

CITY PARK STORAGE SUMMARY



INTRODUCTION AND SUMMARY OF THE PROJECT

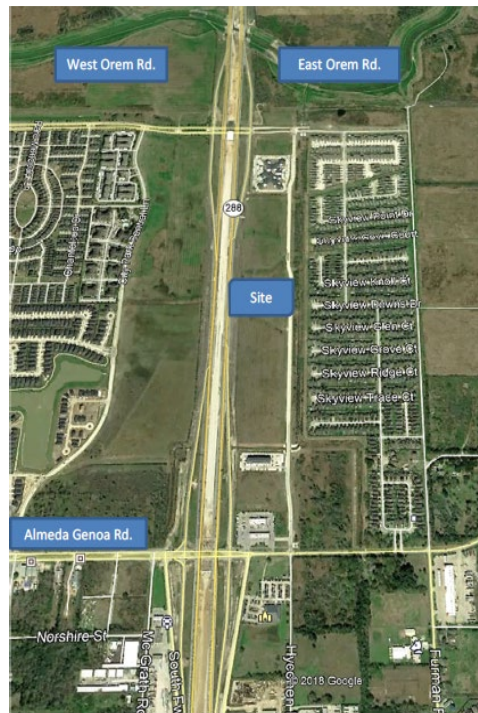
A Texas limited partnership is being organized and sponsored by Paul Anthony Thomas, Paul Grohman, Julio Lybrand and Kendrick James (to develop a first-class self-storage facility on approximately 4.5 acres in City Park, a master planned community located on Hwy. 288).

This property fronts Hwy. 288 in an area that has experienced dramatic residential development over the past several years and will continue to experience residential and commercial development in the near future. An important feature of this location is that it is in a market area that is dramatically underserved by self-storage facilities based on industry statistics.

PROPERTY LOCATION & CHARACTERISTICS

Property and Location

The property consists of approx. 4.5 acres (the “*Property*”) located in the Commercial Reserve of City Park, a master planned development developed by Sam Yager Incorporated. Utilities, including water and wastewater are available at the Property line. Further, all drainage and detention was engineered and is provided as part of the City Park master development. Therefore, no onsite detention or drainage mitigation is required. In essence, the Property is in “turn-key” condition and can be developed with vertical structures immediately with no loss of area.



Aerial of Property.

Property is 4.5 acres in the City Park commercial reserve to east of Hwy 288.

The Property is located in the southern part of the City of Houston along the booming Highway 288 corridor between Loop 610 and Beltway 8. The Property is located in City Park (“*City Park*”); a master planned mixed use development, which originally contained 475 acres of residential development and 155 acres of commercial and multifamily development (www.syi.net/communities/city-park). As of today, City Park (excluding City Park South) contains 1,311 single family home sites. All these home sites have been developed.

Due to the success of City Park, the development was expanded to the south. This expansion, called City Oaks, will contain 504 single family lots when completed for a grand total of 1,815 single family lots/homes in the entire City Park development. City Oaks is currently under development and homes are under construction. Additional commercial reserves were obtained on the east and west side of Hwy. 288 as well. The total commercial acreage is 215 acres. Of the 215 acres, Urban Meridian, a

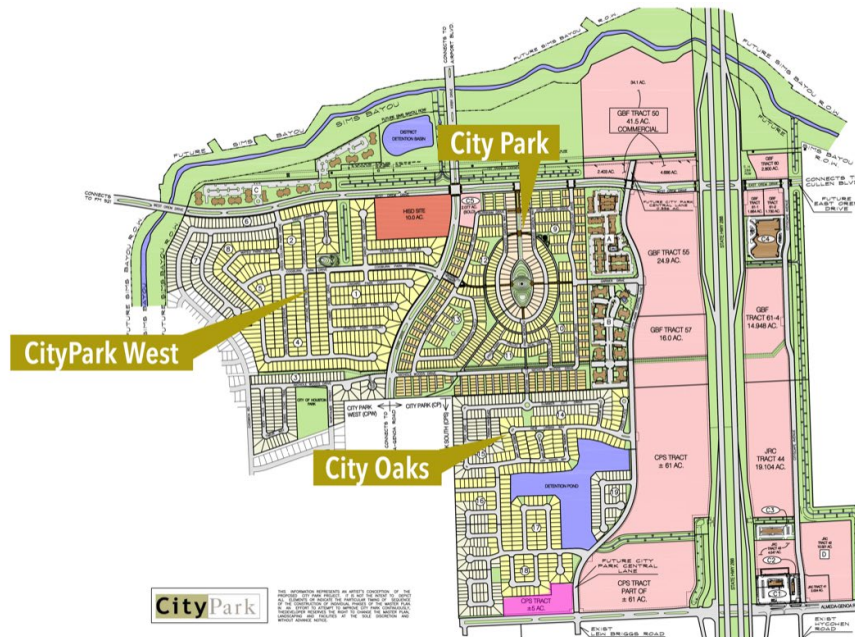
Houston based commercial developer and real-estate company, acquired approximately 45 acres in the spring of 2019.

City Park contains three (3) multi-family projects totaling 798 units. The Landmark at City Park is located on W. Orem Dr. west of Hwy. 288 and contains 288 units. The other two apartment projects (Stonebridge at City Park and The Ranch at City Park) are located directly across Hwy. 288 from the Property on City Park Central Ln. These two projects contain collectively 510 units. The occupancy for these two complexes is 96% and the rental rates for these apartment complexes range from \$943.00 to \$1,667.00 per month (1 and 2 bedrooms).

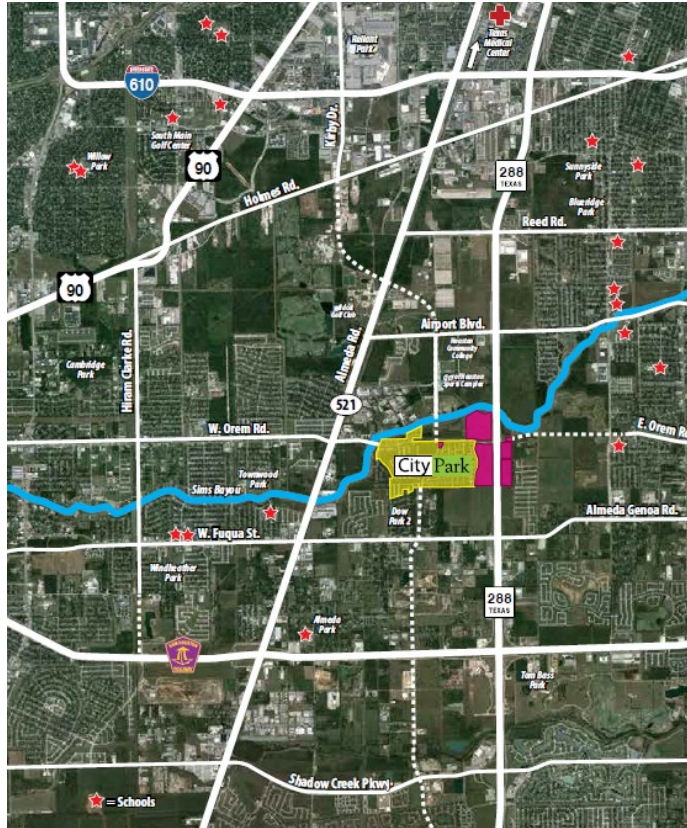
Other Residential

Directly east of the Property, as reflected on the above site plan aerial, is a residential neighborhood called Skyview Park. Skyview Park contains 746 single family homes. The median build year in this subdivision was 2008 and the median home size is 1,960 square feet.

To the east of Skyview Park is a new subdivision being developed by DR Horton that is currently under construction. This DR Horton development will include approximately 800 new homes. Additionally, the southwest central area which includes parts of the 3-mile and 5-mile radii circles still has 890 vacant developed lots and an inventory of 383 houses in various stages of completion. In the last year this area closed 360 houses.



Master Plan - City Park



Aerial of City Park Location

Commercial Development

Recent commercial developments on the tracts located on the east side of Hwy. 288 near the Property in City Park include the following:

- Terrabella Health & Wellness – a 128 bed nursing home facility located on Cityscape Ave. north of the Property and just south of the southwest corner of Cityscape Ave. and Orem Rd.



- Woodspring Suites – a limited service hotel located just south of the Property on Cityscape Ave.



- Timewise/McDonalds – convenience store with McDonald’s restaurant and gas station located on the northwest corner of Alameda Genoa and the Hwy. 288 service road. This is the southwest corner of Cityscape Ave. and Alameda Genoa located south of the Property and Woodspring Suites.



All of the above developments can be seen on the aerial of the Property on Page 1 above.

HEB is planning a grocery store and other retail components on Orem Rd. in City Place on the west side of Hwy. 288

Finally, there is presently 918,724 square feet of retail, office and industrial projects planned within the 3-mile CMA of which 146,170 sq. ft. is currently under construction.

Hwy. 288 and Toll Road Info

Currently, Hwy. 288 is a 4 lane highway separated by one of the widest medians of any local road system. A few years ago, the Texas Department of Transportation (“**TXDOT**”) proposed and approved the construction of a new toll road (the “**Toll Road**”) that would follow Hwy 288. The Toll Road begins in downtown Houston and runs approximately 26 miles to the proposed Grand Parkway (SH 99). The Toll Road is being constructed in the median of Hwy. 288 and will have 4 lanes. There will direct connectors to the Toll Road from Holcombe out of the Medical Center, Loop 610 and Beltway 8 (Sam Houston Tollway).

The Toll Road is divided into 3 segments for construction. The segment from downtown running 10.3 miles to Beltway 8 is the responsibility of TXDOT. Construction is currently ongoing on this segment is scheduled to be completed in Q3 2020. Brazoria County is responsible for the segments south of Beltway 8 in Brazoria County. Phase 1 of the Brazoria section begins at Beltway 8 and terminates at County Road 58. This first segment is likewise currently under construction and is scheduled to be completed in 2021

Project Characteristics

- The building structure closest to Highway 288 will be 3 stories and easily visible from the freeway.
- East Orem Road is being extended to the east to Scott. This extension will provide access to the Property by additional homeowners.
- New commercial development in City Park will add to the visibility of the site.
- Traffic counts (ADT) have been increasing along Highway 288 at a rate of 48% over the last 2-year survey
- New commercial and housing development will contribute to demand.

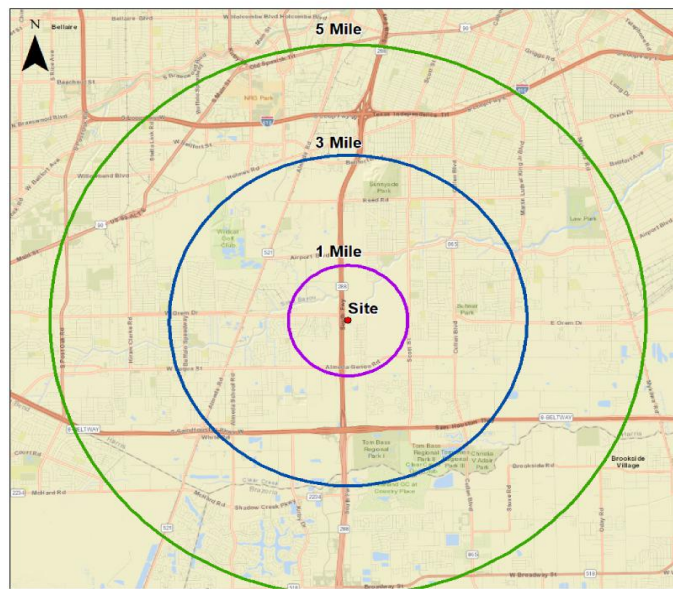
MARKET AREA & DEMOGRAPHICS

Market Study

Sponsor engaged Community Development Strategies (“*CDS*”) to prepare a market study of the Project location in addition to conducting extensive in house due diligence as well. The following is a summary of numerous facts and findings from the CDS report and General Partner’s research and due diligence:

The Competitive Market Area (“*CMA*”) is primarily defined as the area within a 5-mile radius of the subject site. Actual demand will be determined from a 3-mile and 1-mile radius of the Property. The 5-mile area includes just north of I-610, west to South Post Oak, south to Broadway in Brazoria County and east to Mykawa Road.

The following is a map of the CMA showing the 5-mile, 3-mile and 1-mile CMA’s.



- The current population in the CMA is 222,375.
- From 2010-Present, households in the CMA increased by 13,283 and population increased by 39,152.
- The median age in the CMA is 33 and the average age is 35.
- The CMA is comprised of 49.5% black, 28.6% Hispanic and 27.9% white.
- The CMA includes 55.4% with a Bachelor’s Degree or higher.
- The CMA’s average household income is \$78,800 annually.
- 68.4% of all households are family households.
- The CMA has 60% owner-occupied housing units and they have lived there an average of 12 years.

- Approximately 59% of the CMA residents are civilian employed persons 16 years of age or older and are in white collar occupations.
- The major dominant business sector is Office/Administrative Support followed by Healthcare Practitioner/Technician.
- By the 2030 projections, H-GAC projects the population in the CMA rising by 26% (65,635) over 2020 to 315,048
- Lo-Tech Singles is the most prominent lifestyle segment in the CMA - mostly older couples with minimal technology skills choosing a night out at a restaurant as entertainment
- The daytime employment population in the CMA is 70,252.

The CMA is supported by a healthy and growing mix of residential and commercial uses which is serviced by Highway 288 north/south, and secondarily from Beltway 8 east/west. To the north is downtown Houston and the medical center. To the south is Pearland and numerous new developments expanding along the Highway 288 corridor

Traffic Counts

TXDOT conducted traffic counts along Highway 288 through 2016. CDS looked at three locations for the 2014 and 2016 ADT (Average Daily Traffic) traffic counts and noted the increase in ADT for the two years. As shown, the location at the Property increased by 39,606 vehicles from 2014 to 2016, an increase of 48%.

Location	2014 ADT	2016 ADT	Increase
South of 610	122,100	152,323	30,223
Site	82,013	121,619	39,606
North of Hwy 6	46,443	71,176	24,733

Population

Population and household data are both key measures in determining the economic vitality of any market area because increasing population is generally the result of more jobs, a higher level of immigration and a stable or expanding economy. The following tables display the population and household data for 1-mile, 3-mile, and 5-mile radius (CMA).

- From 2010 to Present, the 3-mile radius area saw an increase of 12,759 residents (22%).
- Census Forecasts through 2024 project that the 3-mile radius area will increase by 6,340 persons, approximately 9%.

Population Trends – 2000 to 2024

Population	1-mile	3-mile	5-mile CMA
2024 Projection	6,819	76,400	241,245
2019 Estimate	6,089	70,060	222,375
2010 Census	4,214	57,301	183,223
2000 Census	1,469	40,441	132,155
Growth 2019-2024	11.99%	9.05%	8.49%
Growth 2010-2019	44.50%	22.27%	21.37%
Growth 2000-2010	186.91%	41.69%	38.64%

Households

From 2010 to Present, households in the 3-mile radius increased by 4,199 (21%). 2024 Census household projections show 2,115 new households an increase of 9%.

Estimate Year	1-mile	3-mile	5-mile CMA
2024 Projection	2,434	25,981	84,565
2019 Estimate	2,186	23,886	78,082
2010 Census	1,542	19,687	64,799
2000 Census	454	13,203	46,370
Growth 2019-2024	11.33%	8.77%	8.30%
Growth 2010-2019	41.74%	21.33%	20.50%

Age

- The median age in the 3-mile radius is 33 years and the average is 35 years.
- The majority of residents of the population is aged 25-54, accounting for about 40%.
- Adding children age 18 and below accounts for nearly 28% and it defines an area of family oriented households.

Household Income

- The 3-mile radius average household income is \$66,428 annually. Again, this is lower than the 1-mile and 5-mile radius.
- All of the radii bands have the highest numbers of households in the \$50,000 to \$75,000 range.

Household Type

The 3-mile radius has the highest percentage of family households at over 70%.

Household Type	1-mile		3-mile		5-mile CMA	
	Count	Percentage	Count	Percentage	Count	Percentage
Family Households	1,427	65.26%	17,031	71.30%	53,365	68.35%
Non-family Households	759	34.74%	6,855	28.70%	24,717	31.65%

Household Tener (Renter/Owner)

Both the 1-mile and 3-mile radii have close to 70% home ownership. The 3-mile radius as well as the 5-mile radius have an owner occupancy rate of 12 years.

MARKET FEASIBILITY

Competition

Within the 3-mile radius there are only three (3) sites, of which one is truly not competitive. Outside of these facilities, the bulk of the existing self-storage facilities are all within the 5-mile radius and outside the 3-mile radius. The three (3) competitors in the 3-mile radius are as follows:

1. Cube Smart - 12955 South Freeway; a distance of 0.85 miles from the Property. This was originally developed as a Private Mini Storage and then later sold to Cube-Smart in 2013. Paul Grohman worked with Private Mini Storage developing numerous storage facilities in and around Houston including this facility. Cube Smart has 620 units, rents in the highest percentile and has one of the lowest vacancy rates of 6.1%. The reason for its success is minimal competition in the 3-mile radius and only competition at the farthest edges of the 5-mile radius.
2. Alameda School Self Storage - 13504 Alameda School Road; 2.0 miles from the Property. This facility contains only 260 units and has no real visibility from any main road and much lower rents than found in newer and more conveniently located facilities. The vacancy rate is 10%.
3. Cullen Self Storage – 9447 Cullen Blvd.; approx. 3.0 miles from the Property. This is a small facility on Cullen Blvd. that is at the farthest range of the 3 mile radius and is located in an area that is not competitive with the subject site for various reasons. This facility is located behind two small retail buildings (totaling 21,000 sf) and is primarily a non-climate controlled facility.

Basic Info on the Competitors in the 1 and 3-mile radius:

Name	Distance	Size (Units)	Gross Leasable Area	Year built	Vacancy Rate	Climate Controlled Units	Non-Climate Controlled Units	RV/Boat Parking Units
Cube-Smart	0.85 miles	620	98,321	2008	6.1%	200	406	
Alameda School Self Storage	2.0 miles	260	36,270	2008	10.0%	112	118	30
Cullen Self Storage	3.0 miles	241	33,344	2007	2.0%	36	205	
Totals		1,121	137,935			348	729	30

Our due diligence of the area showed no new construction or planned self-storage projects in the 3-mile or 5-mile radii.

Cube Smart is considered the only true competitor and has been able to command rents at the top of the market with vacancy of only 6%. Cube Smart rents will be the basis for setting rents at the new site upon completion. Current Cube Smart rents are as follows:

Climate Controlled	5x5	5x10	10x10	10x15	10x20
Current Asking Rent/Unit	\$65	\$107	\$149	\$200	\$232
Current Asking Rent/SF	\$2.60	\$2.14	\$1.49	\$1.33	\$1.15
Non-Climate Controlled	5x5	5x10	10x10	10x15	10x20
Current Asking Rent/Unit	\$46	\$72	\$117	\$167	\$216
Current Asking Rent/SF	\$1.84	\$1.44	\$1.17	\$1.11	\$1.08

Market Demand & Feasibility

Demand for self-storage services is driven by population growth and consumer spending. Self-storage is unique among real estate developments because it is essentially a retail business and therefore the location selection is wholly a function of the local trade area, generally within the 3 to 5-mile radius. Based on the viability of this Property and the freeway and other barriers to travel, Sponsor has concentrated on the 3-mile radius for its analysis

To determine the viability of a self-storage facility, Sponsor analyzed the characteristics of the market, including, but not limited to, current competition, planned competition, population growth, residential dwelling growth, income and income growth, retail services and retail development growth, education, access and driving patterns, location and economics.

Based on industry and market studies over the years, the following metrics are crucial in the feasibility analysis:

- Houses with garages indicate higher use of storage, particularly climate controlled.
- The largest renter group is determined by people with lower incomes.
- An average self-storage market has 8-10 sq. ft. of self-storage in the southern states.

The following shows the calculations of self-storage needs based on the industry average storage per person and the population growth:

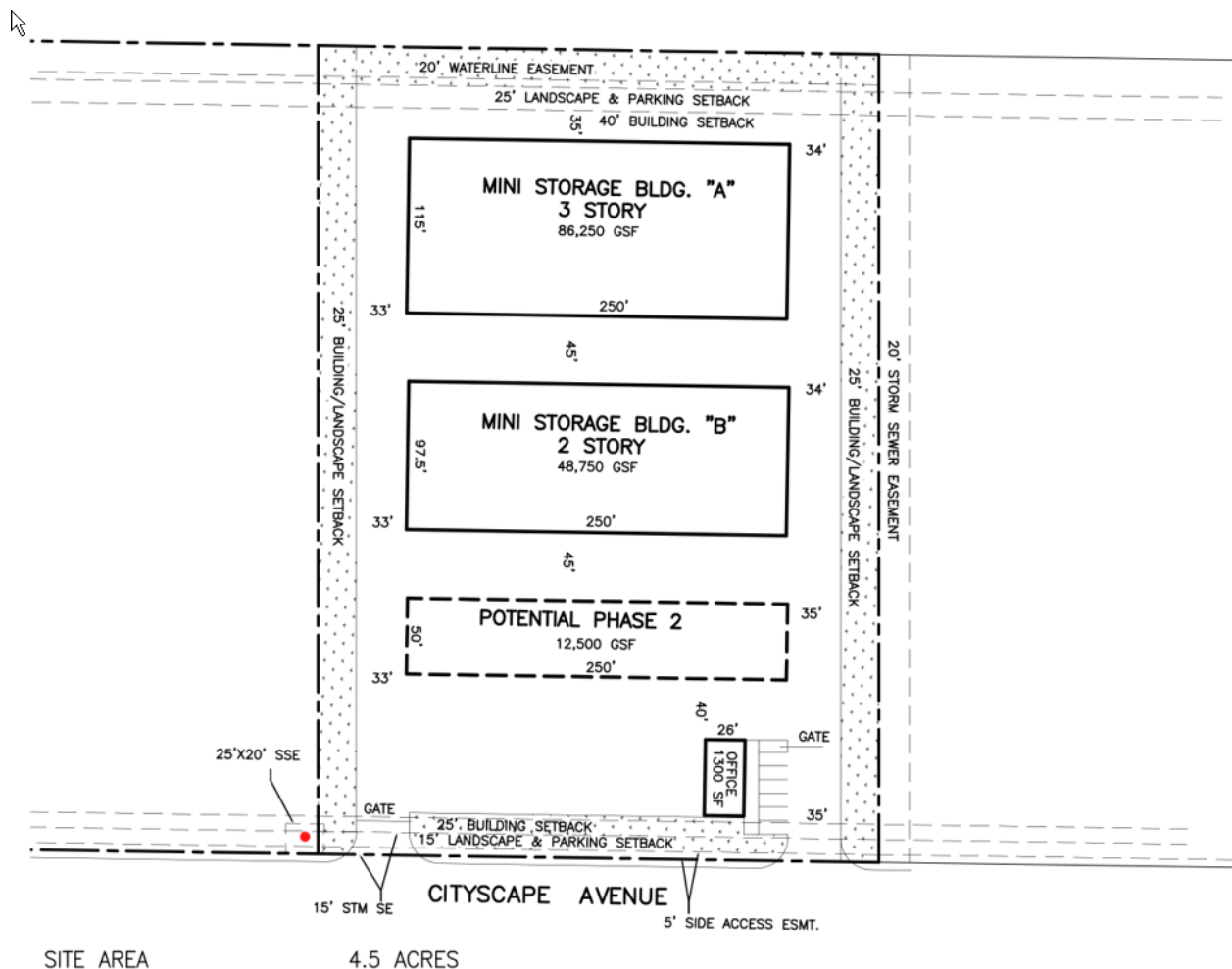
	3 mile ring		5 mile ring	
	Population	Storage Required	Population	Storage Required
2015 Estimate	66,393	597,537	224,857	2,023,713
2020 Projection	77,865	700,785	249,413	2,244,717
Growth 2015-2020	11,472	103,248	24,556	221,004
2025 Projection	92,202	829,818	283,067	2,547,603
Growth 2020-2025	14,337	129,033	33,654	302,886
Sq. Ft. Supply 2019*		167,935		
Potential Unmet Demand 2020		532,850		

Conclusion

Based on the industry standards for both the 3 and 5-mile radius, the area in which the Property is located appears to be grossly under-supplied in both the 3 and 1-mile radius. In fact, the unmet demand for 2020 is 532,850 sq. ft. There will be additional demand for 129,033 sq. ft. of storage by 2025.

DESCRIPTION OF PROJECT

The projected plan includes two initial buildings with 80,000 rentable square feet of storage and an office. The first building will be three stories high to afford optimal visibility for the traffic along Hwy. 288. There is room for a third building on the property for future expansion if desired. The units will be climate controlled with 24-hour access. Management will be by a professional storage management company with on-site manager. For security, the site will be gated with controlled access. A wide range of moving, storage and related items such as boxes, wrapping and locks will be sold.



SELF-STORAGE INDUSTRY

The self-storage industry began in the early 1970's in Texas and has grown significantly since its inception. Originally, storage facilities were constructed as an interim use for many landowners and such use was not considered a real or vital segment of the real estate industry. Further, many communities refused to allow self-storage since such facilities were deemed to be industrial as opposed to "retail" projects. This is generally not the case anymore. According to the 2016 Self-Storage Almanac, there are currently 41,443 self-storage facilities consisting of 2,155,036,000 square feet in the United States. This equates to approximately 20 Million units and approximately 6.77 square feet of storage for every person in the US.

Historically, life changes are often the catalyst driving demand for self-storage. Examples of such events include death, divorce, relocation, small business expansion and contraction among other things. Another factor that Sponsor sees driving demand, especially in Houston and other Texas cities is the increase in housing costs that has resulted in an increase in rental properties and lead to the shrinking of the average size of single family homes.

The Self-Storage Association estimates that within the U.S., approximately 70% is leased by residential customers and 18% by business users. Reasons for renting are: excess stuff – 35%; moving – 32% business needs – 17%; life events – 9% and the remainder of 7% is other. The average length of stay is 1,169 or 3.2 years per the 2016 Self-storage Almanac.

Notwithstanding the growth of the industry especially over the past twenty (20) years, the industry remains highly fragmented and there remains ample opportunity in many different market areas for Class A projects in areas that traditionally have a healthy demand for storage. According to the NGKF Capital Markets Self Storage REIT Report, "the volume of new supply actually coming online continues to lag demand and growth."

Historical Benefits and Key Factors of Self-Storage

The following is a brief summary of the historical benefits and factors that make a fundamentally strong case for investing in self-storage projects:

Diverse Tenant Base

Self-storage serves a very large and diverse tenant base so no single tenant will have a material adverse effect on any project.

Favorable Returns

Historically, self-storage has provided the highest long-term returns as well as the smallest amount of variation in those annual terms compared to other property types. According to the National Association of Real Estate Investment Trusts ("**NAREIT**"), "self-storage has been the leading property type measured by average total returns, including dividends, over the past 5, 10 and 15-years. The following are the 5 and 10 year returns from NAREIT:

Returns Based on Asset Class					
Term	Self-Storage	Multi-family	Retail	Industrial	Office
5-Year Avg. Return	24.4%	20.6%	20.4%	14.7%	12.7%
10-Year Avg. Return	17.8%	13.7%	10.6%	6.3%	9.7%

Cash Distribution

There are significant differences between costs taken out “below the line” across the various property types. The most common differences in these costs include capital expenditures, tenant improvements and leasing commissions. The ratio of income that is cash flow versus the income that is part of Net Operating Income is known as the “efficiency ratio.” Self-storage on average produces more of NOI into cash flow than other property types.

Transparent Operating Environment

The U.S. self-storage market, contrary to other property types, operates in a very open and transparent market. Leases are generally short term in nature (month-to-month and some 6 & 12 month rentals tied to specials) and therefore adjust to market changes rapidly and efficiently. Other property types (office, industrial & retail) may take years for the same adjustment process to occur and may miss rent growth periods completely. There are numerous studies of rents, vacancies and other aspects of the self-storage market that are published numerous times throughout the year at national, state and municipal levels. Although there are numerous publications that provide information and data on the many various commercial real estate types, none are as transparent, factual or as up to date as self-storage. Finally, due to the ever increasing data and marketing of projects on the internet, data mining on the self-storage industry is much easier and transparent than several years ago.

Diverse Industry

Although there are now several very large publically traded and private self-storage operators, the industry is still fairly fragmented and there remains opportunity to those who can move efficiently and quickly. The 10 largest companies (primarily the REIT’s) control 14.96% of the facilities nationwide and 20.52% of the NRSF. Going further down the company list, the top 50 company’s control 17.12 % of the facilities and 26.48% of the NRSF. Finally, the top 100 companies control 18.95% of the facilities and 28.74% of the NRSF. It is important to note that the 50th ranked company has 25 facilities and number 75 has 12. While there are some national and regional players of substantial size and strength, there is still opportunity to enter good markets and areas and either develop, own and operate or develop and sell facilities to the larger players as a merchant builder. In addition, there remain opportunities in many secondary markets that are economically viable but not completely recognized by the institutional players as of yet.

Age of Facilities

As mentioned previously, most self-storage facilities were originally built as an interim use and many have remained as cities have grown around the facilities. Approximately 31% of all facilities in the southwest region were built after 2000 and 51% were built after 1988. This means that 49% of all facilities were built prior to 1990. Of these 49%, approximately 22% were built prior to 1980. Many of these older facilities were located in inferior locations and are becoming functionally obsolescent. Even facilities that were built in locations that have now been surrounded by expanding cities and now find themselves in better locations are now in need of replacement to compete with modern facilities. In many areas, new self-storage facilities will be needed just to replace many of the facilities that are becoming functionally obsolete.

Recession Resistant

Self-storage facilities are not recession proof but are more recession resistant than most other types of commercial real estate. Life changes and business cycles create demand in self-storage in both up and down economic cycles. In short, when the market is strong, people have extra income to store items and when the market is down or struggling, people and businesses tend to move around and make other changes that create a need for storage. Self-storage has historically experienced less volatility and held up better in recessionary times.

Lower cost of Leasing and Tenant Costs

Tenant rollover in the majority of commercial real estate requires the owner to incur additional expenses such as tenant improvements, make ready for multi-family, repairs, brokerage fees and other costs. This necessitates longer period of vacancies to lease and prepare for new tenants and either the increase of outstanding debt or a reduction in net cash flow. Self-storage turnover requires merely the simple broom cleaning of a unit (except in cases of abandoned items).

Efficient and Timely Procedure for Delinquent Tenants

Self-storage has a very efficient and quick legal procedure for dealing with and evicting non-paying tenants, which allows the owner to quickly return a non-producing unit into production.

Demographic Trends over Long Term

The collapse of the “consumer credit bubble” and the continuing mismanagement of fiscal and monetary policies by the Fed and government should have an overall positive long term impact on self-storage fundamentals as more of the population is forced into the rental housing market and the overall size of new single family construction reduces in size to achieve affordability for many buyers.

Demographic trends are still favorable across the majority of all sixty (60) major metropolitan areas in the US where institutional investors focus the majority of their capital. Population trends show a favorable long-term growth of rental households due primarily to the growth in the “prime renters” group aged 20-29 (the “echo boomers”), foreign immigrants and the growth of over 50 year old rental segment (despite this age groups home ownership rate). There continues to be a trend in “lifestyle renting” among middle-aged households and a trend of steady foreign immigration, both of which are favorable for long-term rental demand.

According to the Greater Houston Builder’s Association, only 38% of all Houstonians can afford a new home equivalent to the size of current average homes, which has caused many home builders to “downsize” many of the new offerings on the market. In addition, for each 0.25% increase in mortgage rates, approximately 55,000 Houstonians are unable to afford a home. Although Sponsor does not think that interest rates will increase anytime soon, the long term trends for smaller households and renters is a positive for the storage market.

SPONSOR

As mentioned previously, the Sponsor consists of three individuals. A summary of their professional experience is as follows:

Paul Anthony Thomas

Mr. Thomas purchased his first investment real estate property in 1981 and has worked in the development of commercial and residential properties in the Texas and Gulf Coast marketplace since that time. Through his asset management company, Custom Private Equity, Mr. Thomas identifies, develops and manages select investment opportunities in the commercial real estate development marketplace for his partnerships.

Paul Grohman

Mr. Grohman has over 30 years of real estate management, development, marketing and consulting experience and also has experience in managing complex organizations. In addition, Mr. Grohman has served as a consultant to numerous city governments with respect to real estate and city planning. Currently, Mr. Grohman is the owner Gromax Development, which he started in 1999. Mr. Grohman provides planning, consulting, and project management of multiple projects throughout Texas ranging from commercial to large scale residential to industrial. Mr. Grohman has developed over 3,000 single family lots in 18 communities in 6 different counties and has entitled an additional 6,000 lots. Mr. Grohman is currently involved in the process of developing 2,000 lots. Mr. Grohman has participated in a myriad of consulting roles and commercial projects from determining feasibility, to entitlements, to actual construction of projects such as hospitals, hotels, a regional mall, athletic facilities, master planned residential and mixed use communities, RV parks, self-storage facilities, Churches, and specific industrial locations. Mr. Grohman has acted as a consultant over the past 15 years for Private Mini Storage and has been involved in the development of Private Mini Storage facilities throughout Texas. Private Mini Storage sold the bulk of its remaining portfolio to CubeSmart in December 2013.

Mr. Grohman continues to be involved with the principal of Private Mini Storage in other real estate ventures. Mr. Grohman has also been involved as a principle consultant and broker in development of multiple special districts, MUDs, TIRZ and PUDs. Notably, Mr. Grohman assembled all the land and obtained all entitlements for Meridiana, which is a 3,000 acre master planned community located off Hwy 288 in Manvel, Texas. Mr. Grohman served as the original managing partner for this development. Prior to forming Gromax Development, Mr. Grohman was the City Manager for the City of Pearland where he managed one of the fastest growing cities in the nation. He was responsible for planning, developing, and implementing a \$40 million dollar budget with supervision for 350 employees including police, public safety, utility, finance, human resources, inspections, engineering, economic development, park and recreations, street and drainage departments. In this role, Mr. Grohman acted as CEO of Pearland. Prior to the City of Pearland, Mr. Grohman served as the City Manager of New Braunfels, Rockport and Midland, Texas. Mr. Grohman received his BS in Political Science and Secondary Education at Hardin-Simmons College in Abilene in 1978 and a Master's of Science in Human Relations from Abilene Christian University in 1981

Julio LyBrand

Mr. LyBrand is a real estate veteran who has been actively involved in all facets of real estate since 1971, primarily in Houston and surrounding areas. Mr. LyBrand served as President of LyBrand & Heyne, a real estate brokerage, development and investment firm from its inception in the mid 1970's through the late 1980's. Following Lybrand & Heyne, Mr. LyBrand has been self-employed in real estate brokerage, development and investments in Houston, Austin and San Antonio. Development projects include mixed use commercial parks and shopping centers. Investments include as a general partner of several land acquisition and development partnerships. As general partner and the development manager of the partnerships, Mr. LyBrand was responsible for securing all entitlements, zoning and utilities (including MUD's) for the investments. Mr. LyBrand has extensive experience and strength in the site selection process relating to commercial, retail and single family uses. In addition, Mr. LyBrand has been involved extensively in the Hwy 288 corridor and has been involved in one way or another in every major development in this corridor over the past 15 years. Mr. LyBrand is currently assisting Kroger, Time Wise, CVS, Walgreen's, Walmart, Pappas, Kimco and others with regard to site selection and acquisitions. Mr. LyBrand Julio has a degree in finance and marketing from Lamar University and has four children and 10 grandchildren.

Kendrick A. James

Mr. James has 36 years of years of experience in various aspects of real estate. Mr. James started his real estate career in the summer after graduating from high school when he successfully obtained his Real Estate Salesman License before beginning his freshman year at the University of Texas. Mr. James obtained his Broker's License prior to graduating from UT and thereafter went to work in the real estate business following graduation. While working in the real estate industry full time in the mid 1980's Mr. James obtained an MBA and thereafter attended law school. Currently, Mr. James is in the private practice of law. Prior to re-entering the legal field in 2010, Mr. James was employed by Patrinely Group, LLC for 8.5 years. Immediately prior to leaving Patrinely Group in the Spring of 2009, Mr. James was the Senior Managing Director and a principal in Patrinely Group – Latin America. In this capacity, Mr. James was pursuing resort and resort residential developments in Mexico. Prior to starting the Latin American division of Patrinely Group, Mr. James was the Chief Operating Officer of Patrinely Group and Crimson Capital, Ltd. for 5 years. In such capacity, Mr. James was responsible

for the execution of all development and acquisition activity and the overall operations of the operating companies. Mr. James was responsible for due diligence, pre-development, equity and debt structuring, financing and all transactional and financial closings. During Mr. James tenure at Patrinely Group, Mr. James was involved in the negotiation, closing and supervision of over \$1.3B of financial closings (acquisitions, financings, developments, sales & dispositions). Prior to joining Patrinely Group, Mr. James served for 2 years as General Counsel of Columbia Energy Services, which was the unregulated energy trading subsidiary of Columbia Energy. As GC of this subsidiary, Mr. James was responsible for all the legal matters for the wholesale and commercial unregulated business and all trading activities of Columbia. Mr. James was part of the team that negotiated the sale of CES. Prior to joining Columbia, Mr. James was an attorney in private practice with a broad-based real estate, energy, finance and general corporate business practice including the representation of public and private companies, financial institutions, investors and individuals. Mr. James began his legal career with Andrews & Kurth, LLC in Houston, Texas. In addition to the foregoing, Mr. James assisted his father in developing two (2) self-storage facilities in the 1980's. Mr. James is a graduate of The University of Texas, received an M.B.A in finance from the Univ. of St. Thomas and received his law degree from South Texas College of Law. Mr. James is currently a board member and president of the Harris-Montgomery Counties Management District.

PROJECT FINANCIAL PROJECTIONS

\$ 8,290,145 – Construction Loan (80%)

\$ 1,989,371 – Equity from limited partners

\$10,281,349 - Total Cost (including Interest Carry)

Other assumptions with respect to the Pro-forma are as follows:

- Construction Loan Rate – 5.0%
- Lease-up period – 34 months beginning in month 14 (3%/month).
- Terminal Cap Rate – 6.0%
- Sale – End of Year 10

Based on our “most probable case” (i.e. not the best case or worst case) assumptions as set forth above, the project is expected to perform as follows:

- Total Cash Flow to Investor - \$7,744,026
- Investor Total Profit - \$5,754.655
- Investor IRR of 23.42%

PARTNERSHIP & PROJECT

Sponsors will form an independent entity to serve as the general partner of the Partnership, It will be wholly owned by the Sponsors. The officers of the General Partner will be Paul Anthony Thomas, Paul Grohman, Julio Lybrand and Kendrick James. The General Partner will be responsible for overseeing all aspects of the Partnership and the development of the Project.

Following construction, General Partner intends to enter into a property management agreement with a recognized third party professional self-storage management company to manage the day to day operations of the Project. Sponsor has discussed management with Extra Space, Cube Smart and several other regional and national management companies.

General Partner will take a very active role in the asset management of the Project. The General Partner will seek to minimize operational and holding costs by aggressive property tax management, employing preventative maintenance programs, aggressive marketing and retention plans and programs (e.g. reward programs etc.) and by seeking constant feedback from customers at all times in order to provide a self-storage facility that is sought out by customers.