



TO:

RE: Freeway Visibility Self Storage DEMO

12345 Freeway Highway
Los Angeles, CA. 90066

COMPARABLE MARKET ANALYSIS (CMA) / BROKER PRICING OPINION (BPO)

NAI Capital has completed a preliminary review of the information provided for the above referenced property based upon current economic and market conditions, including a market rent survey, vacancy and occupancy analysis, comparable sold properties, available financing options with current underwriting guidelines with a "Mark to Market Decline" analysis. In addition, a review of potential competing properties that are current for sale if applicable.

This proposal is our Broker Pricing Opinion or "BPO" for marketing your property per your request. The following properties included are the most recent available closed transactions, however, due to the change in the market from 2008 to current, we have made economic adjustments consistent current lending, appraisal and investment underwriting. In our opinion, the current range of value is from \$5,000,000 to \$5,500,000 depending upon marketing exposure, pricing and available financing. NAI capital will provide you professional advisory representation to exclusively market your property. Please see marketing outline menu of options .

RECENT CLOSED TRANSACTIONS

	ADDRESS	CITY, ZIP	# UNITS	VALUE PER SQ FT	CAP RATE ACTUAL	CAP RATE MARKET	OCCUPANCY ACTUAL	OCCUPANCY MARKET
1	100 "A" Street	Los Angeles, CA. 90066	565	\$79	9.00%	10.00%	70.00%	75.00%
2	200 "B" Street	Los Angeles, CA. 90066	600	\$79	9.50%	10.50%	65.00%	70.00%
3	300 "C" Street	Los Angeles, CA. 90066	550	\$77	9.00%	10.00%	75.00%	80.00%
4	0	0	0	#DIV/0!	0.00%	0.00%	0.00%	0.00%
5	0	0	0	#DIV/0!	0.00%	0.00%	0.00%	0.00%
6	0	0	0	#DIV/0!	0.00%	0.00%	0.00%	0.00%

SUBJECT PROPERTY

12345 Freeway Highway	Los Angeles, CA. 90066	538	\$77	9.12%	10.09%	75.00%	80.00%
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Subject Property: Condition of Building: _____ Type of Construction: _____ Signage & Visibility: _____
Amenities: _____

Current Economic & Market Conditions (Mark to Market Decline): The current market for apartment buildings has declined from the 2007-2008 growth momentum. Rents have declined and vacancies have increased. Landlords are offering rent concessions, move in specials and existing tenant rent reductions. Cap Rates have increased from the 2007-2008 market range of 5% to 5.50% to a current estimated Cap Rate range from 6% to 7%. Current lenders are reviewing appraisals with mandated Cap Rates from 6% to 7%.

2008 Sales Comparables: Sales comparables dated from 2nd to 3rd quarter 2008 were driven with late 2007 momentum, typically with a 3 to 6 month marketing period, and a 2 to 3 month escrow and 2 to 3 month pre-listing process. Financing was abundantly available with portfolio lending banks that used market rent analysis and DCR's from 1.25 to 1.40, Capital Markets (CMBS) lenders at 1.25 to 1.40 DCR's and SBA Financing from 1.25 to 1.40 DCR's. Loan to value ranges were from 75% to 85% LTV.

2009 Financing: Current financing includes portfolio lending banks up to 85% (SBA) and Portfolio Bank programs from 50% LTV to 70% LTV.

12 POINT MARKETING PLAN

NAI Capital offers full service brokerage exposure or our discreet marketing approach. The “Discreet” marketing approach includes our outline below, however, it is only offered to experienced, seasoned and qualified professionals and or investors. Our concept is to thoroughly analyze your property using appraisal methodology comparison, current financing options and adjustments for the current economic conditions in the market. Our experience suggest it is better to price the property at 5% above the appraised value and hold firm with multiple investors to create a bidding environment then to ask 20% more than the appraised value and see what happens!

Pricing Strategies:

Analysis of income, expenses, cash flow, cap rates (market & actual), GRM’s (market & actual), price per sq ft, cost per unit and comparable sales. NAI will provide a limited scope appraisal methodology comparable analysis (BPO) including realistic financing options including current underwriting

Inspect Property:

Complete knowledge of physical attributes and/or recommendations for capital improvements or repairs.

Marketing Package:

Property set-up, pricing analysis, comparable sales, similar properties currently on the market, rent survey, demographic –economic reports.

Internet WebVest Website Link:

The complete marketing package and other property information will be placed on the WebVest Internet software system to provide easy Internet access and viewing of all of the property information to attract investors or cooperating brokers to be e-mailed out to our network data base.

Mailing Campaign:

Introduction “Just Listed” color 6” x 9” postcard sent to all NAI clients, all local property owners, all real estate agents and brokers that are actively listing or selling similar properties. This post card will also include the property specific website link for easy internet access for information on the property.

Telephone Contact:

Telephone calls made to all clients and surrounding property owners with follow up letters and marketing packages will be sent to all owners of similar properties. NAI will engage additional marketing team if necessary.

Loopnet & WebVest/ Internet Exposure:

Loopnet set up including a marketing package available on Loopnet. Just listed property link to be sent to all local property owners e-mail database. Secondary source of exposure via fax.

Networking:

Network with select brokers, Property Management Companies, Lenders, Insurance Companies, Title Company representatives, CPA’s, Real Estate Attorneys and Escrow Companies.

Advertising:

Weekly ads in newspapers, real estate journals, magazines as appropriate. i.e. L.A. Times classified and Wall Street Journal, etc.

Seller Updates:

Weekly contact with seller to answer questions and offer feedback on buyer response, so that we make the necessary changes or adjustments in order to accomplish the seller’s goals.

Pricing Updates:

Feedback to seller on number of showings or inquiries, number of similar competing properties available and selling including monthly review of recent sales activity and changes in the market (i.e. financing, etc.).

Contract to Closing:

Writing up and Presenting Offers to Seller; Counter-Offer Process, Inspection/Due Dilligence, Buyer’s Loan Process, Escrow and closing

Project Name:	Freeway Visibility Self Storage DEMO			
Property Address	12345 Freeway Highway	Total Building Sq Ft	64,929	
	Los Angeles, CA. 90066	Cost / Sq Ft	\$77	
Purchase Price	\$5,000,000	Cap Rate	9.12%	
Proposed Financing (1st TD)	\$3,500,000	70.00%	Market Cap Rate	10.09%
Subordinate Financing (2nd TD)	\$0	0.00%	% Occupancy (Current Rents)	75.00%
Total Financing	\$3,500,000	70.00%	% Occupancy (Stabilized Rents)	80.00%
Cash Down Payment	\$1,500,000	30.00%	Land Area	2.25 Acres

	Current	Stabilized		# of Storage Units	538
Occupancy:	75.00%	80.00%		Net Rentable Area	62,322
Total Monthly Income Storage Units	\$78,460	\$78,460		Gross Building Area	64,929
Other Income	\$1,000	\$1,000		Year Built	1988
Ancillary Income	\$1,000	\$1,000		Climate Control	Yes
Outside Parking	\$500	\$500		Security Gate	Yes
Total Monthly Income	\$80,960	\$80,960		Avg Unit Size (Sq Ft)	473
Total Annual Scheduled Income	\$971,520	\$971,520		# of Stories	2
Vacancy 25%	(\$242,880)	(194,304)	20%	# of Buildings	5
Gross Operating Income	\$728,640	\$777,216		Elevator Served	No
Less Expenses	(\$269,334)	(\$269,334)		Video Surveillance	Yes
Net Operating Income (NOI)	\$459,306	\$504,615		RV, Boat or Car Storage	Yes
Debt Service 1st TD	(\$286,514)	(\$286,514)	7.250%	Average Rent per Sq Ft	\$1.26
Debt Service 2nd TD	\$0	\$0	0.000%	Good signage & freeway visibility	
Total Debt Service	(\$286,514)	(\$286,514)		Easy access (Ingress & Egress)	
Cash Flow	\$169,525	\$218,101		Heavy Daily Traffic Count (44,000)	
% Cash on Cash Return (ROE)	11.30%	14.54%		Automated Entrance Gate	
Principal Reduction	\$32,764	\$32,764			
Depreciation	111,111	\$111,111			

OPERATING EXPENSES (Underwriting)

Real Estate Taxes	\$61,100
Other Taxes & Assessments	\$5,000
Business License	\$1,500
Insurance	\$28,800
Trash	\$3,500
Utilities (Combined)	\$7,500
Maintenance & Repairs	\$25,000
Elevator Maintenance	\$7,200
Operating Supplies	\$5,000
Payroll (Janitorial, Salaries)	\$36,000
Gardening / Landscaping	\$3,600
Property Management	\$35,122
General & Administrative	\$12,680
Advertising & Marketing	\$5,000
Contract Services	\$3,600
Miscellaneous expenses	\$7,024
Replacement Reserves	21,708
Total Operating Expenses	\$269,334
Expenses %	34.65%
Expenses per Sq Ft	\$4.15

STRESS TEST

Breakeven Interest Rate	14.21%
Breakeven Occupancy	57.55%
Breakeven Vacancy	42.45%

NAI makes no warranty or representation about the content of this investment summary. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The above information is from sources deemed to be reliable. Please complete your own due diligence and investigations.

	Subject Property	Sales Comp #1	Sales Comp #2	Sales Comp #3
Situs Address	12345 Freeway Highway	100 "A" Street	200 "B" Street	300 "C" Street
City, State, Zip	Los Angeles, CA. 90066	Los Angeles, CA. 90066	Los Angeles, CA. 90066	Los Angeles, CA. 90066



	Freeway Visibility Self Storage DEMO	Superior Self Storage	ABC Self Storage Facility	U Stor It Self Storage
Project Name	Freeway Visibility Self Storage DEMO	Superior Self Storage	ABC Self Storage Facility	U Stor It Self Storage
Sales Price	\$5,000,000	\$5,250,000	\$5,500,000	\$5,000,000
Sale Date		07/01/09	06/01/09	05/01/09
# Storage Units	538	565	600	550
Bldg Sq Ft (GBA)	64,929	66,500	70,000	65,000
Bldg Sq Ft (NRA)	62,322	65,500	68,500	64,000
Cost per Sq Ft	\$77.01	\$78.95	\$78.57	\$76.92
Actual Occupancy	75.00%	70.00%	65.00%	75.00%
Market Occupancy	80.00%	75.00%	70.00%	80.00%
Actual Cap Rate	9.12%	9.00%	9.50%	9.00%
Market Cap Rate	10.09%	10.00%	10.50%	10.00%
Lot Size	2.25 Acres	2.35 Acres	2.50 Acres	3.25 Acres
Year Built	1988	1990	1995	2000
# of Stories	2	2	1 Story	2 Story
Climate Controlled	Yes	Yes	Yes	Yes
Video Surveillance	Yes	Yes	Yes	Yes
Security Gate	Yes	Yes	Yes	Yes
Freeway Visibility	Yes (Freeway Visibility)	Yes (Commercial Frontage)	Yes (Commercial Frontage)	Yes (Freeway Visibility)
Signage	Yes (Signalized Commercial Frontage)	Yes (Commercial Frontage)	Yes (Commercial Frontage)	Yes (Signalized Commercial Frontage)
Management Office	Yes, on premises	Yes, on premises	Yes, on premises	Yes, on premises
Comments	Stable operating history	Stable operating history	Stable operating history	Stable operating history
Comments	Strong economic performance	Average economic performance	Average economic performance	Strong economic performance

Comments / Amenities:

Subject Property	The subject property has good unit mix with average unit size of 115 Sq Ft and very strong occupancy due to freeway visibility and commercial frontage.
Comparable #1	Average unit size 115 Sq Ft. Location and signage is inferior to subject property.
Comparable #2	Average unit size 114 Sq Ft. Location and signage is inferior to subject property.
Comparable #3	Average unit size 116 Sq Ft. Location and signage is similar to subject property.

SELF STORAGE RENT ROLL SUMMARY

Project Name: Freeway Visability Self Storage DEMO
 12345 Freeway Highway

Los Angeles, CA. 90066

L.A. County

ADDRESS	# UNITS	DIMENSION'S			SIZE	RENT	TOTAL	RENT / SF	NRA	VACANT UNITS	% VACANCY
Climate Controlled	65	5	X	5	25	\$65	\$4,225	\$2.60	1,625	7	11%
Climate Controlled	116	5	X	10	50	\$100	\$11,600	\$2.00	5,800	30	26%
Climate Controlled	71	5	X	15	75	\$125	\$8,875	\$1.67	5,325	7	10%
Climate Controlled	107	10	X	10	100	\$150	\$16,050	\$1.50	10,700	50	47%
Climate Controlled	44	10	X	15	150	\$185	\$8,140	\$1.23	6,600	4	9%
	23	10	X	20	200	\$200	\$4,600	\$1.00	4,600	2	9%
Climate Controlled	9	10	X	25	250	\$200	\$1,800	\$0.80	2,250	1	11%
	15	10	X	30	300	\$260	\$3,900	\$0.87	4,500	2	13%
	5	12	X	25	300	\$290	\$1,450	\$0.97	1,500	1	20%
	23	12	X	30	360	\$340	\$7,820	\$0.94	8,280	2	9%
Climate Controlled	17	10	X	20	200	\$180	\$3,060	\$0.90	3,400	2	12%
Climate Controlled	12	10	X	30	300	\$230	\$2,760	\$0.77	3,600	1	8%
Climate Controlled	2	15	X	20	300	\$230	\$460	\$0.77	600	1	50%
	16	10	X	10	100	\$135	\$2,160	\$1.35	1,600	8	50%
	6	10	X	15	150	\$165	\$990	\$1.10	900	6	100%
	1	10	X	25	250	\$210	\$210	\$0.84	250	1	100%
Vechicle	6	12	X	11	132	\$60	\$360	\$0.45	792	6	100%
			X		0		\$0	#DIV/0!	0		#DIV/0!
			X		0		\$0	#DIV/0!	0		#DIV/0!
			X		0		\$0	#DIV/0!	0		#DIV/0!

Total: 538 62,322 131

Total Monthly Storage Units Income	\$78,460
Other Income	\$1,000
Ancillary Income	\$1,000
Outside Parking	\$500
Facility Total Monthly / Average	\$80,960
Total Annual Scheduled Income	\$971,520

Total # Storage Units:	538
Average Unit Size:	473
Average Rent per Sq Ft:	\$1.26
Total Net Rentable Sq Ft:	62,322
% Vacant Units	24.35%
Economic Vacancy	23.09%
Economic Occupancy	76.91%



Financing Options Addendum

www.WilshireLenders.com

www.WebVest.info

Lee O'Donnell, Senior Underwriter
Wilshire Finance Partners
(866) 575-5070 Toll Free
(310) 736-1370 Local
(310) 362-8989 Fax
lee@wilshirefp.com

Prepared for:

RE: Freeway Visibility Self Storage DEMO

12345 Freeway Highway

Los Angeles, CA. 90066

Date: 6/1/2007

CURRENT / MARKET RENTS	Current Rents	Current Rents	Current Rents	Current Rents	Current Rents
LOAN PROGRAM OPTIONS	ARM- 12 MAT	3-Year Fixed / ARM	5-Year Fixed / Balloon	7-Year Fixed / Balloon	10-Year Fixed / Balloon
PURCHASE PRICE / VALUE	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
LOAN AMOUNT	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
LOAN TO VALUE (DCR)	70.00%	70.00%	70.00%	70.00%	70.00%
LOAN TO VALUE (Guidelines)	70%	70%	70%	70%	70%
DEBT COVERAGE RATIO	1.35	1.35	1.35	1.35	1.35
CURRENT INTEREST RATE	5.250%	7.250%	7.500%	7.875%	8.000%
VARIABLE RATE MARGIN	2.55%	2.65%	0.00%	0.00%	0.00%
CEILING (First Adjustment)	10.700%	11.250%	0.000%	0.000%	0.000%
LOAN TERM	30/30	30/30	30/5	30/7	30/10
AMORTIZATION IN YEARS	30	30	30	30	30
MONTHLY PAYMENT	\$19,327	\$23,876	\$24,473	\$25,377	\$25,682
RECOURSE	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable
IMPOUNDS	Taxes & Insurance	Taxes & Insurance	Taxes & Insurance	Taxes & Insurance	Taxes & Insurance
PRE-PAYMENT	1.25, 1.25, 1.25	1.25, 1.25, 1.25	Yield Maintenance	Yield Maintenance	Yield Maintenance
LOAN FEE	1.00%	1.00%	1.00%	1.00%	1.00%

Current financing options from preliminary underwritng as of above date. Please call for current update. To complete a preliminary submission (underwritng pre-qual), please provide the following documentation: Current Rent Roll, 2007-2008 and 2009-YTD Income & Expense (operating history), current Financial Statement or 1003 loan application for the borrowing entity and all applicable individuals, copy of schedule of real estate owned with resume and or profile of property management experience and current credit report if available.

Rates & Terms are subject to change without notice with market conditions.

	2007	2008	YTD-2009 12/31/2009	YTD-ANULZD 12	Actual Current Rents	Stabilized Market Rents	FINAL UW
Freeway Visibility Self Storage DEMO							
Total Annual Income Storage Units	760,000	800,000	848,040	848,040	941,520	941,520	941,520
Other Income	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Ancillary Income	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Outside Parking	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Total Gross Scheduled Income	790,000	830,000	878,040	878,040	971,520	971,520	971,520
Less Vacancy & Collection Loss	(219,510)	(219,510)	(219,510)	(219,510)	(242,880)	(194,304)	(194,304)
% Vacancy & Collection Loss	27.79%	26.45%	25.00%	25.00%	25.00%	20.00%	20.00%
Gross Operating Income	570,490	610,490	658,530	658,530	728,640	777,216	777,216
Operating Expenses							
Real Estate Taxes	40,000	45,000	47,500	47,500	61,100	61,100	61,100
Other Taxes & Assessments	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Business License	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Insurance	24,480	26,500	28,800	28,800	28,800	25,972	25,972
Trash	2,900	3,000	3,500	3,500	3,500	3,500	3,500
Utilities (Combined)	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Maintenance & Repairs	17,500	19,500	25,000	25,000	25,000	25,000	25,000
Elevator Maintenance	7,200	7,200	7,200	7,200	7,200	7,200	7,200
Operating Supplies	3,500	4,000	5,000	5,000	5,000	5,000	5,000
Payroll (Janitorial, Salaries)	30,000	33,000	36,000	36,000	36,000	36,000	36,000
Payroll Taxes	4,000	4,500	5,400	5,400	5,400	5,400	5,400
Telephone/Communications	780	780	780	780	780	780	780
Legal & Professional Fees	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Gardening / Landscaping	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Property Management	28,524	30,524	35,122	35,122	35,122	38,861	38,861
Resident Manager	0	0	0	0	0		
General & Administrative	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Advertising & Marketing	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Contract Services	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Miscellaneous expenses	2,500	10,000	7,024	7,024	7,024	7,772	7,772
TOTAL OPERATING EXPENSES	\$194,084	\$216,704	\$234,026	\$234,026	\$247,626	\$249,285	\$249,285
Replacement Reserves			10,000	10,000	21,708	23,316	23,316
TOTAL EXPENSES & RESERVES	\$194,084	\$216,704	\$244,026	\$244,026	\$269,334	\$272,601	\$272,601
Expenses %	24.57%	26.11%	26.65%	26.65%	25.49%	25.66%	25.66%
Expenses per Sq Ft (GBA)	\$2.99	\$3.34	\$3.76	\$3.76	\$4.15	\$4.20	\$4.20
NET OPERATING INCOME	\$376,406	\$393,786	\$414,504	\$414,504	\$459,306	\$504,615	\$504,615
1st TD Debt Service	(\$286,514)	(\$286,514)	(\$286,514)	(\$286,514)	(\$286,514)	(\$286,514)	(\$286,514)
DSCR (Qualifying)	1.31	1.37	1.45	1.45	1.60	1.76	1.76
2nd TD Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Combined Debt Service	(\$286,514)	(\$286,514)	(\$286,514)	(\$286,514)	(\$286,514)	(\$286,514)	(\$286,514)
COMBINED DSCR (Qualifying)	1.31	1.37	1.45	1.45	1.60	1.76	1.76
Capital Improvements (CAPEX)							

Breakeven Interest Rate					12.838%	14.209%	14.209%
Breakeven Vacancy					42.786%	42.449%	42.449%
Cap Rate					9.186%	10.092%	10.092%

Loan Amount	\$3,500,000	Interest Rate	7.250%	Qualifying Rate	7.250%	1ST TD LTV	70.00%
Estimated Value	\$5,000,000	Amortization	30			CLTV	70.00%
Total Sq Ft (GBA)	64,929	Subordinate Financing (2nd TD)	\$0	Rate (2nd TD)	0.00%	99	Amortization

APPRAISAL GUIDELINE ESTIMATE CAP RATE SIZER

Cap Rate Sizer	NOI	Cap Rate	Value	% Max LTV	Max Loan	LTV to Sales Price
	\$504,615	10.000%	\$5,046,150	75.00%	\$3,784,612	75.69%

Maximum loan amount based on LTV & Cap Rate guidelines:

\$3,784,612

Purchase Price

\$5,000,000

% Loan to Purchase Price

75.69%

SUGGESTED PRICING SCHEDULE

Project Name: Freeway Visibility Self Storage DEMO
 Property Address: 12345 Freeway Highway
 Los Angeles, CA. 90066

OPINION OF VALUE PRICING RECOMMENDATION

	<u>(1) LISTING PRICE</u>	<u>(2) VALUE</u>	<u>(3) VALUE</u>
RECOMMENDED PRICING	\$5,000,000	\$5,200,000	\$5,350,000
SCHEDULED GROSS REVENUE	\$777,216	\$777,216	\$777,216
% OCCUPANCY	75.00%	75.00%	75.00%
OPERATING EXPENSES	\$269,334	\$269,334	\$269,334
% OPERATING EXPENSES	34.65%	34.65%	34.65%
NET OPERATING INCOME (NOI)	\$504,615	\$504,615	\$504,615
DEBT SERVICE	(\$286,514)	(\$286,514)	(\$286,514)
CASH FLOW	\$218,101	\$218,101	\$218,101
DOWN PAYMENT	\$1,500,000	\$1,700,000	\$1,850,000
PERCENT DOWN	30.00%	32.69%	34.58%
FINANCING (1ST TD)	7.250% \$3,500,000	\$3,500,000	\$3,500,000
SUBORDINATE FINANCING	0.000% \$0	\$0	\$0
TOTAL FINANCING	\$3,500,000	\$3,500,000	\$3,500,000
PERCENT FINANCED	70.00%	67.31%	65.42%
CAPITALIZATION RATE (CURRENT)	9.12%	9.12%	9.12%
CAPITALIZATION RATE (MARKET)	10.09%	10.09%	10.09%
CASH ON CASH RETURN	14.54%	12.83%	11.79%
COST PER SQUARE FOOT	\$77	\$77	\$77

COMMENTS

Economic Conditions: Cap Rates approximately 11% to 13% with 65% to 75% Financing.

1 (1) LISTING PRICE	\$5,000,000	Suggested listing price approximately 5% above estimated value.
2 (2) VALUE	\$5,200,000	Estimated value for 90 day marketing period with 60 day escrow.
3 (3) VALUE	\$5,350,000	Estimated value for 180 day marketing period with 90 day escrow.

Narrative Comments