

Dennis A. Peterson Biography:

Dennis Peterson is the President and Chief Operating Officer of The Laurel Company and Managing Member of American Self Storage. After graduating from the University of California Los Angeles in 1963, he served as a combat command officer in Viet Nam with the U.S. Marine Corps.

Thereafter he was a stockbroker with Morgan Stanley/Dean Witter, and later worked in the field of finance as Regional Vice President of a major investment counseling firm. He started his real estate career in 1971 with a leading Santa Barbara real estate company, and in a short time was responsible for the training of all sales personnel. He was subsequently appointed to lead and operate the investment department of that company.

With this experience and background, in 1973 Mr. Peterson established his own real estate firm, D.A. Peterson Enterprise Inc. At that time he began to construct and syndicate apartments. He has built and/or syndicated over \$50,000,000 in real estate and raised almost \$20,000,000 in equity capital. Presently, D.A. Peterson Enterprise Inc. manages in the central coast over 500,000 square feet of commercial/industrial real estate and 400 residential units. Additionally the Self Storage portfolio exceeds over 500,000 sq. ft. of rentable space. The current value of D.A. Peterson Enterprise Inc. management portfolio is in excess of \$100,000,000.00.

Pursuing his active interest in property management, in 1983 Mr. Peterson became a Certified Property Manager. In 1989 he was chosen Property Manager of the year for the California Central Coast chapter of the Institute of Real Estate Management (IREM). He has been instrumental in raising the level of awareness and professionalism in property management through his work in the establishment of the local chapter of IREM and is a past president of this organization.

Mr. Peterson is a licensed Real Estate Broker in California and is a member of the Self Storage Association and the California and Nevada Self Storage Associations. Attorneys in state and federal courts have called upon Mr. Peterson to serve as an expert witness in multiple receiverships and bankruptcies. In 2007 American Self Storage was named by the Self Storage Association as one of the "Top 100" largest operators in the United States.

PAST SELF STORAGE PERFORMANCE:

1985-1997

Paso Robles, CA. - Purchased the facility for \$875,000. The first remodel added an office, manager's apartment and re-configured one third of the area into more marketable spaces. A second addition in 1989 added 10,000 sq. ft. During this time dividends were paid to partners at an 8% rate from 1987 until sale, or over 10 years. The project was sold in 1997 for \$1,350,000. The new owner retained our firm to manage the project for five years. Investors received an annual return of 21%.

1993-2007

29 Palms, CA. - Purchased 18,250 sq. ft. for \$350,000. Revenues increased at over 5% per year and a dividend of 8% was paid since acquisition. In 2005 we added an additional 10,000 sq. ft. of storage space. Initial invested capital was \$170,000 which purchased 193 units including 28,250 sq. ft. The property was sold for \$2,150,000 in November 2007 which represented a 20% annual rate of return for investors.

1997 - Present

Travis AFB (Fairfield, CA.)- Purchased 30,000 sq. ft. facility for \$1,450,000. Gross income was about \$16,000/mo. Included in the price was almost two acres of vacant land. After an office remodel and addition of a Manager's home, rents were increased 37% to over \$22,000/mo. In 1999 the facility was refinanced for \$1,650,000 after an appraisal of \$2,300,000 and an additional 16,000 sq. ft. in two buildings were added. After a few months of increased rental sales, rents were averaging \$40,000/mo. In November of 2001 the project was refinanced for \$1,850,000 with an appraisal at \$2,800,000 and the balance was used to upgrade security, roofing, and paint the older portions of the project. Balance of \$150,000 was used to add more units. In 2005 we added 5,760 sq. ft. in portable storage of 76 extra units. Total finished buildings are 56,500 sq. ft. Current value of the project is about \$85 per sq. ft. This will give a projected value of about \$4,800,000 with equity of \$3,200,000. Original investment was \$450,000 and the facility pays an annualized 9% return.

1997-2002

Bakersfield, CA. - Purchased the 68,000 sq. ft. facility for \$1,150,000. Installed aggressive management. Gross income went from \$16,000/mo to \$30,000. The property was sold November 2002 for \$1,850,000. Invested capital was \$375,000. Paid an annualized 8% return monthly. Investors took out (through a tax deferred exchange) over \$800,000 in addition to an 8% rate of return. Investor combined rate of return per year over holding period was 22%.

2002 - was bought out by Partner

Los Banos, CA. - Purchased an almost new 66,000 sq. ft. facility in August 2002 for \$3,400,000. We had it 66% occupied in nine months. Space is available for 40,000 additional sq. ft. It was recently put on the market for \$4,500,000.

2004-2006

Casa Grande, AZ. - Through a 1031 tax deferred exchange from Bakersfield, purchased a 70,000 sq. ft. facility in Casa Grande, AZ for \$2,859,000. Cash flow was 8%. Average gross rents went from \$35,000/mo to \$40,000 with \$1,000,000 initial investment. Property sold in November 2006 for \$4,250,000. The annual combined rate of investor return was 26.1%.

2004-2006

Apache Junction, AZ (East Mesa) - Purchased badly managed facility in June 2004. At the close of escrow the facility was 47% occupied. A new aggressive management team was installed. Over the course of six months a complete rehabilitation was undertaken at a cost of \$400,000. A new office was installed along with state of the art electronics. Gross income went from \$16,000/mo to over \$35,000/in one year. Occupancy was 87.8%. The facility was chosen by the Arizona Mini Storage Association as one of two featured facilities for their annual conference in 2005. There are 591 units with 75, 240 sq. ft. Purchased for \$1,900,000 & sold Dec 2006 for \$4,100,000. The annual combined rate of investor return was over 70%. Down payment was \$850,000. Priority return was 9%.

2004-2006

Mesa, AZ. - A companion purchased along with the above facility. Consisting of 43,300 sq. ft. with 402 units. At the purchase close of escrow, March 2004, occupancy rate was 75% and 15 months later was 91.3%. Purchase price was \$1,500,000 and it was sold for \$2,400,000 in December 2006. The down payment was \$450,000. The annual investor combined rate of return was over 70%. Priority return was 9%.

2005-present

Santa Maria, CA. - In October, under our direction, a client purchased a 57,200 sq. ft. facility for \$3,700,000 with \$2M down. Rents, in the face of stiff competition, have risen 17%. 19 Parking spaces were replaced with containers which doubled the rent per square foot for that size. Property is in a substantial positive cash flow.

2006-present

Marysville, CA. - Purchased a run down facility whose first months rent collection in May 2005 was \$17,500. For 2007 the project received an average per month rents of \$22,500 with occupancy at 83%. This despite a new 60,000 sq. ft. project two miles away. Currently the property is 92% full. Purchased price Was \$2,150,000 with a down payment of \$900,000. Rent increases in 2007 were up 12% over the same period in 2006.

2006-present

Fontana, CA almost 41,000 sq. ft. purchased for \$3,050,000 with \$2,000,000 down. Ten year fixed rate loan at 6.26%. In the past year rents rose 7%. Good cash flow.

2007-present

Redding, CA. A 1031 exchange from Mesa, AZ. Long term plan calls for a two phase expansion of almost 30,000 sq. ft. for a total of 70,000 sq. ft. Acquired at a cost of \$2,400,000. With anticipated improvements, potential value is about \$4,500,000 and the initial down payment was 1,000,000. In January 2008 we plan to add two new buildings with 11,000 sq. ft. of additional space.

2007-present

Stockton, CA. Also a 1031 exchange from East Mesa, AZ. A 7 ½ acre project on Highway 4, the gateway to the Delta. 53,500 sq. ft. of storage and 80,000 sq. ft. of RV parking. Paid \$4,000,000 for the project which was appraised for \$5,600,000 six months earlier. RV parking is being covered and we expect to raise RV rents 50% within 8 months. Once improvements are finished the property should be valued at over \$6,500,000. Down payment was \$2,000,000. Currently the project is about 50% occupied which gives us a great opportunity to increase cash flow in the foreseeable future which is currently at about 1%.

2007-present

Red Bluff, CA. Purchased for \$1,350,000 with 26,400 sq. ft. of building or less than \$50/sq. ft. which is estimated replacement value. By January 2008 we will submit plans for 15,000 sq. ft. of new space. With 41,400 of sq. ft. the property's estimated value is \$2,500,000 and the initial down payment was \$500,000.

2007-present

North Highlands, CA. (Sacramento) Purchased for \$2,550,000 with \$1,000,000 down. The worse project we have ever seen and subsequently one of the most attractive opportunities for capital appreciation. Sellers paid \$3,100,000 three years ago! The property was plagued by bad layout and extreme foundation water leaks. The project was 50% occupied at the close of escrow. We will install new foundations and radically alter unit layout. Despite intense site work the occupancy rate is stable at 50%, and the Facility currently breaks even.

2008- present

Sparks, Nevada Purchased for \$2,879,000 and a new loan of \$2,050,000 fixed at 4.25% for three years. Our purchase price plus improvements will be far less than new construction. Estimated holding period is three to five years. Currently rents are rising and occupancy is 93%.

2008-present

Oroville, CA. Closed escrow in the end of March. Same plan as Sparks, Nevada. This re-model entailed more tenant disruption but as of September we are stabilized at 70% occupied.