricted Share Agreement for Non-Employee Trustees under the U-Store-It Trust 2004 Equity Incentive Plan, incorporated by reference to Exhibit 10.12 to the Company s Quarterly Report on Form 10-Q for the quarter ended March 31, 2007, filed on May 10, 2007.
10.52*	Form of Nonqualified Share Option Agreement under the U-Store-It Trust 2007 Equity Incentive Plan, incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on January 25, 2008.
10.53*	Form of Nonqualified Share Option Agreement under the U-Store-It Trust 2004 Equity Incentive Plan, incorporated by reference to Exhibit 10.2 to the Company s Quarterly Report on Form 10-Q for the quarter ended March 31, 2007, filed on May 10, 2007.
10.54*	Form of Performance-Vested Restricted Share Agreement under the U-Store-It Trust 2007 Equity Incentive Plan, incorporated by reference to Exhibit 10.3 to the Company s Current Report on Form 8-K, filed on January 25, 2008.
10.55*	Form of Performance-Vested Restricted Share Agreement under the U-Store-It Trust 2004 Equity Incentive Plan, incorporated by reference to Exhibit 10.3 to the Company s Quarterly Report on Form 10-Q for the quarter ended March 31, 2007, filed on May 10, 2007.
10.56*	Form of Restricted Share Agreement under the U-Store-It Trust 2007 Equity Incentive Plan, incorporated by reference to Exhibit 10.2 to the Company s Current Report on Form 8-K, filed on January 25, 2008.
10.57*	Form of Restricted Share Agreement under the U-Store-It Trust 2004 Equity Incentive Plan, incorporated by reference to Exhibit 10.4 to the Company s Quarterly Report on Form 10-Q for the quarter ended March 31, 2007, filed on May 10, 2007.
10.58*	U-Store-It Trust Trustees Deferred Compensation Plan, amended and restated effective January 1, 2009, incorporated by reference to Exhibit 10.78 to the Company s Annual Report on Form 10-K for the year ended December 31, 2008, filed on March 2, 2009.
10.59*	U-Store-It Trust Executive Deferred Compensation Plan, amended and restated effective January 1, 2009, incorporated by reference to Exhibit 10.79 to the Company s Annual Report on Form 10-K for the year ended December 31, 2008, filed on March 2, 2009.
10.60*	U-Store-It Trust Deferred Trustees Plan, effective as of May 31, 2005, incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on June 6, 2005.
10.61*	Amended and Restated U-Store It Trust 2007 Equity Incentive Plan, effective June 2, 2010, incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on June 4, 2010.
10.62*	2004 Equity Incentive Plan of U-Store-It Trust, effective as of October 19, 2004, incorporated by reference to Exhibit 10.6 to the Company s Current Report on Form 8- K, filed on November 2, 2004.
10.63*	Indemnification Agreement, dated as of February 26, 2009, by and among U-Store-It Trust, U-Store-It, L.P. and Jeffrey Foster, incorporated by reference to Exhibit 10.83 to the Company s Annual Report on Form 10-K for the year ended December 31, 2008, filed on March 2, 2009.
10.64*	Severance and General Release Agreement dated February 10, 2009 by and between U-Store-It Trust and Kathleen Weigand, incorporated by reference to Exhibit 10.84 to the Company s Annual Report on Form 10-K for the year ended December 31, 2008, filed on March 2, 2009.
10.65*	Severance and General Release Agreement dated December 31, 2008 by and between U-Store-It Trust and Steve Nichols, incorporated by reference to Exhibit 10.85 to the Company s Annual Report on Form 10-K for the year ended December 31, 2008, filed on March 2, 2009.

Table of Contents

10.66*	Contribution Agreement dated August 6, 2009 by and between YSI Venture LP LLC and HART -YSI Investor LP LLC, incorporated by reference to Exhibit 99.1 to the Company s Current Report on Form 8-K, filed on August 7, 2009.
10.67*	First Amendment to Contribution Agreement dated August 13, 2009 by and between YSI Venture LP LLC and HART -YSI Investor LP LLC, incorporated by reference to Exhibit 10.2 to the Company s Current Report on Form 8-K, filed on August 14, 2009.
10.68*	Amended and Restated Limited Partnership Agreement of YSI HART LIMITED PARTNERSHIP dated August 13, 2009, incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on August 14, 2009.
10.69*	Sales Agreement dated April 3, 2009, among the U-Store-It Trust, U-Store-It, L.P., and Cantor Fitzgerald & Co., incorporated by reference to Exhibit 1.1 to the Company s Current Report on Form 8-K, filed on April 3, 2009.
10.70*	Letter Agreement dated January 9, 2009 between U-Store-It Trust and Jeffrey P. Foster, incorporated by reference to Exhibit 10.70 to the Company s Annual Report on Form 10-K for the year ended December 31, 2009, filed on March 1, 2010.
10.71*	Indemnification Agreement, dated as of February 23, 2010, by and among U-Store-It Trust, U-Store-It, L.P. and Piero Bussani, incorporated by reference to Exhibit 10.71 to the Company s Annual Report on Form 10-K for the year ended December 31, 2009, filed on March 1, 2010.
10.72*	Employment letter Agreement, dated July 13, 2010, by and between U-Store-It Trust and Robert G. Blatz, incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on July 29, 2010.
10.73*	Second Amended and Restated Credit Agreement, dated as of September 29, 2010, by and among U-Store-It, L.P., U-Store-It Trust, Wells Fargo Securities, LLC and Banc of America Securities LLC, incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on October 4, 2010.
10.74*	Amendment No. 1 to Sales Agreement, dated January 26, 2011, by and among U-Store-It Trust, U-Store It, L.P. and Cantor Fitzgerald & Co., incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed January 27, 2011.
10.75*	Indemnification Agreement, dated as of January 31, 2011, by and among U-Store-It Trust, U-Store-It, L.P. and Jeffrey F. Rogatz, incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K, filed on February 1, 2011.
12.1	Statement regarding Computation of Ratios of U-Store-It Trust
21.1	List of Subsidiaries
23.1	Consent of KPMG LLP
31.1	Certification of Chief Executive Officer required by Rule 13a-14(a)/15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer required by Rule 13a-14(a)/15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Material Tax Considerations

* Incorporated herein by reference as above indicated.

Denotes a management contract or compensatory plan, contract or arrangement.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

U-STORE-IT TRUST	
By:	/s/ Timothy M. Martin Timothy M. Martin Chief Financial Officer

Date: March 1, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ William M. Diefenderfer III William M. Diefenderfer III	Chairman of the Board of Trustees	March 1, 2011
/s/ Dean Jernigan Dean Jernigan	Chief Executive Officer and Trustee (Principal Executive Officer)	March 1, 2011
/s/ Timothy M. Martin Timothy M. Martin	Chief Financial Officer (Principal Financial and Accounting Officer)	March 1, 2011
/s/ Piero Bussani Piero Bussani	Trustee	March 1, 2011
/s/ Harold S. Haller Harold S. Haller	Trustee	March 1, 2011
/s/ Marianne M. Keler Marianne M. Keler	Trustee	March 1, 2011
/s/ David J. LaRue David J. LaRue	Trustee	March 1, 2011
/s/ John R. Remondi John R. Remondi	Trustee	March 1, 2011
/s/ Jeffrey F. Rogatz Jeffrey F. Rogatz	Trustee	March 1, 2011

57

Table of Contents

FINANCIAL STATEMENTS
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

Table of Contents

MANAGEMENT S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Under Section 404 of the Sarbanes-Oxley Act of 2002, the Company s management is required to assess the effectiveness of the Company s internal control over financial reporting as of the end of each fiscal year, and report on the basis of that assessment whether the Company s internal control over financial reporting is effective.

The Company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. The Company s internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and the disposition of the assets of the Company;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that the receipts and expenditures of the Company are being made only in accordance with the authorization of the Company s management and its Board of Trustees; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company s assets that could have a material effect on the financial statements.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of an internal control system may vary over time.

Under the supervision, and with the participation, of the Company s management, including the principal executive officer and principal financial officer, we conducted a review, evaluation and assessment of the effectiveness of our internal control over financial reporting as of December 31, 2010, based upon the Committee of Sponsoring Organizations of the Treadway Commission (COSO) criteria. In performing its assessment of the effectiveness of internal control over financial reporting, management has concluded that, as of December 31, 2010, our internal control over financial reporting was effective based on the COSO framework.

The effectiveness of our internal control over financial reporting as of December 31, 2010, has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report that appears herein.

March 1, 2011

Table of Contents

Report of Independent Registered Public Accounting Firm

The Board of Trustees and Shareholders of

U-Store-It Trust:

We have audited U-Store-It Trust and subsidiaries internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control - Integrated Framework issued* by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). U-Store-It Trust s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, U-Store-It Trust maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of U-Store-It Trust and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of operations, equity, and cash flows for each of the years in the three-year period ended December 31, 2010, and our report dated March 1, 2011 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Philadelphia, Pennsylvania

March 1, 2011

Table of Contents

Report of Independent Registered Public Accounting Firm

The Board of Trustees and Shareholders of

U-Store-It Trust:

We have audited the accompanying consolidated balance sheets of U-Store-It Trust and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of operations, equity, and cash flows for each of the years in the three-year period ended December 31, 2010. In connection with our audit of the consolidated financial statements, we have also audited the financial statement schedule for 2010 as listed in the accompanying index. These consolidated financial statements and financial statement schedule are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of U-Store-It Trust and subsidiaries as of December 31, 2010 and 2009 and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2010, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), U-Store-It Trust s internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 1, 2011 expressed an unqualified opinion on the effectiveness of the Company s internal control over financial reporting.

/s/ KPMG LLP

Philadelphia, Pennsylvania

March 1, 2011

F-4

Table of Contents

U-STORE-IT TRUST AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	December 31, 2010	December 31, 2009
ASSETS		
Storage facilities	$ 1,743,021	$ 1,774,542
Less: Accumulated depreciation	(314,530)	(344,009)
Storage facilities, net	1,428,491	1,430,533
Cash and cash equivalents	5,891	102,768
Restricted cash	10,250	16,381
Loan procurement costs, net of amortization	15,611	18,366
Notes receivable, net		20,112
Other assets, net	18,576	10,710
Total assets	$ 1,478,819	$ 1,598,870
LIABILITIES AND EQUITY		
Revolving credit facility	$ 43,000	$
Unsecured term loan	200,000	
Secured term loan		200,000
Mortgage loans and notes payable	372,457	569,026
Accounts payable, accrued expenses and other liabilities	36,172	33,767
Distributions payable	7,275	2,448
Deferred revenue	8,873	8,449
Security deposits	489	456
Total liabilities	668,266	814,146
Noncontrolling interests in the Operating Partnership	45,145	45,394
Commitments and contingencies		
Equity		
Common shares $.01 par value, 200,000,000 shares authorized, 98,596,796 and 92,654,979 shares issued and outstanding at December 31, 2010 and December 31, 2009, respectively	986	927
Additional paid in capital	1,026,952	974,926
Accumulated other comprehensive loss	(1,121)	(874)
Accumulated deficit	(302,601)	(279,670)
Total U-Store-It Trust shareholders equity	724,216	695,309
Noncontrolling interests in subsidiaries	41,192	44,021
Total equity	765,408	739,330
Total liabilities and equity	$ 1,478,819	$ 1,598,870

See accompanying notes to the consolidated financial statements.

Table of Contents

U-STORE-IT TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the year ended December 31,		
	2010	2009	2008
	(Dollars and shares in thousands, except per share data)		
REVENUES			
Rental income	$ 195,357	$ 194,590	$ 202,200
Other property related income	18,640	16,086	15,130
Property management fee income	2,829	56	
Total revenues	216,826	210,732	217,330
OPERATING EXPENSES			
Property operating expenses	93,696	91,380	92,533
Depreciation and amortization	62,945	69,125	71,974
General and administrative	25,406	22,569	24,964
Total operating expenses	182,047	183,074	189,471
OPERATING INCOME	34,779	27,658	27,859
OTHER INCOME (EXPENSE)			
Interest:			
Interest expense on loans	(37,794)	(45,269)	(52,014)
Loan procurement amortization expense	(6,463)	(2,339)	(1,929)
Interest income	621	681	153
Acquisition related costs	(759)		
Other	(235)	(33)	94
Total other expense	(44,630)	(46,960)	(53,696)
LOSS FROM CONTINUING OPERATIONS	(9,851)	(19,302)	(25,837)
DISCONTINUED OPERATIONS			
Income from discontinued operations	2,006	4,831	9,219
Net gain on disposition of discontinued operations	1,826	14,139	19,720
Total discontinued operations	3,832	18,970	28,939
NET (LOSS) INCOME	(6,019)	(332)	3,102
NET (INCOME) LOSS ATTRIBUTABLE TO NONCONROLLING INTERESTS			
Noncontrolling interests in the Operating Partnership	381	60	(310)
Noncontrolling interest in subsidiaries	(1,755)	(665)	
NET (LOSS) INCOME ATTRIBUTABLE TO THE COMPANY	$ (7,393)	$ (937)	$ 2,792
Basic and diluted loss per share from continuing operations attributable to common shareholders	$ (0.12)	$ (0.27)	$ (0.41)
Basic and diluted earnings per share from discontinued operations attributable to common shareholders	$ 0.04	$ 0.26	$ 0.46
Basic and diluted (loss) earnings per share attributable to common shareholders	$ (0.08)	$ (0.01)	$ 0.05
Weighted-average basic and diluted shares outstanding	93,998	70,988	57,621
AMOUNTS ATTRIBUTABLE TO THE COMPANY S COMMON SHAREHOLDERS:			
Loss from continuing operations	$ (11,049)	$ (18,921)	$ (23,803)
Total discontinued operations	3,656	17,984	26,595
Net (loss) income	$ (7,393)	$ (937)	$ 2,792

See accompanying notes to the consolidated financial statements.

Table of Contents

U-STORE-IT TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY

(in thousands)

	Common Shares Number	Common Shares Amount	Additional Paid in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders Equity	Noncontrolling Interest in Subsidiaries	Total Equity	Noncontrolling Interests in the Operating Partnership
Balance at December 31, 2007	57,577	$ 576	$ 797,940	$ (1,664)	$ (241,233)	$ 555,619	$	$ 555,619	$ 48,982
Issuance of restricted shares	46								
Conversion from units to shares									
Amortization of restricted shares			1,297			1,297		1,297	
Share compensation expense			1,425			1,425		1,425	
Adjustment for noncontrolling interest in operating partnership			367		(310)	57		57	(435)
Net income					3,102	3,102		3,102	310
Other comprehensive loss:									
Unrealized loss on interest rate swap				(4,608)		(4,608)		(4,608)	
Unrealized loss on foreign currency translation				(1,281)		(1,281)		(1,281)	
Distributions					(32,683)	(32,683)		(32,683)	(2,831)
Balance at December 31, 2008	57,623	$ 576	$ 801,029	$ (7,553)	$ (271,124)	$ 522,928	$	$ 522,928	$ 46,026
Contributions from noncontrolling interests in subsidiaries							44,739	44,739	(90)
Issuance of common shares, net	34,677	347	170,501			170,848		170,848	
Issuance of restricted shares	85	1				1		1	
Conversion from units to shares	270	3				3			