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PUBLIC STORAGE INC /CA  
 Form 10-K/A  
 July 12, 2002

SECURITIES AND EXCHANGE COMMISSION  
 WASHINGTON, D.C. 20549

FORM 10-K/A  
 Amendment No. 1

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the fiscal year ended December 31, 2001

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: 1-8389  
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PUBLIC STORAGE, INC.  
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(Exact name of registrant as specified in its charter)

California	95-3551121
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(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
701 Western Avenue, Glendale, California	91201-2349
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(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (818) 244-8080.  
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Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of on whi
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10% Cumulative Preferred Stock, Series A, \$.01 par value.....	New York
9.20% Cumulative Preferred Stock, Series B, \$.01 par value.....	New York
Adjustable Rate Cumulative Preferred Stock, Series C, \$.01 par value.....	New York
9.50% Cumulative Preferred Stock, Series D, \$.01 par value.....	New York
10% Cumulative Preferred Stock, Series E, \$.01 par value.....	New York
9.75% Cumulative Preferred Stock, Series F, \$.01 par value.....	New York
Depository Shares Each Representing 1/1,000 of a Share of 8% Cumulative Preferred Stock, Series J, \$.01 par value.....	New York
Depository Shares Each Representing 1/1,000 of a Share of 8-1/4% Cumulative Preferred Stock, Series K, \$.01 par value.....	New York
Depository Shares Each Representing 1/1,000 of a Share of 8-1/4% Cumulative Preferred Stock, Series L, \$.01 par value.....	New York
Depository Shares Each Representing 1/1,000 of a Share of 8.75% Cumulative Preferred Stock, Series M, \$.01 par value.....	New York
Depository Shares Each Representing 1/1,000 of a Share of 8.600% Cumulative Preferred Stock, Series Q, \$.01 par value.....	New York
Depository Shares Each Representing 1/1,000 of a Share of 8.000% Cumulative	

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Preferred Stock, Series R, \$.01 par value.....	New York
Depository Shares Each Representing 1/1,000 of a Share of 7.875% Cumulative Preferred Stock, Series S, \$.01 par value.....	New York
Depository Shares Each Representing 1/1,000 of a Share of 7.625% Cumulative Preferred Stock, Series T, \$.01 par value.....	New York
Depository Shares Each Representing 1/1,000 of a Share of 7.625% Cumulative Preferred Stock, Series U, \$.01 par value.....	New York
Depository Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A, \$.01 par value.....	New York
Common Stock, \$.10 par value.....	New York Paci

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

None  
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(Title of class)

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[ X ] Yes [ ] No

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 the Form 10-K. [ ]

The aggregate market value of the voting stock held by non - affiliates of the registrant as of March 14, 2002:

Common Stock, \$0.10 Par Value - \$2,821,619,000 (computed on the basis of \$37.36 per share which was the reported closing sale price of the Company's Common Stock on the New York Stock Exchange on March 14, 2002).

Depository Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A, \$.01 Par Value - \$178,121,000 (computed on the basis of \$27.25 per share which was the reported closing sale price of the Depository Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A on the New York Stock Exchange on March 14, 2002).

The number of shares outstanding of the registrant's classes of common stock as of March 14, 2002:

Common Stock, \$.10 Par Value - 115,244,143 shares  
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Class B Common Stock, \$.10 Par Value - 7,000,000 shares  
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Depository Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A, \$.01 Par Value - 8,776,102 depository shares (representing 8,776,102 shares of Equity Stock, Series A)  
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Equity Stock, Series AA, \$.01 Par Value - 225,000 shares  
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Equity Stock, Series AAA, \$.01 Par Value - 4,289,544 shares  
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DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement to be filed in connection with the annual shareholders' meeting to be held in 2002 are incorporated by reference into Part III.

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PART I

ITEM 1. Business

Forward Looking Statements  
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When used within this document, the words "expects," "believes," "anticipates," "should," "estimates," and similar expressions are intended to identify "forward-looking statements" within the meaning of that term in Section 27A of the Securities Exchange Act of 1933, as amended, and in Section 21F of the Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results and performance of the Company to be materially different from those expressed or implied in the forward looking statements. Such factors are described in Item 1A, "Risk Factors" and include the impact of competition from new and existing storage and commercial facilities, which could impact rents and occupancy levels at the Company's facilities; the Company's ability to evaluate, finance and integrate acquired and developed properties into the Company's existing operations; the Company's ability to effectively compete in the markets that it does business in; the impact of the regulatory environment as well as national, state, and local laws and regulations including, without limitation, those governing Real Estate Investment Trusts; the acceptance by consumers of the containerized storage concept; the impact of general economic conditions upon rental rates and occupancy levels at the Company's facilities; and the availability of permanent capital at attractive rates.

General  
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Public Storage, Inc. (the "Company") is an equity real estate investment trust ("REIT") organized as a corporation under the laws of California on July 10, 1980. We are a fully integrated, self-administered and self-managed real estate investment trust ("REIT") that acquires, develops, owns and operates storage facilities. We are the largest owner and operator of storage space in the United States with direct and indirect equity investments in 1,384 storage facilities containing approximately 83.7 million square feet of net rentable space at December 31, 2001. Our common stock is traded on the New York Stock Exchange under the symbol "PSA". We also have a significant ownership in PS Business Parks, Inc., which, as of December 31, 2001, owned and operated commercial properties containing approximately 14.8 million net rentable square feet of space. PS Business Parks, Inc. is a public REIT whose common stock trades on the American Stock Exchange under the symbol "PSB."

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We have elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended. To the extent that the Company continues to qualify as a REIT, it will not be subject to tax, with certain limited exceptions, on the taxable income that is distributed to our shareholders.

The Company has reported annually to the Securities and Exchange Commission on Form 10-K, which includes financial statements certified by independent public accountants. The Company has also reported quarterly to the Securities and Exchange Commission on Form 10-Q, and includes unaudited financial statements with such filings. The Company expects to continue such reporting.

### Management

Our senior management team is headed by B. Wayne Hughes (68), who is Chairman and Chief Executive Officer. Mr. Hughes established the Public Storage Organization in 1972 and has managed the Company through several market cycles. Our executive management includes: Harvey Lenkin (65), President; John Reyes (41), Senior Vice President and Chief Financial Officer; Carl B. Phelps (63), Senior Vice President and General Counsel; and Marvin M. Lotz (59), Senior Vice President - Operations.

Our senior management has a significant ownership position in the Company with executive officers, directors and their families owning approximately 39.7 million shares or 34.5% of the common stock as of March 14, 2002.

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### Investment Objective

Our primary objective is to maximize shareholder value through internal growth (by increasing funds from operations and cash available for distribution) and acquisitions of additional real estate investments. We believe that our access to capital, geographic diversification and operating efficiencies resulting from our size will enhance our ability to achieve this objective.

### Competition

Competition in the market areas in which we operate is significant and affects the occupancy levels, rental rates and operating expenses of certain of our facilities. Recent openings of newly developed storage facilities have intensified the competition among storage operators in many market areas in which we operate. Over the past year, however, we believe that the development of new storage facilities in many of the markets in which we operate has decreased.

In seeking investments, we compete with a wide variety of institutions and other investors. An increase in the amount of funds available for real estate investments may increase competition for ownership of interests in facilities and may reduce yields.

We believe that the significant operating and financial experience of our executive officers and directors, combined with the Company's capital structure, national investment scope, geographic diversity, economies of scale and the "Public Storage" name, should enable us to continue to compete

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effectively with other entities.

In recent years consolidation has occurred in the fragmented storage industry. In addition to the Company, there are three other publicly traded REITs and numerous private regional and local operators operating in the storage industry. We believe that we are well positioned to capitalize on this consolidation trend due to our demonstrated access to capital and national presence.

### Business Attributes

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We believe that the Company possesses several primary business attributes which permit us to compete effectively:

**COMPREHENSIVE DISTRIBUTION SYSTEM AND NATIONAL TELEPHONE RESERVATION SYSTEM:** Our facilities are part of a comprehensive distribution system encompassing standardized procedures, integrated reporting and information networks and centralized marketing. This distribution system is designed to maximize revenue through pricing and occupancy.

A significant component of our distribution system is our national telephone reservation center, which was implemented in 1996 and 1997 in order to provide added customer service and maximize utilization of available self-storage space. Customers calling either the toll-free telephone referral system, (800) 44-STORE, or a storage facility, are directed to the national reservation system. A representative discusses with the customer space requirements, price and location preferences and also informs the customer of other products and services provided by the Company and its subsidiaries. We believe that the national telephone reservation system has enhanced our ability to effectively market storage space.

**CONTAINERIZED STORAGE OPTION:** Historically, we offered storage spaces for rent through our traditional self-storage facilities whereby customers would transport their goods to the facility and rent a space to store their goods. In late 1996, we organized Public Storage Pickup and Delivery, Inc. as a separate corporation and a related partnership (the corporation and partnership are collectively referred to as "PSPUD") to operate storage facilities that rent portable storage containers to customers for storage in central facilities.

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The concept of PSPUD is to provide an alternative to a traditional self-storage facility. PSPUD delivers a storage container(s) to the customer's location where the customer, at his convenience, packs his goods into the storage container. PSPUD will subsequently return to the customer's location to retrieve the storage container(s) for storage in a central facility. At December 31, 2001, PSPUD had 55 facilities in operation.

**RETAIL OPERATIONS:** The Company has historically sold retail items associated with the storage business and rented trucks at its storage facilities. In order to further supplement and strengthen the existing self-storage business by further meeting the needs of storage customers, the Company has expanded its retail activities over the last few years.

In addition, full-service retail stores have been retrofitted to some existing storage facility rental offices or "built-in" as part of the development of new storage facilities, both in high traffic, high visibility locations. The strategic objective of these retail stores is to provide a retail environment to (i) rent spaces for the attached storage facility, (ii) rent

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spaces for the other Public Storage facilities in adjacent neighborhoods, (iii) sell locks, boxes and packing materials and (iv) rent trucks and other moving equipment.

**TENANT INSURANCE PROGRAM:** On December 31, 2001, the Company purchased all of the capital stock of PS Insurance Company, Ltd., from Mr. Hughes and members of his family. This insurance company reinsures policies against losses to goods stored by tenants in the Company's storage facilities. This subsidiary receives the premiums and bears the risks associated with the re-insurance. The Company believes that this insurance operation will continue to further supplement and strengthen the existing self-storage business and provide an additional source of earnings for the Company. Prior to December 31, 2001, PS Insurance Company, Ltd., was owned by Mr. Hughes and members of his family.

**ECONOMIES OF SCALE:** We are the largest provider of storage space in the industry. As of December 31, 2001, we operated 1,384 storage facilities in which we had an interest and managed 30 storage facilities for third parties in 37 states. At December 31, 2001, we had over 659,000 spaces rented. The size and scope of the operations have enabled us to achieve a high level of profit margins and low level of administrative costs relative to revenues.

**BRAND NAME RECOGNITION:** Our operations are conducted under the "Public Storage" brand name, which we believe is the most recognized and established name in the storage industry. Our storage operations are conducted in 37 states, giving us national recognition and prominence. We focus our operations within those states in the major metropolitan markets. This concentration establishes us as one of the largest providers of storage space in each market that we operate in and enables us to use a variety of promotional activities, such as television advertising as well as targeted discounting and referrals which are generally not economically viable for most of our competitors.

### Growth and Investment Strategies

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Our growth strategies consist of: (i) improving the operating performance of our stabilized existing traditional self-storage properties, (ii) acquiring additional interests in entities that own properties operated by the Company, (iii) acquiring interests in properties that are owned or operated by others, (iv) developing properties in selected markets, (v) improving the operating performance of the containerized storage operations, and (vi) participating in the growth of PS Business Parks, Inc. These strategies are described as follows:

**IMPROVE THE OPERATING PERFORMANCE OF EXISTING PROPERTIES:** We seek to increase the net cash flow generated by our existing stabilized traditional self-storage properties by a) regularly evaluating our call volume, reservation activity, and move-in/move-out rates for each of our markets relative to our marketing activities, b) evaluating market supply and demand factors and based upon these analyses adjusting our marketing activities and rental rates, c) attempting to maximize revenues through evaluating the appropriate balance between occupancy and rental rates, and d) controlling expense levels. We believe that our property management personnel and systems combined with the national telephone reservation system will continue to enhance our ability to meet these goals.

**ACQUIRE PROPERTIES OPERATED AND PARTIALLY OWNED BY THE COMPANY:** In addition to our wholly owned storage facilities, we operate storage facilities on behalf of other entities in which we have partial equity interests. From time

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to time, interests in these storage facilities are available for purchase, providing us with a source of additional acquisition opportunities. We believe these properties include some of the better-located and better-constructed storage facilities in the industry. Because we manage these properties, we have reliable operating information prior to acquisition and these properties are easily integrated into our portfolio. The amount of such potential acquisition opportunities has decreased over the last several years as we have continued to acquire such interests. Such potential remaining acquisition opportunities include the remaining equity interests that we do not own in the entities described as "Other Equity Investments" in Note 5 to the Company's financial statements, as well as the "Other Partnership Interests" in Note 8 to the Company's financial statements for the year ended December 31, 2001.

**ACQUIRE PROPERTIES OWNED OR OPERATED BY OTHERS:** We believe our presence in and knowledge of substantially all of the major markets in the United States enhances our ability to identify attractive acquisition opportunities and capitalize on the overall fragmentation in the storage industry. We maintain local market information on rates, occupancy and competition in each of the markets in which we operate.

With the exception of the March 1999 merger with Storage Trust, our investments in additional facilities have primarily been through development, rather than acquisitions of real estate facilities. We believe the development of real estate facilities described below is more attractive under current market conditions.

**DEVELOP PROPERTIES IN SELECTED MARKETS:** Since 1995, the Company and its joint venture partnerships (described below) have opened a total of 104 facilities, including 19 facilities in 1998, 24 facilities in 1999, 27 facilities in 2000 and 23 facilities in 2001. As of December 31, 2001, the Company and the second joint venture partnership have a development "pipeline" of 46 self-storage facilities, combination facilities (described below), and expansions to existing storage facilities with an aggregate estimated cost of approximately \$298.4 million. Development of these facilities is subject to significant contingencies such as obtaining appropriate governmental agency approvals. The Company continues to seek attractive sites for development of additional storage facilities.

In April 1997, we formed PSAF Development Partners, L.P., a joint venture partnership with a third party institutional investor to participate in the development of approximately \$220 million of storage facilities. At December 31, 2000, the joint venture had completed construction of 47 storage facilities with a total cost of approximately \$232 million and was fully committed. The joint venture was funded solely with equity capital consisting of 30% from the Company and 70% from the institutional investor. We acquired our joint venture partner's interest in this entity in January, 2002.

In November 1999, we formed PSAC Development Partners, L.P., a second joint venture partnership with a joint venture partner (PSAC Storage Investors, LLC) whose partners include a third party institutional investor, owning approximately 35%, and Mr. Hughes, owning approximately 65%, to develop approximately \$100 million of storage facilities. At December 31, 2001, PSAC Development Partners, L.P had completed construction on 20 storage facilities with a total cost of approximately \$96.0 million, and had two facilities under construction with an aggregate cost incurred of approximately \$11.0 million and total additional estimated cost to complete of approximately \$0.7 million.

PSAC Development Partners, L.P is funded solely with equity capital consisting of 51% from the Company and 49% from PSAC Storage Investors, LLC. The term of the Consolidated Development Joint Venture is 15 years; however, during the sixth year PSAC Storage Investors, LLC has the right to cause an early termination of PSAC Development Partners, L.P. If PSAC Storage Investors, LLC

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exercises this right, we then have the option, but not the obligation, to acquire their interest for an amount that will allow them to receive an annual return of 10.75%. If the Company does not exercise its option to acquire PSAC Storage Investors, LLC's interest, PSAC Development Partners, L.P.'s assets will be sold to third parties and the proceeds distributed to the Company and PSAC Storage Investors, LLC in accordance with the partnership agreement. If PSAC Storage Investors, LLC does not exercise its right to early termination during the sixth year, the partnership will be liquidated 15 years after its formation with the assets sold to third parties and the proceeds distributed to the Company and PSAC Storage Investors, LLC in accordance with the partnership agreement.

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PSAC Storage Investors, LLC provides Mr. Hughes with a fixed yield of approximately 8.0% per annum on his preferred non-voting interest (representing an investment of approximately \$64.1 million at December 31, 2001). In addition, Mr. Hughes can receive up to 1% of cash flow of the Partnership (estimated to be less than \$50,000 per year) if PSAC Storage Investors, LLC elects an early termination. If PSAC Storage Investors, LLC does not elect to cause an early termination, Mr. Hughes' 1% interest can increase to up to 10%.

IMPROVE THE OPERATING PERFORMANCE OF CONTAINERIZED STORAGE OPERATIONS: PSPUD operates the containerized storage operations. At December 31, 2001, PSPUD operated 55 facilities. 18 of the facilities are leased from third parties, while 37 of the facilities are owned by the Company or PSPUD. Substantially all of these 37 owned facilities are facilities that combine containerized storage and traditional miniwarehouse space in the same location ("Combination Facilities"). We believe that Combination Facilities may offer efficiencies and a more effective method to meet customers' needs than a stand-alone containerized storage facility; such Combination Facilities have primarily replaced facilities which were previously leased from third parties. At December 31, 2001, the Company and PSPUD were developing three more Combination Facilities which are anticipated to replace three leased facilities in 2002. The Company currently has no plans to replace the leased facilities that will remain after completion of the three remaining planned Combination Facilities.

The rate of fill-up varies from facility to facility. As with the traditional self-storage facilities, PSPUD believes that the containerized storage business experiences seasonal fluctuations in occupancy levels with occupancies generally higher in the summer months than in winter months. There can be no assurance as to the level of PSPUD's expansion, level of gross rentals, level of move-outs or profitability.

PARTICIPATE IN THE GROWTH OF PS BUSINESS PARKS, INC.: On January 2, 1997, we reorganized our commercial property operations into a separate private REIT. The private REIT contributed its assets to a newly created operating partnership (the "Operating Partnership") in exchange for a general partnership interest and limited partnership interests. During 1997, the Company and certain partnerships in which the Company has a controlling interest contributed substantially all of their commercial properties to the Operating Partnership in exchange for limited partnership interests or to the private REIT in exchange for common stock. On March 17, 1998, the private REIT merged into Public Storage Properties XI, Inc., a publicly traded REIT and an affiliate of the Company and the name of the surviving corporation was changed to PS Business Parks, Inc. (the REIT and the related Operating Partnership are hereinafter referred to collectively as "PSB").

The Company and certain partnerships that the Company controls have a 44% common equity interest in PSB as of December 31, 2001, comprised of its



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ownership of 5,418,273 shares of common stock and 7,305,355 limited partnership units in the Operating Partnership. The limited partnership units are convertible at our option, subject to certain conditions, on a one-for-one basis into PSB common stock.

At December 31, 2001, PSB owned and operated 14.8 million net rentable square feet of commercial space located in nine states. PSB also manages the commercial space owned by the Company and affiliated entities.

In addition to its investment in PSB, the Company and the Consolidated Entities have direct interests in five commercial facilities with an aggregate of 385,000 net rentable square feet. In addition, certain of the Company's self-storage facilities rent commercial space at the same location.

**OTHER INVESTING ACTIVITIES:** Following are the Company's policies with respect to certain other investing strategies, each of which may be entered into without a vote of shareholders:

- o **Making loans to other entities:** The Company has made loans in connection with the sale of properties, has made short-term loans to PS Business Parks, Inc. in the last three years and may make loans to third parties as part of its investment objectives. However, the Company doesn't expect such items to be a significant part of its investing activities.

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- o **Investing in the securities of other issuers for the purpose of exercising control:** There have been two instances in the past three years where the Company has invested in the securities of another publicly-held REIT, one which resulted in control of that REIT (the merger with Storage Trust in 1999), and one that did not. The Company may engage in these activities in the future as a component of its real estate acquisition strategy.
- o **To underwrite securities of other issuers:** The Company has not engaged in this activity in the last three years, and does not intend to in the future.
- o **Short-term investing:** The Company has not engaged in investments in real estate or real estate entities on a short-term basis in the last three years with the exception of the aforementioned investments in the securities of other REIT's. Instead, historically, the Company has acquired real estate assets and held them for an extended period of time. The Company does not anticipate any such short-term investments.
- o **Repurchasing or reacquiring the Company's shares or other securities:** The Board of Directors has authorized the repurchase from time to time of up to 25,000,000 shares of the Company's common stock on the open market or in privately negotiated transactions. Cumulatively through December 31, 2001, we repurchased a total of 21,486,020 shares of common stock at an aggregate cost of approximately \$535,481,000. In addition, in 2001, we redeemed or repurchased \$441,250,000 of our senior preferred stock and \$80,000,000 of our preferred partnership units for cash, representing a refinancing of these securities into lower-coupon preferred securities. Any future repurchases of the Company's common stock will depend primarily upon the attractiveness of repurchases compared to our other investment

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alternatives. Future redemptions or repurchases of the Company's preferred securities, which will become available for redemption or repurchase on their respective call dates, will be dependent upon the spread between market rates and the coupon rates of these securities.

### Financing of the Company's Growth Strategies

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Overview of Financing Strategy: Over the past three years we have funded substantially all of our acquisitions with permanent capital (retained cash flow as well as common and preferred securities). We have elected to use preferred securities as a form of leverage despite the fact that the dividend rates of our preferred securities exceed the prevailing market interest rates on conventional debt, because of certain benefits described in "Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources." Our present intent is to continue to finance our growth with substantially permanent capital.

BORROWINGS: We have in the past used our \$200 million line of credit described below under "Borrowings" as temporary "bridge" financing, and repaid those amounts with permanent capital. In the last three years, the only additional long-term debt we have incurred has been assumed in connection with property acquisitions, most notably the merger with Storage Trust in 1999 wherein we assumed \$100 million in senior unsecured notes. While it is not our present intention to issue debt as a long-term financing strategy, we have broad powers to borrow in furtherance of our objectives without a vote of the our shareholders. These powers are subject to a limitation on unsecured borrowings in the Company's Bylaws described in "Limitations on Borrowings" below.

ISSUANCE OF SENIOR SECURITIES: The Company has in the last three years, and expects to continue, to issue additional series of preferred stock that are senior to the Company's Common Stock and Equity Stock. At December 31, 2001, we had approximately \$1.54 billion of preferred stock outstanding. The preferred stock, which was issued in series, has general preference rights with respect to liquidation and quarterly distributions. We intend to continue to issue preferred securities without a vote of our common shareholders.

ISSUANCE OF SECURITIES IN EXCHANGE FOR PROPERTY: The Company has issued common equity in exchange for real estate and other investments in the last three years. Future issuances will be dependent upon market conditions at the time.

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DEVELOPMENT JOINT VENTURE FINANCING: The Company has entered into two separate development joint venture partnerships since 1997 in order to provide development financing. As of December 31, 2001, these joint ventures have substantially completed their development activities.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources."

### Investments in Real Estate and Real Estate Entities

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INVESTMENT POLICIES AND PRACTICES WITH RESPECT TO OUR INVESTMENTS: Following are our investment practices and policies which, though we do not anticipate any significant alteration, can be changed by the Board of Directors

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without a shareholder vote:

- o Our investments primarily consist of direct ownership of self-storage properties (the nature of our self-storage properties is described in Item 2, "Properties"), as well as partial interests in entities that own self-storage properties, which are located in the United States.
- o Our investments are acquired both for income and for capital gain.
- o Our partial ownership interests primarily reflect general and limited partnership interests in entities that own self-storage facilities that are operated by the Company.
- o Additional acquired interests in real estate (other than the acquisition of wholly-owned properties) will be additional common equity interests in entities in which we already have an interest.
- o To a lesser extent, we have interests in existing commercial properties (described in Item 2, "Properties"), containing commercial and industrial rental space, primarily through our investment in PS Business Parks.
- o The Company is developing 46 storage facilities, which includes 7 expansions of real estate facilities, for a total cost of \$298.4 million. See "Management's discussion and analysis of financial condition and results of operations - Liquidity and Capital Resources."

The following table outlines our ownership interest in storage facilities at December 31, 2001:

	Number of Storage Facilities	Net Rentable Square Footage of Storage Facilities (in thousands)
	-----	-----
Consolidated facilities:		
Wholly-owned by the company.....	721	44,927
Owned by Controlled Entities.....	549	31,992
	-----	-----
	1,270	76,919
	-----	-----
Facilities owned by Unconsolidated Entities:		
Institutional partnership.....	13	855
Development Joint Venture.....	47	2,879
Other.....	54	2,998
	-----	-----
	114	6,732
	-----	-----
Total facilities in which the Company has an ownership interest.....	1,384	83,651
	=====	=====

In addition to the Company's interest in storage facilities noted above, the Company and the Consolidated Entities own five commercial facilities with an aggregate of 385,000 net rentable square feet. The Company and the entities it controls also have a 44% common interest in PSB, which at December 31, 2001 owned and operated 14.8 million net rentable square feet of commercial

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space.

### Facilities Owned by Controlled Entities

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In addition to our direct ownership of 721 storage facilities, at December 31, 2001, we had controlling ownership interests in 38 entities owning in aggregate 549 storage facilities. Because of our controlling interest in each of these entities, we consolidate the assets, liabilities, and results of operations of these entities on the Company's financial statements.

### Facilities Owned by Unconsolidated Entities

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At December 31, 2001, we had ownership interests in PSB and 10 limited partnerships (collectively the "Unconsolidated Entities"). Our ownership interest in these entities is less than 50%.

Due to the Company's limited ownership interest and limited control of these entities, we do not consolidate the accounts of these entities for financial reporting purposes and account for such investments using the equity method. PSB, which files financial statements with the Securities and Exchange Commission, has debt and other obligations that are not included on the Company's financial statements. The 10 limited partnerships do not have any significant amounts of debt or other obligations. See Note 5 to the Company's financial statements for the year ended December 31, 2001 for further disclosure regarding the assets and liabilities of the Unconsolidated Entities.

The following chart sets forth, as of December 31, 2001, the 38 entities in which the Company has a controlling interest and the 11 entities in which the Company has a minority interest :

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Subsidiaries (Controlled Entities) of the Company	Entities in which the Company has a Minority Interest (Unconsolidated Enti
Carson Storage Ventures	Public Storage Alameda, Ltd. (2)
Connecticut Storage Fund	Public Storage Glendale Freeway, Ltd.
Del Amo Storage Partners, Ltd.	Metropublic Storage Fund
Diversified Storage Venture Fund	PS Business Parks, Inc. (3)
Downey Storage Partners, Ltd.	PSAF Development Partners, Ltd.
Huntington Beach Storage Partners, Ltd.	Public Storage Crescent Fund, Ltd. (4)
Monterey Park Properties, Ltd.	Public Storage Partners, Ltd. (5)
PS Co-Investment Partners	Public Storage Partners II, Ltd. (6)
PS Insurance Company, Ltd.	Public Storage Properties, Ltd. (7)
PS Orangeco Holdings, Inc.	Public Storage Properties IV, Ltd. (8)
PS Orangeco, Inc.	Public Storage Properties V, Ltd. (9)
PS Partners, Ltd.	
PS Partners IV, Ltd.	
PS Partners V, Ltd.	
PS Partners VI, Ltd.	
PS Partners VIII, Ltd.	
PSA Institutional Partners, L.P.	
PSAC Development Partners, L.P. (1)	
Public Storage Euro Fund III, Ltd. (2)	
Public Storage Euro Fund IV, Ltd. (2)	

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Public Storage Euro Fund V, Ltd. (2)  
Public Storage Euro Fund VI, Ltd. (2)  
Public Storage Euro Fund VII, Ltd. (2)  
Public Storage Euro Fund VIII, Ltd. (2)  
Public Storage Euro Fund IX, Ltd. (2)  
Public Storage Euro Fund X, Ltd. (2)  
Public Storage Euro Fund XI, Ltd. (2)  
Public Storage Euro Fund XII, Ltd. (2)  
Public Storage Euro Fund XIII, Ltd. (2)  
Public Storage Euro Fund XIV, Ltd. (2)  
Public Storage German Fund II, Ltd. (2)  
Public Storage Institutional Fund  
Public Storage Institutional Fund II  
Public Storage Institutional Fund III  
Public Storage Institutional Fund IV  
Public Storage Pickup & Delivery, L.P.  
Storage Trust Properties, L.P.  
Van Nuys Storage Partners, Ltd.  
Whittier Storage Partners, Ltd.

- (1) PSAC Storage Investors, LLC owns a direct 49% ownership interest in this entity. The partners of PSAC Storage Investors, LLC are Mr. Hughes, having an approximately 65% ownership interest, and a third party institutional investor having an approximately 35% ownership interest.
- (2) B. Wayne Hughes owns approximately 20% of the general partner interest of these entities.
- (3) B. Wayne Hughes owns approximately 0.5% of the common shares of PS Business Parks, Inc.
- (4) B. Wayne Hughes owns approximately 17.9% of the general partnership interest of this entity.
- (5) The Hughes Family owns approximately 24.3% of the limited partnership interests of this entity.
- (6) The Hughes Family owns approximately 11.9% of the limited partnership interests of this entity.

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- (7) The Hughes Family owns 20% of the general partner interests and 30.5% of the limited partnership interests of this entity.
- (8) The Hughes Family owns 20% of the general partner interests and 15.5% of the limited partnership interests of this entity.
- (9) The Hughes Family owns 20% of the general partner interests and 11.4% of the limited partnership interests of this entity.

### Prohibited Investments and Activities

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The Company's Bylaws prohibit the Company from purchasing properties in which the Company's officers or directors have an interest, or from selling properties to such persons, unless the transactions are approved by a majority of the independent directors and are fair to the Company based on an independent appraisal. This Bylaw provision may be changed with shareholder approval. See "Limitations on Debt" below for other restrictions in the Bylaws.

Borrowings

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In November 2001, we entered into a new agreement for a \$200 million revolving line of credit (the "Credit Agreement") to replace our \$150 million line of credit which was due to expire on July 1, 2002. The Credit Agreement has a maturity date of October 31, 2004 and bears an annual interest rate ranging from the London Interbank Offered Rate ("LIBOR") plus 0.45% to LIBOR plus 1.50% depending on our credit ratings (currently 0.45%). In addition, we are required to pay a quarterly commitment fee ranging from 0.20% per annum to 0.30% per annum depending on our credit ratings (currently the fee is 0.20% per annum). At December 31, 2001, we had borrowings of \$25 million on our line of credit, at an interest rate of 2.45% per year. At March 25, 2002, there were no borrowings on our line of credit.

The Credit Agreement includes various covenants, the more significant of which requires us to (i) maintain a balance sheet leverage ratio of less than 0.50 to 1.00, (ii) maintain certain quarterly interest and fixed-charge coverage ratios (as defined) of not less than 2.50 to 1.0 and 1.75 to 1.0, respectively, and (iii) maintain a minimum total shareholders' equity (as defined). In addition, we are limited in our ability to incur additional borrowings (we are required to maintain unencumbered assets with an aggregate book value equal to or greater than two times our unsecured recourse debt). We were in compliance with all the covenants of the Credit Agreement at December 31, 2001.

As of December 31, 2001, we had notes payable of approximately \$143.6 million and borrowings on our line of credit of \$25,000,000. See Notes 6 and 7 to the consolidated financial statements for a summary of the Company's borrowings at December 31, 2001.

Subject to a limitation on unsecured borrowings in the Company's Bylaws (described below), we have broad powers to borrow in furtherance of the Company's objectives. We have incurred in the past, and may incur in the future, both short-term and long-term indebtedness to increase our funds available for investment in real estate, capital expenditures and distributions.

Limitations on Debt

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The Bylaws provide that the Board of Directors shall not authorize or permit the incurrence of any obligation by the Company which would cause our "Asset Coverage" of our unsecured indebtedness to become less than 300%. Asset Coverage is defined in the Bylaws as the ratio (expressed as a percentage) by which the value of the total assets (as defined in the Bylaws) of the Company less the Company's liabilities (except liabilities for unsecured borrowings) bears to the aggregate amount of all unsecured borrowings of the Company. This Bylaw provision may be changed only upon a shareholder vote.

The Company's Bylaws prohibit us from issuing debt securities in a public offering unless the Company's "cash flow" (which for this purpose means net income, exclusive of extraordinary items, plus depreciation) for the most recent 12 months for which financial statements are available, adjusted to give effect to the anticipated use of the proceeds from the proposed sale of debt securities, would be sufficient to pay the interest on such securities. This Bylaw provision may be changed only upon a shareholder vote.

Without the consent of holders of the various series of Senior

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Preferred Stock, we may not take any action that would result in a ratio of "Debt" to "Assets" (the "Debt Ratio") in excess of 50%. As of December 31, 2001, the Debt Ratio was approximately 3.1%. "Debt" means the liabilities (other than "accrued and other liabilities" and "minority interest") that should, in accordance with generally accepted accounting principles, be reflected on the Company's consolidated balance sheet at the time of determination. "Assets" means the Company's total assets before a reduction for accumulated depreciation and amortization that should, in accordance with generally accepted accounting principles, be reflected on the consolidated balance sheet at the time of determination.

Our bank and senior unsecured debt agreements contain various financial covenants, including limitations on the level of indebtedness of 30% of total capitalization (as defined) and the prohibition of the payment of dividends upon the occurrence of an event of default (as defined).

### Employees

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There are approximately 4,400 persons who render services on behalf of the Company, primarily personnel engaged in property operation, substantially all of whom are employed by a clearing company that provides certain administrative and cost-sharing services to the Company and other owners of properties operated by the Company.

### Federal Income Tax

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We believe that we have operated, and intend to continue to operate, in such a manner as to qualify as a REIT under the Internal Revenue Code of 1986, but no assurance can be given that it will at all times so qualify. To the extent that we continue to qualify as a REIT, it will not be taxed, with certain limited exceptions, on the taxable income (including gains from the sale of securities and properties) that is distributed to our shareholders. For Federal tax purposes, distributions to shareholders are treated by the shareholders as ordinary income, capital gains, return of capital or a combination thereof. Distributions in excess of taxable income (as defined) are treated as nontaxable returns of capital.

On December 17, 1999, the Work Incentives Improvement Act of 1999 (the "Act"), which included certain provisions affecting REITs, was enacted. The REIT provisions of the Act generally are effective for taxable years beginning after December 31, 2000. The Act was intended to ease the restrictions on a REIT's ability to own the stock of taxable companies. The Act allows REITs to own up to 100% of the stock of companies that have made a joint election with the REIT to be treated as "taxable REIT subsidiaries" ("TRS"). A TRS will be subject to federal income tax on income as a regular corporation. Under prior law, a REIT generally could not own more than 10% voting securities of other issuers. Under the Act, the prior law 10% voting securities test was expanded so that REITs also are prohibited from owing more than 10% of the value of outstanding securities of any one corporate issuer, except for companies that elect to be treated as TRSs or companies that qualify for certain grandfather provisions in the Act.

An important effect of the Act is that TRSs are permitted to offer noncustomary services to the tenants of the REIT (such services could be provided under prior law only by "independent contractors" from which the REIT could not earn any income). TRSs also are able to engage in other income producing activities that typically had been undertaken by REITs only through entities in which a REIT could have a substantial economic interest, but was limited to a 10% or less voting interest. The Act includes certain limitations that prevent income shifting between a REIT and its TRS, in a effort to ensure

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that TRSs in fact are taxable on the income that they earn. In addition, under prior law, a REIT could not own securities of any single issuer with a value in excess of 5% of the value of all the assets of the REIT. The Act also relaxed this limitation, so that a REIT may own a TRS (or TRSs), so long as (1) the aggregate value of the TRSs, when combined with all other non-REIT assets, does not exceed 25% of the value of all assets of the REIT. The Company and certain affiliates have jointly made the TRS election.

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### Insurance

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We believe that our properties are adequately insured. Our facilities have historically carried comprehensive insurance, including fire, earthquake, liability and extended coverage from nationally recognized carriers.

### ITEM 1A. Risk Factors

In addition to the other information in our Form 10-K, you should consider the following factors in evaluating the Company:

#### THE HUGHES FAMILY COULD CONTROL US.

At March 14, 2002, the Hughes family owned approximately 34.1% of our outstanding shares of common stock (approximately 37.9% upon conversion of our class B common stock). Consequently, the Hughes family could control matters submitted to a vote of our shareholders, including electing directors, amending our organizational documents, dissolving and approving other extraordinary transactions, such as a takeover attempt.

#### PROVISIONS IN OUR ORGANIZATIONAL DOCUMENTS MAY PREVENT CHANGES IN CONTROL.

Restrictions in our organizational documents may further limit changes in control. Unless our board of directors waives these limitations, no shareholder may own more than (1) 2.0% of our outstanding shares of our common stock or (2) 9.9% of the outstanding shares of each class or series of our preferred or equity stock. Our organizational documents in effect provide, however, that the Hughes family may continue to own the shares of our common stock held by them at the time of a 1995 reorganization. These limitations are designed, to the extent possible, to avoid a concentration of ownership that might jeopardize our ability to qualify as a real estate investment trust or REIT. These limitations, however, also make a change of control significantly more difficult (if not impossible) even if it would be favorable to the interests of our public shareholders. These provisions will prevent future takeover attempts not approved by our board of directors even if a majority of our public shareholders deem it to be in their best interests because they would receive a premium for their shares over the shares' then market value or for other reasons.

#### WE WOULD INCUR ADVERSE TAX CONSEQUENCES IF WE FAIL TO QUALIFY AS A REIT.

You will be subject to the risk that we may not qualify as a REIT. As a REIT, we must distribute at least 90% of our REIT taxable income to our shareholders, which include not only holders of our common stock and equity stock but also holders of our preferred stock. Failure to pay full dividends on the preferred stock would prevent us from paying dividends on our common stock and could jeopardize our qualification as a REIT.

For any taxable year that we fail to qualify as a REIT and the relief



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provisions do not apply, we would be taxed at the regular corporate rates on all of our taxable income, whether or not we make any distributions to our shareholders. Those taxes would reduce the amount of cash available for distribution to our shareholders or for reinvestment. As a result, our failure to qualify as a REIT during any taxable year could have a material adverse effect upon us and our shareholders. Furthermore, unless certain relief provisions apply, we would not be eligible to elect REIT status again until the fifth taxable year that begins after the first year for which we fail to qualify.

### WE MAY PAY SOME TAXES.

Even if we qualify as a REIT for federal income tax purposes, we are required to pay some federal, state and local taxes on our income and property. Several corporate subsidiaries of Public Storage have elected to be treated as "taxable REIT subsidiaries" of Public Storage for federal income tax purposes since January 1, 2001. A taxable REIT subsidiary is a fully taxable corporation and is limited in its ability to deduct interest payments made to us. In addition, we will be subject to a 100% penalty tax on some payments that we receive if the economic arrangements among our tenants, our taxable REIT subsidiaries and us are not comparable to similar arrangements among unrelated

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parties. To the extent that Public Storage or any taxable REIT subsidiary is required to pay federal, state or local taxes, we will have less cash available for distribution to shareholders.

### WE WOULD INCUR A CORPORATE LEVEL TAX IF WE SELL CERTAIN ASSETS.

We will generally be subject to a corporate level tax on any net built-in gain if before November 2005 we sell any of the assets we acquired in a November 1995 reorganization.

### WE AND OUR SHAREHOLDERS ARE SUBJECT TO FINANCING RISKS.

Debt increases the risk of loss. In making real estate investments, we may borrow money, which increases the risk of loss. At December 31, 2001, our debt of \$168.6 million was approximately 3.6% of our total assets.

Certain securities have a liquidation preference over our common stock and Equity Stock, Series A. If we liquidated, holders of our preferred securities would be entitled to receive liquidating distributions, plus any accrued and unpaid distributions, before any distribution of assets to the holders of our common stock and Equity Stock, Series A. Holders of preferred securities are entitled to receive, when declared by our board of directors, cash distributions in preference to holders of our common stock and Equity Stock, Series A.

### SINCE OUR BUSINESS CONSISTS PRIMARILY OF ACQUIRING AND OPERATING REAL ESTATE, WE ARE SUBJECT TO REAL ESTATE OPERATING RISKS.

The value of our investments may be reduced by general risks of real estate ownership. Since we derive substantially all of our income from real estate operations, we are subject to the general risks of owning real estate-related assets, including:

- o lack of demand for rental spaces or units in a locale;
- o changes in general economic or local conditions;

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- o changes in supply of or demand for similar or competing facilities in an area;
- o the impact of environmental protection laws;
- o changes in interest rates and availability of permanent mortgage funds which may render the sale or financing of a property difficult or unattractive; and
- o changes in tax, real estate and zoning laws.

There is significant competition among self-storage facilities. Most of our properties are self-storage facilities, which generated 92% of our rental revenue during 2001. Competition in the market areas in which many of our properties are located is significant and has affected the occupancy levels, rental rates and operating expenses of some of our properties. Any increase in availability of funds for investment in real estate may accelerate competition. Further development of self-storage facilities may intensify competition among operators of self-storage facilities in the market areas in which we operate.

We may incur significant environmental costs and liabilities. As an owner and operator of real properties, under various federal, state and local environmental laws, we are required to clean up spills or other releases of hazardous or toxic substances on or from our properties. Certain environmental laws impose liability whether or not the owner knew of, or was responsible for, the presence of the hazardous or toxic substances. In some cases, liability may not be limited to the value of the property. The presence of these substances, or the failure to properly remediate any resulting contamination, also may adversely affect the owner's or operator's ability to sell, lease or operate its property or to borrow using its property as collateral.

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We have conducted preliminary environmental assessments of most of our properties (and intend to conduct these assessments in connection with property acquisitions) to evaluate the environmental condition of, and potential environmental liabilities associated with, our properties. These assessments generally consist of an investigation of environmental conditions at the property (not including soil or groundwater sampling or analysis), as well as a review of available information regarding the site and publicly available data regarding conditions at other sites in the vicinity. In connection with these property assessments, our operations and recent property acquisitions, we have become aware that prior operations or activities at some facilities or from nearby locations have or may have resulted in contamination to the soil or groundwater at these facilities. In this regard, some of our facilities are or may be the subject of federal or state environment investigations or remedial actions. We have obtained, with respect to recent acquisitions, and intend to obtain with respect to pending or future acquisitions, appropriate purchase price adjustments or indemnifications that we believe are sufficient to cover any related potential liability. Although we cannot provide any assurance, based on the preliminary environmental assessments, we believe we have funds available to cover any liability from environmental contamination or potential contamination and we are not aware of any environmental contamination of our facilities material to our overall business, financial condition or results of operation.

WE HAVE NO INTEREST IN CANADIAN SELF-STORAGE FACILITIES OWNED BY THE HUGHES FAMILY.

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The Hughes family owns and operates self-storage facilities in Canada. We have a right of first refusal to acquire the stock or assets of the corporation engaged in these operations if the Hughes family or the corporation agree to sell them. However, we have no interest in the operations of that corporation and no right to acquire that stock or assets unless the Hughes family decides to sell.

OUR PORTABLE SELF-STORAGE BUSINESS HAS INCURRED OPERATING LOSSES.

Public Storage Pickup & Delivery was organized in 1996 to operate a portable self-storage business. We own all of the economic interest of Pickup & Delivery. Since Pickup & Delivery will operate profitably only if it can succeed in the relatively new field of portable self-storage, we cannot provide any assurance as to its profitability. Pickup & Delivery incurred operating losses of \$7,396,000 in 1999, \$5,135,000 in 2000 and \$2,218,000 in 2001.

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### ITEM 2. Properties

At December 31, 2001, we had direct and indirect ownership interests in 1,384 storage facilities located in 37 states:

	At December 31, 2001	
	Number of Storage Facilities (a)	Net Rentable Square Feet (in Thousands)
California:		
Northern	139	7,790
Southern	162	10,480
Texas	163	11,005
Florida	141	8,459
Illinois	94	5,816
Georgia	62	3,626
Colorado	51	3,199
New Jersey	40	2,369
Washington	39	2,533
Maryland	38	2,146
Missouri	37	2,128
Virginia	37	2,247
New York	36	2,127
Ohio	31	1,925
Oregon	25	1,171
Tennessee	25	1,494
North Carolina	24	1,266
South Carolina	24	1,082
Kansas	22	1,316
Nevada	22	1,409
Alabama	22	895
Other states (17 states)	150	9,168
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Totals	1,384	83,651
	=====	=====

(a) Includes 1,270 facilities owned by the Company and entities controlled by the Company. The remaining 114 facilities are owned by entities in which the Company has an interest; however, the Company does not have a controlling interest in such entities. See Schedule III: Real Estate and Accumulated Depreciation in the Company's 2001 financials, for a complete

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list of properties consolidated by the Company.

Our facilities are generally operated to maximize cash flow through the regular review and, when warranted by market conditions, adjustment of scheduled rents. For the year ended December 31, 2001, the weighted average occupancy level and the weighted average annual realized rent per rentable square foot for our storage facilities were approximately 86.4% and \$11.59, respectively. Included in the 1,384 storage facilities are 93 developed facilities opened since January 1, 1998, substantially all of which were in the fill-up stage in the year ended December 31, 2001.

At December 31, 2001, 24 of our facilities were encumbered by an aggregate of \$23.8 million in mortgage debt.

The Company has no specific policy as to the maximum size of any one particular self-storage facility. However, none of our facilities involves, or is expected to involve, 1% or more of the Company's total assets, gross revenues or net income.

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**DESCRIPTION OF STORAGE FACILITIES:** Storage facilities, which comprise the majority of our investments (approximately 92% based on rental revenue), are designed to offer accessible storage space for personal and business use at a relatively low cost. A user rents a fully enclosed space which is for the user's exclusive use and to which only the user has access on an unrestricted basis during business hours. On-site operation is the responsibility of resident managers who are supervised by district managers. Some storage facilities also include rentable uncovered parking areas for vehicle storage, as well as space for portable storage containers. Leases for storage facilities space may be on a long-term or short-term basis, although typically spaces are rented on a month-to-month basis. Rental rates vary according to the location of the property and the size of the storage space. All of our storage facilities are operated under the "Public Storage" name.

Users of space in storage facilities include both individuals and large and small businesses. Individuals usually employ this space for storage of furniture, household appliances, personal belongings, motor vehicles, boats, campers, motorcycles and other household goods. Businesses normally employ this space for storage of excess inventory, business records, seasonal goods, equipment and fixtures.

Storage facilities in which we have invested generally consist of three to seven buildings containing an aggregate of between 350 to 750 storage spaces, most of which have between 25 and 400 square feet and an interior height of approximately 8 to 12 feet.

We experience minor seasonal fluctuations in the occupancy levels of storage facilities with occupancies generally higher in the summer months than in the winter months. We believe that these fluctuations result in part from increased moving activity during the summer.

Our storage facilities are geographically diversified and are located primarily in or near major metropolitan markets in 37 states in the United States. Generally our storage facilities are located in heavily populated areas and close to concentrations of apartment complexes, single family residences and commercial developments. However, there may be circumstances in which it may be appropriate to own a property in a less populated area, for example, in an area that is highly visible from a major thoroughfare and close to, although not in, a heavily populated area. Moreover, in certain population centers, land costs

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and zoning restrictions may create a demand for space in nearby less populated areas.

Competition from other self-storage facilities in the market areas in which many of our properties are located is significant and has affected the occupancy levels, rental rates, and operating expenses of some of our properties.

Since our investments are primarily storage facilities, our ability to preserve our investments and achieve our objectives is dependent in large part upon success in this field. Historically, upon stabilization after an initial fill-up period, our storage facility interests have generally shown a high degree of consistency in generating cash flows, despite changing economic conditions. We believe that our storage facilities, upon stabilization, have attractive characteristics consisting of high profit margins, a broad tenant base and low levels of capital expenditures to maintain their condition and appearance.

COMMERCIAL PROPERTIES: In addition to our interest in 1,384 storage facilities, we have an interest in PSB, which, as of December 31, 2001, owns and operates 14.8 million net rentable square feet in nine states. At December 31, 2001, our investment in PS Business Parks represents less than 6% of our total assets. We also own, either directly or through entities we control, an interest in five commercial properties with 385,000 net rentable square feet. Most of our non-storage facilities investments are interests in business parks and low-rise office buildings, primarily through our investment in PSB. A commercial property may include both industrial and office space. Industrial space may be used for, among other things, light manufacturing and assembly, storage and warehousing, distribution and research and development activities. We believe that most of the office space is occupied by tenants who are also renting industrial space. The remaining office space is used for general office purposes. A commercial property may also include facilities for commercial uses such as banks, travel agencies, restaurants, office supply shops, professionals or other tenants providing services to the public. The amount of retail space in a commercial property is not expected to be significant.

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ENVIRONMENTAL MATTERS: Our practice is to conduct environmental investigations in connection with property acquisitions. As a result of environmental investigations of our properties, which commenced in 1995, we recorded an amount, which in management's best estimate, will be sufficient to satisfy anticipated costs of known investigation and remediation requirements. Although there can be no assurance, we are not aware of any environmental contamination of any of our facilities which individually or in the aggregate would be material to the Company's overall business, financial condition, or results of operations.

### ITEM 3. Legal Proceedings

Salaam, et. al. V. Public Storage, Inc. (filed February 2000)

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The plaintiffs in this case are suing the Company on behalf of a purported class of California resident property managers who claim that they were not compensated for all the hours they worked. The named plaintiffs have indicated that their claims total less than \$20,000 in aggregate. This maximum potential liability can only be increased if a class is certified or if claims are permitted to be brought on behalf of the others under the California Unfair Business Practices Act.

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The Company is continuing to vigorously contest the claims in this case and intends to resist any expansion beyond the named plaintiffs on the grounds of lack of commonality of claims. The Company does not believe that this case will have any material adverse effect.

The Company is a party to various claims, complaints and other legal actions that have arisen in the normal course of business from time to time. The Company believes that that outcome of these other pending legal proceedings, in the aggregate, will not have a material adverse effect upon the operations or financial position of the Company.

### ITEM 4. Submission of Matters to a Vote of Security Holders

The Company did not submit any matter to a vote of security holders in the fourth quarter of the fiscal year ended December 31, 2001.

### ITEM 4A. Executive Officers of the Company

The following is a biographical summary of the executive officers of the Company:

B. Wayne Hughes, age 68, has been a director of the Company since its organization in 1980 and was President and Co-Chief Executive Officer from 1980 until November 1991 when he became Chairman of the Board and sole Chief Executive Officer. Mr. Hughes was Chairman of the Board and Chief Executive Officer from 1990 until March 1998 of Public Storage Properties XI, Inc., which was renamed PS Business Parks, Inc. ("PSB"), an affiliated REIT. From 1989-90 until the respective dates of merger, he was Chairman of the Board and Chief Executive Officer of 18 affiliated REITs that were merged into the Company between September 1994 and May 1998 (collectively, the "Merged Public Storage REITs"). Mr. Hughes has been active in the real estate investment field for over 30 years. He is the father of B. Wayne Hughes, Jr., a director of the Company.

Harvey Lenkin, age 65, became President and a director of the Company in November 1991. Mr. Lenkin has been employed by the Company for 24 years. He has been a director of PSB since March 1998 and was President of PSB from 1990 until March 1998. Mr. Lenkin was President of the Merged Public Storage REITs from 1989-90 until the respective dates of merger and was also a director of one of those REITs, Storage Properties, Inc. ("SPI"), from 1989 until June 1996. He is a member of the Board of Governors of the National Association of Real Estate Investment Trusts, Inc. (NAREIT).

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Marvin M. Lotz, age 59, became a director of the Company in May 1999. Mr. Lotz has been a Senior Vice President of the Company since November 1995 and President of the Property Management Division since 1988 with overall responsibility for Public Storage's mini-warehouse operations. He had overall responsibility for the Company's property acquisitions from 1983 until 1988.

B. Waynes Hughes Jr., age 42, became a director of PSI in January 1998. He has been employed by the Company since 1989 and has been a Vice President - Acquisitions of PSI since 1992. Mr. Hughes, Jr. is involved in the coordination and direction of PSI's acquisition and development activities and is also the President of a firm that manufactures and distributes sweets. He is the son of B. Wayne Hughes.

John Reyes, age 41, a certified public accountant, joined the Company in 1990 and was Controller of the Company from 1992 until December 1996 when he

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became Chief Financial Officer. He became a Vice President of the Company in November 1995 and a Senior Vice President of the Company in December 1996. From 1983 to 1990, Mr. Reyes was employed by Ernst & Young.

Carl B. Phelps, age 63, became a Senior Vice President of PSI in January 1998 with overall responsibility for property acquisition and development until April 2001 when he became General Counsel. From June 1991 until joining PSI, he was a partner in the law firm of Andrews & Kurth, L.L.P., which performed legal services for PSI. From December 1982 through May 1991, his professional corporation was a partner in the law firm of Sachs & Phelps, then counsel to PSI.

Bahman Abtahi, age 58, joined the Company in July 1996 and was Senior Vice-President - Construction and Development of the Real Estate Division and a Vice President of the Company until May 2000 when he became a Senior Vice President of the Company. Mr. Abtahi had responsibility for all of Public Storage's construction and maintenance activities until April 2001 when he was made responsible for special projects. Prior to joining the Company, he was a management consultant.

W. David Ristig, age 53, rejoined the Company in August 1995 and was a Vice President of the Company until May 2000 when he became a Senior Vice President of the Company. Mr. Ristig is responsible for the Company's land acquisition and construction program. He was previously employed by the Company from 1980 until 1984 and from 1986 until 1990 and was involved in property acquisition and development. From 1990 until August 1995, Mr. Ristig held positions as a loan officer with three companies in the mortgage banking industry.

Anthony Grillo, age 46, became a Senior Vice President of the Company in November 2001. Mr. Grillo has been employed by the Company or a predecessor since 1981, and is currently Executive Vice President of the Property Management Division. Previously, Mr. Grillo held various other management positions in the Company's property management operations.

A. Timothy Scott, age 50, became Senior Vice President and Tax Counsel of the Company in November 1996. From June 1991 until joining the Company, he practiced tax law as a shareholder of the law firm of Heller, Ehrman, White and McAuliffe, counsel to the Company. Prior to June 1991, his professional corporation was a partner in the law firm of Sachs & Phelps, then counsel to the Company.

David P. Singelyn, age 40, a certified public accountant, has been employed by the Company since 1989 and became Vice President and Treasurer of the Company in November 1995. Mr. Singelyn was Vice President and Controller of SPI from 1991 until June 1996. From 1987 to 1989, he was Controller of Winchell's Donut Houses, L.P.

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## PART II

ITEM 5. Market for the Registrant's Common Equity and Related Stockholder Matters

a. Market Price of the Registrant's Common Equity:

The Common Stock (NYSE:PSA) has been listed on the New York Stock Exchange since October 19, 1984 and on the Pacific Exchange since December 26, 1996. The Depositary Shares Each Representing 1/1,000 of a

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Share of Equity Stock, Series A (NYSE:PSAA) (see section d. below) have been listed on the New York Stock Exchange since February 14, 2000.

The following table sets forth the high and low sales prices of the Common Stock on the New York Stock Exchange composite tapes for the applicable periods.

Year	Quarter	Range	
		High	Low
2000	1st	\$ 24.813	\$ 20.875
	2nd	24.875	21.250
	3rd	26.938	23.188
	4th	24.875	21.125
2001	1st	26.750	24.125
	2nd	30.200	26.060
	3rd	34.850	29.150
	4th	35.150	32.480

The following table sets forth the high and low sales prices of the Depositary Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A on the New York Stock Exchange composite tapes for the applicable periods.

Year	Quarter	Range	
		High	Low
2000	1st (a)	\$ 20.125	\$ 18.938
	2nd	22.750	19.250
	3rd	24.625	20.375
	4th	24.000	22.063
2001	1st	25.250	22.563
	2nd	25.050	23.250
	3rd	26.550	24.360
	4th	27.480	25.900

(a) Commencing February 14, 2000.

As of March 8, 2002, there were approximately 20,022 holders of record of the Common Stock and approximately 15,147 holders of the Depositary Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A.

b. Class B Common Stock

The Class B Common Stock issued in connection with the PSMI Merger (as defined under Item 7 below) has the following characteristics:

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- o The Class B Common Stock (i) beginning on January 1, 2000, participates in distributions (other than liquidating distributions) at the rate of 97% of the per share distributions on the Common Stock, provided that cumulative distributions of at least \$.22 per quarter (beginning with the 4th quarter of 1995) per share have been paid on the Common



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Stock, (ii) does not participate in liquidating distributions, (iii) is not entitled to vote (except as expressly required by California law) and (iv) automatically converts into Common Stock, on a share for share basis, upon the later to occur of FFO per Common Share aggregating \$3.00 during any period of four consecutive calendar quarters or January 1, 2003.

For these purposes:

1. "FFO" means net income (loss) (computed in accordance with GAAP) before (i) gain (loss) on early extinguishment of debt, (ii) minority interest in income and (iii) gain (loss) on disposition of real estate, adjusted as follows: (A) plus depreciation and amortization (including the Company's pro-rata share of depreciation and amortization of unconsolidated equity interests and amortization of assets acquired in a merger, including property management agreements and goodwill), and (B) less FFO attributable to minority interest. FFO is a supplemental performance measure for equity REITs as defined by the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"). The NAREIT definition does not specifically address the treatment of minority interest in the determination of FFO or the treatment of the amortization of property management agreements and goodwill. In the case of the Company, FFO represents amounts attributable to its shareholders after deducting amounts attributable to the minority interests and before deductions for the amortization of property management agreements and goodwill. FFO is presented because management, as well as many industry analysts, consider FFO to be one measure of the performance of the Company and it is used in establishing the terms of the Class B Common Stock. FFO does not take into consideration scheduled principal payments on debt, capital improvements, distributions and other obligations of the Company. Accordingly, FFO is not a substitute for the Company's cash flow or net income as a measure of the Company's liquidity or operating performance or ability to pay distributions. FFO is not comparable to similarly entitled items reported by other REITs that do not define it exactly as the Company defines it.
2. "FFO per Common Share" means FFO less dividends on the preferred stock and the Equity Stock, Series A divided by the outstanding weighted average shares of Common Stock assuming conversion of all outstanding convertible securities and the Class B Common Stock.

For these purposes, FFO per share of Common Stock (as defined) was \$2.93 for the year ended December 31, 2001.

### c. Dividends

We have paid quarterly distributions to our shareholders since 1981, our first full year of operations. Overall distributions on Common Stock and Class B Common Stock for 2001 amounted to \$193.1 million and \$11.5 million, respectively, which includes a special distribution declared on August 9, 2001 to common shareholders of record as of September 15, 2001. The special distribution was paid in cash.

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Holders of Common Stock are entitled to receive distributions when and if declared by the Company's Board of Directors out of any funds legally available for that purpose. We are required to distribute at least 90% of our net taxable ordinary income prior to the filing of the Company's tax return and 85%, subject to certain adjustments, during the calendar year, to maintain our REIT status for federal income tax purposes. It is our intention to pay distributions of not less than this required amount.

For Federal tax purposes, distributions to shareholders are treated as ordinary income, capital gains, return of capital or a combination thereof. For 2001, the dividends paid to the common shareholders (\$1.69 per share), on all the various classes of preferred stock, and on Equity Stock, Series A were characterized as ordinary income and long-term capital gain. The quarterly breakdown is as follows:

### TREATMENT OF DIVIDENDS PAID FOR 2001

	1st Quarter -----	2nd Quarter -----	3rd Quarter -----	4th Quarter -----
Ordinary Income	96.60%	99.67%	100.00%	100.00%
Long-term Capital Gain	3.40%	0.33%	0.00%	0.00%
	-----	-----	-----	-----
Total	100.00%	100.00%	100.00%	100.00%
	=====	=====	=====	=====

For 2000, the dividends paid to the common shareholders (\$1.48 per share), on all the various classes of preferred stock and on Equity Stock, Series A were characterized as ordinary income and long-term capital gain. The quarterly breakdown is as follows:

### TREATMENT OF DIVIDENDS PAID FOR 2000

	1st Quarter -----	2nd Quarter -----	3rd Quarter -----	4th Quarter -----
Ordinary Income	96.10%	95.79%	99.04%	99.96%
Long-term Capital Gain	3.90%	4.21%	0.96%	0.04%
	-----	-----	-----	-----
Total	100.00%	100.00%	100.00%	100.00%
	=====	=====	=====	=====

In 1999, distributions to common shareholders were \$1.53 for common shareholders who elected stock in a special dividend declared in 2000 and \$1.50 for common shareholders who elected cash in the special dividend, and were all ordinary income.

#### d. Equity Stock

The Company is authorized to issue 200,000,000 shares of Equity Stock. The Articles of Incorporation provide that the Equity Stock may be issued from time to time in one or more series and gives the Board of Directors broad authority to fix the dividend and distribution rights, conversion and voting rights, redemption provisions and liquidation rights of each series of Equity Stock.

In April 2001, the Company completed a public offering of 2,210,500 depositary shares each representing 1/1,000 of a share of Equity Stock, Series A, ("Equity Stock A") raising net proceeds of approximately \$51,836,000. In May 2001, the Company completed a direct placement of 830,000 depositary shares, raising net proceeds of

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approximately \$20,294,000. In November 2001, the Company completed a direct placement of 100,000 depositary shares, raising net proceeds of approximately \$2,690,000. In January 2000, we issued 4,300,555 depositary shares (2,200,555 shares as part of a special distribution declared on November 15, 1999 and 2,100,000 shares in a separate public offering). In addition, in the second quarter of 2000, we issued 52,547 depositary shares to a related party in connection with the acquisition of real estate facilities. In December 2000, we issued 1,282,500 depositary shares in a public offering. All of the issuances of the depositary shares described in this paragraph were registered under the Securities Act at the time of issuance.

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At December 31, 2001, we had 8,776,102 depositary shares outstanding, each representing 1/1,000 of a share of Equity Stock A. The Equity Stock A ranks on a parity with common stock and junior to the Senior Preferred Stock with respect to distributions and liquidation and has a liquidation amount which cannot exceed \$24.50 per share. Distributions with respect to each depositary share shall be the lesser of: a) five times the per share dividend on the Common Stock or b) \$2.45 per annum. Except in order to preserve the Company's federal income tax status as a REIT, we may not redeem the depositary shares before March 31, 2010. On or after March 31, 2010, we may, at our option, redeem the depositary shares at \$24.50 per depositary share. If the Company fails to preserve its federal income tax status as a REIT, each depositary shares will be convertible into .956 shares of our common stock. The depositary shares are otherwise not convertible into common stock. Holders of depositary shares vote as a single class with our holders of common stock on shareholder matters, but the depositary shares have the equivalent of one-tenth of a vote per depositary share. We have no obligation to pay distributions on the depositary shares if no distributions are paid to common shareholders.

In June 1997, we contributed \$22,500,000 (225,000 shares) of equity stock, now designated as Equity Stock, Series AA ("Equity Stock AA") to a partnership in which we are the general partner. As a result of this contribution, we obtained a controlling interest in the partnership and began to consolidate the accounts of the partnership and therefore the equity stock is eliminated in consolidation. The Equity Stock AA ranks on a parity with Common Stock and junior to the Senior Preferred Stock with respect to general preference rights and has a liquidation amount of ten times the amount paid to each Common Share up to a maximum of \$100 per share. Quarterly distributions per share on the Equity Stock AA are equal to the lesser of (i) 10 times the amount paid per Common Stock or (ii) \$2.20. We have no obligation to pay distributions if no distributions are paid to common shareholders.

In November 1999, we sold \$100,000,000 (4,289,544 shares) of Equity Stock, Series AAA ("Equity Stock AAA") to a newly formed joint venture. We control the joint venture and consolidate the accounts of the joint venture, and accordingly the Equity Stock AAA is eliminated in consolidation. The Equity Stock AAA ranks on a parity with common stock and junior to the Senior Preferred Stock (as defined below) with respect to general preference rights, and has a liquidation amount equal to 120% of the amount distributed to each common share. Annual distributions per share are equal to the lesser of (i) five times the amount paid per common share or (ii) \$2.1564. We have no obligation to pay distributions if no distributions are paid to common shareholders.

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### e. Registrant's Preferred Equity

On October 26, 1992, we completed a public offering of 1,825,000 shares (\$25 stated value per share) of 10% Cumulative Preferred Stock, Series A ("Series A Preferred Stock"). The Series A Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, we paid dividends totaling \$4,563,000 (\$2.50 per preferred share).

On March 25, 1993, we completed a public offering of 2,386,000 shares (\$25 stated value per share) of 9.20% Cumulative Preferred Stock, Series B ("Series B Preferred Stock"). The Series B Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, we paid dividends totaling \$5,488,000 (\$2.300 per preferred share).

On June 30, 1994, we completed a public offering of 1,200,000 shares (\$25 stated value per share) of Adjustable Rate Cumulative Preferred Stock, Series C ("Series C Preferred Stock"). The Series C Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, we paid dividends totaling \$2,024,000 (\$1.688 per preferred share).

On September 1, 1994, we completed a public offering of 1,200,000 shares (\$25 stated value per share) of 9.50% Cumulative Preferred Stock, Series D ("Series D Preferred Stock"). The Series D Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, we paid dividends totaling \$2,850,000 (\$2.375 per preferred share).

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On February 1, 1995, we completed a public offering of 2,195,000 shares (\$25 stated value per share) of 10% Cumulative Preferred Stock, Series E ("Series E Preferred Stock"). The Series E Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, we paid dividends totaling \$5,488,000 (\$2.50 per preferred share).

On May 3, 1995, we completed a public offering of 2,300,000 shares (\$25 stated value per share) of 9.75% Cumulative Preferred Stock, Series F ("Series F Preferred Stock"). The Series F Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, we paid dividends totaling \$5,606,000 (\$2.437 per preferred share).

On December 13, 1995, we completed a public offering of 6,900,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8-7/8% Cumulative Preferred Stock, Series G ("Series G Preferred Stock"). The Series G Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, we paid dividends totaling \$11,482,000 (\$1.664 per preferred depositary share). This series was redeemed during 2001.

On January 25, 1996, we completed a public offering of 6,750,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8.45% Cumulative Preferred Stock, Series H ("Series H Preferred Stock"). The Series H Preferred

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Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, we paid dividends totaling \$10,853,000 (\$1.608 per preferred share). This series was redeemed during 2001.

On November 1, 1996, we completed a public offering of 4,000,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8-5/8% Cumulative Preferred Stock, Series I ("Series I Preferred Stock"). The Series I Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, we paid dividends totaling \$7,475,000 (\$1.869 per preferred share). This series was redeemed during 2001.

On August 25, 1997, we completed a public offering of 6,000,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8% Cumulative Preferred Stock, Series J ("Series J Preferred Stock"). The Series J Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, we paid dividends totaling \$12,000,000 (\$2.00 per preferred share).

On January 19, 1999, we completed a public offering of 4,600,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8-1/4% Cumulative Preferred Stock, Series K ("Series K Preferred Stock"). The Series K Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, we paid dividends totaling \$9,488,000 (\$2.063 per preferred share).

On March 10, 1999, we completed a public offering of 4,600,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8-1/4% Cumulative Preferred Stock, Series L ("Series L Preferred Stock"). The Series L Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, we paid dividends totaling \$9,488,000 (\$2.063 per preferred share).

On August 17, 1999, we completed a public offering of 2,250,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8.75% Cumulative Preferred Stock, Series M ("Series M Preferred Stock"). The Series M Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, we paid dividends totaling \$4,922,000 (\$2.188 per preferred share).

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On January 19, 2001, we completed a public offering of 6,900,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8.600% Cumulative Preferred Stock, Series Q ("Series Q Preferred Stock"). The Series Q Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, we paid dividends totaling \$14,134,000 (\$2.048 per preferred share).

On September 28, 2001, we completed a public offering of 20,400,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8.00% Cumulative Preferred Stock, Series R ("Series R Preferred Stock"). The Series R Preferred

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Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, we paid dividends totaling \$10,200,000 (\$0.500 per preferred share).

On October 31, 2001, we completed a public offering of 5,750,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 7.875% Cumulative Preferred Stock, Series S ("Series S Preferred Stock"). The Series S Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, we paid dividends totaling \$1,918,000 (\$0.334 per preferred share).

On January 18, 2002, we completed a public offering of 6,000,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 7.625% Cumulative Preferred Stock, Series T ("Series T Preferred Stock"). The Series T Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, no dividends were paid.

On February 19, 2002, we completed a public offering of 6,000,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 7.625% Cumulative Preferred Stock, Series U ("Series U Preferred Stock"). The Series U Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2001, no dividends were paid.

The Series A through Series U Preferred Stock are collectively referred to as the "Senior Preferred Stock".

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### ITEM 6. Selected Financial Data

	For the year ended Dec		
	2001 (1)	2000 (1)	1999 (1)
	(In thousands, except per		
<b>Revenues:</b>			
Rental income	\$781,878	\$702,365	\$627,851
Equity in earnings of real estate entities	38,542	36,109	32,183
Interest and other income	14,225	18,836	16,700
	834,645	757,310	676,734
<b>Expenses:</b>			
Cost of operations	276,187	252,086	216,816
Depreciation and amortization	168,061	148,967	137,719
General and administrative	21,038	21,306	12,491
Interest expense	3,227	3,293	7,971
	468,513	425,652	374,997
Income before minority interest and disposition gain	366,132	331,658	301,737

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Minority interest in income (preferred)	(31,737)	(24,859)	-
Minority interest in income (common)	(14,278)	(13,497)	(16,006)
	-----	-----	-----
Net income before gain on disposition of real estate	320,117	293,302	285,731
Gain on disposition of real estate investments	4,091	3,786	2,154
	-----	-----	-----
Net income	\$324,208	\$297,088	\$287,885
	=====	=====	=====

Per Common Share:

Distributions	\$1.69	\$1.48	\$1.52
Net income - Basic	\$1.53	\$1.41	\$1.53
Net income - Diluted	\$1.51	\$1.41	\$1.52
Weighted average common shares - Basic	122,310	131,566	126,308
Weighted average common shares - Diluted	123,577	131,657	126,669

Balance Sheet Data:

Total assets	\$4,625,879	\$4,513,941	\$4,214,385
Total debt	\$168,552	\$156,003	\$167,338
Minority interest (common equity)	\$169,601	\$167,918	\$186,600
Minority interest (preferred OP Units)	\$285,000	\$365,000	-
Shareholders' equity	\$3,909,583	\$3,724,117	\$3,689,100

Other Data:

Net cash provided by operating activities	\$538,534	\$522,565	\$463,292
Net cash used in investing activities	\$(306,058)	\$(462,254)	\$(452,209)
Net cash provided by (used in) financing activities	\$(272,596)	\$(25,969)	\$(7,183)
Funds from operations (2)	\$499,576	\$452,155	\$428,962

- (1) During 2001, 2000, 1999, 1998 and 1997, we completed several significant business combinations and equity transactions. See Notes 3 and 9 to the Company's consolidated financial statements.
- (2) Funds from operations ("FFO"), means net income (loss) (computed in accordance with GAAP) before (i) gain (loss) on early extinguishment of debt, (ii) minority interest in income and (iii) gain (loss) on disposition of real estate, adjusted as follows: (i) plus depreciation and amortization (including the Company's pro-rata share of depreciation and amortization of unconsolidated equity interests and amortization of assets acquired in a merger, including property management agreements and excess purchase cost over net assets acquired), and (ii) less FFO attributable to minority interest. FFO is a supplemental performance measure for equity REITs as defined by the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"). The NAREIT definition does not specifically address the treatment of minority interest in the determination of FFO or the treatment of the amortization of property management agreements and excess purchase cost over net assets acquired. In the case of the Company, FFO represents amounts attributable to its shareholders after deducting amounts attributable to the minority interests and before deductions for the amortization of property management agreements and excess purchase cost over net assets acquired. FFO is presented because management, as well as many analysts, consider FFO to be one measure of the performance of the

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Company and it is used in certain aspects of the terms of the Class B Common Stock. FFO does not take into consideration scheduled principal payments on debt, capital improvements, distributions and other obligations of the Company. Accordingly, FFO is not a substitute for the Company's cash flow or net income as a measure of the Company's liquidity or operating performance or ability to pay distributions. FFO is not comparable to similarly entitled items reported by other REITs that do not define it exactly as the Company defines it.

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### ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the Company's consolidated financial statements and notes thereto.

**FORWARD LOOKING STATEMENTS:** When used within this document, the words "expects," "believes," "anticipates," "should," "estimates," and similar expressions are intended to identify "forward-looking statements" within the meaning of that term in Section 27A of the Securities Exchange Act of 1933, as amended, and in Section 21F of the Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results and performance of the Company to be materially different from those expressed or implied in the forward looking statements. Such factors described in Item 1A, "Risk Factors", include the impact of competition from new and existing storage and commercial facilities which could impact rents and occupancy levels at the Company's facilities; the Company's ability to evaluate, finance, and integrate acquired and developed properties into the Company's existing operations; the Company's ability to effectively compete in the markets in which it does business; the impact of the regulatory environment as well as national, state, and local laws and regulations including, without limitation, those governing real estate investment trusts; the acceptance by consumers of the containerized storage concept; the impact of general economic conditions upon rental rates and occupancy levels at the Company's facilities; and the availability of permanent capital at attractive rates.

**CRITICAL ACCOUNTING POLICY - IMPAIRMENT OF LONG LIVED ASSETS:** Substantially all of the Company's assets consist of long-lived assets, including real estate, the assets associated with the containerized storage business, goodwill, and other intangible assets. We annually evaluate our long-lived assets for impairment. This evaluation includes identifying indicators of impairment. When indicators of impairment are present and the undiscounted future cash flows of the assets are less than the carrying amount, an impairment charge is recorded. The Company has determined at December 31, 2001 that no such impairments existed and, accordingly, no impairment charges have been recorded.

The Financial Accounting Standards Board ("FASB") has recently issued Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"), and Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment and Disposal of Long-Lived Assets" ("SFAS 144"). Each of these Statements addresses the procedures to be followed in evaluating and recording impairment losses with respect to long-lived assets. The Company will adopt each of these Statements in the beginning of its fiscal year ended December 31, 2002, and expects that there will be no material impact from these statements with respect to impairment losses.

However, future events could cause us to conclude that our long-lived



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assets are impaired. Any resulting impairment loss could have a material adverse impact on our financial condition and results of operations.

**OVERVIEW:** The self-storage industry is highly fragmented and is composed predominantly of numerous local and regional operators. Competition in the markets in which we operate is significant and is increasing from additional development of storage facilities in many markets which may negatively impact occupancy levels and rental rates at the storage facilities. However, we believe that we possess several distinguishing characteristics which enable us to compete effectively with other owners and operators.

We are the largest owner and operator of self-storage facilities in the United States with ownership interests as of December 31, 2001 in 1,384 storage facilities containing approximately 83.7 million net rentable square feet. All of our facilities are operated under the "Public Storage" brand name, which we believe is the most recognized and established name in the storage industry. Located in the major metropolitan markets of 37 states, our storage facilities are geographically diverse, giving us national recognition and prominence. This concentration establishes us as one of the dominant providers of storage space in most markets in which we operate and enables us to use a variety of promotional activities, such as television advertising as well as targeted discounting and referrals, which are generally not economically viable to most of our competitors. In addition, we believe that the geographic diversity of the portfolio reduces the impact from regional economic downturns and provides a greater degree of revenue stability.

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We will continue to focus our growth strategies on: (i) improving the operating performance of our existing traditional self-storage properties, (ii) increasing our ownership of storage facilities through additional investments, (iii) improving the operating performance of the containerized storage business and (iv) participating in the growth of PS Business Parks, Inc. Major elements of these strategies are as follows:

- o We will continue to focus upon enhancing the operating performance of our existing traditional self-storage properties, primarily through increases in revenues achieved through the telephone reservation center and associated marketing efforts. These increases in revenue levels for 2002 are expected to result primarily from improvements in occupancy levels rather than significant increases in realized rent per occupied square foot. During 2001, the Consistent Group of facilities (defined below) exhibited growth in rental income and net operating income of 7.2% and 9.5%, respectively, over the prior year. We do not expect to maintain this high level of growth in 2002.
- o We expect to continue our development program. Over the past three years, the Company and related development joint ventures opened a total of 74 storage facilities at a cost of approximately \$439.6 million, containing approximately 4,813,000 net rentable square feet. The Company has a total of 46 projects identified for openings after December 31, 2001 at an estimated total cost of \$298.4 million. These 46 projects (which include two facilities being developed by our second development joint venture) are comprised of 25 storage facilities for which we have acquired the land at December 31, 2001 (total estimated costs upon completion of \$171.4 million), 14 storage facilities identified for which we have not acquired the land (estimated costs upon completion of approximately \$98.0 million) and seven expansions of existing

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self-storage facilities (total estimated costs upon completion of \$29.0 million). In addition, we have 12 parcels of land held for development totaling \$30.0 million for which currently we have no specific development plans. Generally, the construction period takes nine to 12 months, followed by an estimated 24 month fill-up process. Throughout the fill-up period, we experience earnings dilution to the extent of our interest in the developed properties.

- o We will acquire facilities from third parties. During 2000, we acquired 12 self-storage facilities from third parties. During 2001, we acquired one storage facility from a third party. We believe that our national telephone reservation system and marketing organization present an opportunity for increased revenues through higher occupancies of the properties acquired from third parties, as well as cost efficiencies through greater critical mass. With the exception of the acquisition of Storage Trust in 1999, we have not acquired a significant number of facilities from third parties.
- o We will acquire equity interests in entities owning storage facilities that we manage and already have an equity interest in, as they become available from time to time. The pool of such available acquisitions has continued to decrease as we have acquired such remaining interests over the last several years. Such potential remaining acquisition opportunities at December 31, 2001 include the remaining equity interests that we do not own in the entities described as "Other Equity Investments" as described in Note 5 to the Company's financial statements, as well as the "Other Partnership Interests" as described in Note 8 to the Company's financial statements for the year ended December 31, 2001.
- o We will continue to focus on improving the operations of the containerized storage operations. At December 31, 2001, 37 of the 55 facilities operated by PSPUD are operated in owned facilities, substantially all of which are facilities that combine containerized storage and traditional self-storage. These owned facilities have replaced facilities which were previously leased from third parties reducing third party lease expense. We believe that these facilities may offer efficiencies and a more effective method to meet customers' needs than a stand-alone containerized storage facility. The Company and PSPUD at December 31, 2001 are developing three additional facilities which will replace three of the 18 existing leased facilities. The Company currently has no plans to replace the 15 leased facilities that will remain after completion of the three remaining planned combination facilities.

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- o Through our investment in PS Business Parks, Inc., we will continue to participate in the growth of this company's investment in approximately 14.8 million net rentable square feet of commercial space at December 31, 2001.

### Results of Operations

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NET INCOME AND EARNINGS PER COMMON SHARE: Net income for 2001, 2000 and 1999 was \$324,208,000, \$297,088,000 and \$287,885,000, respectively. The increase

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in net income was primarily the result of improved property operations, reduced operating losses from the containerized storage business, and the acquisition of additional real estate investments during 1999, 2000 and 2001. The impact of these items was offset partially by an increased allocation of income to minority interests (as a result of the issuance of preferred operating partnership units, referred to below) combined with an increase in depreciation and general and administration expense during 2000 and 2001 when compared to 1999.

During 2000, our capital raising activities included the issuance of approximately \$365 million in preferred operating partnership units in one of our controlled partnerships (\$80 million of which was repurchased in 2001). Unlike distributions to preferred shareholders, distributions to preferred unitholders are presented as minority interest in income and a reduction in computing the Company's net income. Primarily as a result of these preferred distributions, minority interest in income increased to \$46,015,000 and \$38,356,000 for 2001 and 2000, respectively, as compared to \$16,006,000 for 1999.

Net income allocable to common shareholders for 2001, 2000 and 1999 was \$186,774,000, \$185,908,000 and \$193,092,000, respectively. On a diluted basis, net income was \$1.51 per common share (based on diluted weighted average common equivalent shares outstanding of 123,577,000) for 2001, \$1.41 per common share (based on diluted weighted average common equivalent shares outstanding of 131,657,000) for 2000 and \$1.52 per common share (based on diluted weighted average common equivalent shares outstanding of 126,669,000) for 1999. The increase in net income per common share in 2001 as compared to 2000 is primarily due to a reduction in our weighted average shares outstanding due to our share repurchase activities. The decrease in net income per common share in 2000 as compared to 1999 reflects the inclusion of 6,790,000 common equivalent shares related to the Company's Class B common shares in 2000, but not in 1999, as described more fully below.

In computing net income allocable to common shareholders for each period, aggregate dividends paid to the holders of the Equity Stock, Series A and preferred equity securities have been deducted in determining net income allocable to the common shareholders. Distributions paid to the holders of the Equity Stock, Series A totaled \$19,455,000 in 2001, \$11,042,000 in 2000 and none in 1999. Distributions paid to preferred shareholders totaled \$117,979,000 in 2001, \$100,138,000 in 2000 and \$94,793,000 in 1999.

Commencing January 1, 2000, the Company's 7,000,000 Class B common shares outstanding began to participate in distributions of the Company's earnings. Distributions per share of Class B common stock are equal to 97% of the per share distribution paid to the Company's regular common shares. As a result of this participation in distributions of earnings, for purposes of computing net income per common share, the Company began to include 6,790,000 (7,000,000 x 97%) Class B common shares in the weighted average common equivalent shares effective January 1, 2000. Weighted average diluted shares for the year ended December 31, 1999 does not include any shares with respect to the Class B common stock as these shares did not participate in distributions of the Company's earnings prior to January 1, 2000.

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### Real Estate Operations

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SELF - STORAGE OPERATIONS: Our self-storage operations are by far the largest component of our operations, representing approximately 92% of rental

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revenues generated during 2001. At the end of 1998, we had a total of 951 self-storage facilities included in our consolidated financial statements. Since that time we have increased the number of self-storage facilities by 319 (1999 - 255 facilities, 2000 - 41 facilities and 2001 - 23 facilities). As a result of significant acquisitions and development of self-storage facilities over the past three years, year over year comparisons as presented on the consolidated statements of income with respect to our self-storage operations are not meaningful.

To enhance year over year comparisons, the following table summarizes, and the ensuing discussion describes, the operating results of (i) 909 self-storage facilities that are reflected in the financial statements for the entire three years ended December 31, 2001 (the "Consistent Group"), (ii) 53 development facilities that were opened during the three years ended December 31, 2001 (the "Developed Facilities"), (iii) 267 facilities that were acquired in the three years ended December 31, 2001 and continued to be owned at December 31, 2001 (the "Acquired Facilities"), (iv) 41 facilities that were owned throughout the three years ended December 31, 2001 but were not stabilized, (the "Expansion Facilities") and (v) 18 facilities that were disposed of during the three years ended December 31, 2001 (the "Disposed Facilities"):

### Self - storage operations summary:

	Year Ended December 31,			
	2001	2000	Percentage Change	
(Dollar amounts in th				
<b>Rental income (a):</b>				
Consistent Group (b).....	\$557,576	\$520,177	7.2%	\$52
Acquired Facilities (c).....	125,145	105,076	19.1%	10
Expansion Facilities (d).....	22,872	21,527	6.2%	2
Developed Facilities (e).....	14,870	3,715	300.3%	
Disposed Facilities (f).....	1,199	2,615	(54.1)%	
<b>Total rental income.....</b>	<b>\$721,662</b>	<b>\$653,110</b>	<b>10.5%</b>	<b>\$65</b>
<b>Cost of operations:</b>				
Consistent Group.....	\$162,416	\$159,219	2.0%	\$15
Acquired Facilities.....	48,457	40,200	20.5%	4
Expansion Facilities.....	8,167	7,198	13.5%	
Developed Facilities.....	9,652	2,908	231.9%	
Disposed Facilities.....	519	937	(44.6)%	
<b>Total cost of operations.....</b>	<b>\$229,211</b>	<b>\$210,462</b>	<b>8.9%</b>	<b>\$21</b>
<b>Net operating income:</b>				
Consistent Group.....	\$395,160	\$360,958	9.5%	\$36
Acquired Facilities.....	76,688	64,876	18.2%	6
Expansion Facilities.....	14,705	14,329	2.6%	1
Developed Facilities.....	5,218	807	546.6%	
Disposed Facilities.....	680	1,678	(59.5)%	
<b>Total net operating income.....</b>	<b>\$492,451</b>	<b>\$442,648</b>	<b>11.3%</b>	<b>\$44</b>

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Depreciation.....	158,476	141,425	12.1%	14
	-----	-----	-----	---
Operating Income.....	\$333,975	\$301,223	10.9%	\$30
	=====	=====	=====	====
Number of self-storage facilities (at end of period):	1,270	1,247	1.8%	
Net rentable square feet (at end of period):	76,919	74,570	3.2%	7

- (a) Rental income includes late charges and administrative fees. Rental income does not include retail sales or truck rental income generated at the facilities.
- (b) The Consistent Group includes 909 facilities with 54,148,000 net rentable square feet that were owned throughout the three-years ended December 31, 2001, and operated at a mature, stabilized occupancy level throughout the periods presented. See below for discussion of Consistent Group operating results.

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- (c) The Acquired Facilities includes 267 facilities with 14,897,000 net rentable square feet that were acquired in the three year period ending December 31, 2001 and still owned as of December 31, 2001. Substantially all of these facilities were mature, stabilized facilities at the time of their acquisition.
- (d) The Expansion Facilities includes 41 facilities with 4,056,000 net rentable square feet that, while owned for the entire three year period ending December 31, 2001, had operating results that were not comparable throughout the periods presented due to expansions in their net rentable square or their conversion into Combination Facilities. Such construction activities can cause a drop in revenue levels, as existing capacity is made unavailable in order to accommodate construction activities. The Company has completed construction on projects with a total cost of \$34,535,000 in 1999, \$12,206,000 in 2000, and \$84,948,000 in 2001 with respect to such expansion and conversion efforts.
- (e) The Developed Facilities includes 53 facilities with 3,818,000 net rentable square feet that were developed and opened in the three year period ending December 31, 2001 at a total cost of \$330.4 million. These facilities were all still owned as of December 31, 2001.
- (f) The Disposed Facilities include 18 facilities that were disposed of in the three year period ending December 31, 2001, primarily properties condemned by governmental agencies or acquired in the Storage Trust merger that were not deemed compatible with the Company's operations.

Self Storage Operations - Consistent Group of Facilities

At December 31, 2001, we owned 909 self-storage facilities with approximately 54,148,000 net rentable square feet that operated at a stabilized level of operations throughout the three-year period. Revenues and expenses with respect to these properties are set forth in the above Self-Storage Operations table under the caption, "Consistent Group." The following table sets forth certain additional operating data with respect to the Consistent Group of facilities:

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### Selected Operating Data for the Consistent Group

of Facilities (909 Facilities):

	Year Ended December 31,			
	2001	2000	Percentage Change	
(Dollar amounts in thousands, except				
Weighted average:				
Occupancy (a).....	89.6%	92.0%	(2.4)%	9
Realized annual rent per square foot (b)....	\$11.60	\$10.54	10.1%	\$1
Late charges and administrative fees.....	\$18,884	\$19,180	(1.5%)	\$1
Promotional Discounts.....	\$3,992	\$13,635	(70.7%)	\$1
Gross margin.....	70.9%	69.4%	1.5%	6

- (a) Occupancies in the above table represent weighted average occupancy levels over the entire fiscal year. The average occupancy level at February 28, 2002 was 83.4% as compared to 88.9% at February 28, 2001.
- (b) Realized annual rent per square foot is computed by dividing rental income, including late charges and administrative fees, by the weighted average occupied square footage for the period.

As indicated on the "Self-storage operations" table above, the Consistent Group's net operating income increased 9.5% in 2001 as compared to 2000 and 3.8% in 2000 as compared to 1999. Rental income increased 7.2% in 2001 as compared to 2000 and 4.3% in 2000 as compared to 1999. Cost of operations increased 2.0% in 2001 as compared to 2000 and 5.5% in 2000 as compared to 1999. We do not expect to maintain this level of growth in 2002 either as to net operating income or rental income.

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The increase in rental income is attributable to a 10.1% increase in realized rent per occupied square foot for 2001 as compared to 2000 and 4.4% for 2000 as compared to 1999. Increases in rental income were partially offset by reductions in weighted average occupancy levels. Higher realized rent per occupied square foot was achieved through more aggressive pricing of our self-storage space offset by a reduction in occupancy levels. During 2001, we increased rents charged to new tenants and significantly reduced the level of discounts offered to new tenants. Promotional discounts for 2001, 2000 and 1999 totaled \$3,992,000, \$13,635,000 and \$14,570,000, respectively. In addition, during 2001, we increased the level of rent charged to our existing tenant base in many markets.

We believe that our ability to raise rents and reduce promotional discounts and thereby increase rental income during 2001 was facilitated by 1) more aggressive marketing efforts, including an increase in consistent group television advertising expenditures for 2001 totaling \$6,072,000 as well as an increase in the intensity of our yellow page advertising, and 2) the continuing impact of our efforts over the last several years to improve the value of the Public Storage brand, most significantly through the completion of our program to enhance our visual icon and to modernize the appearance of our self-storage facilities.

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We believe that principally as a result of our more aggressive rental rates and reductions in the amount of promotional discounts, and partially as a result of the national economic contraction (discussed below), our weighted average occupancy levels decreased during 2001 as compared to 2000. Our occupancy levels through the first two months of fiscal 2002 continued to trend downward, with the Consistent Group's average occupancy level at 83.4% at February 28, 2002 as compared to 88.9% at February 28, 2001. While the occupancy level at February 28, 2002 is significantly lower than the average occupancy levels experienced during the year, some decreases in occupancy are expected due to minor seasonal fluctuations in occupancies. Occupancies are generally higher in the summer months than in the winter months. We therefore believe that the comparison of occupancies at February 28, 2001 versus that at February 28, 2002 provides a more meaningful measure of occupancy trends.

We believe that the national economic contraction has also contributed to our decreasing occupancies; however, it is difficult to isolate the impact of the downturn from our aforementioned pricing decisions. While there can be no assurance, we believe that the potential impact of regional downturns are partially mitigated by the geographic diversification and quality locations of our facilities. Our storage facilities are geographically diversified and are located primarily in or near major metropolitan markets in 37 states.

We are continuously evaluating our call volume, reservation activity, and move-in/move-out rates for each of our markets relative to our marketing activities and rental rates. In addition, we are evaluating market supply and demand factors and based upon these analyses we are continuing to adjust our marketing activities, and are currently reducing rental rates charged to new incoming tenants in an effort to increase our occupancy levels.

Cost of operations includes all direct and indirect costs of operating, marketing and managing the facilities. The following table summarizes major operating expenses with respect to the Consistent Group (in thousands):

	2001 -----	2000 -----	1999 -----
Property payroll expense.....	\$44,114	\$44,705	\$43,500
Property taxes.....	45,566	45,403	45,540
Repairs and maintenance.....	12,560	15,191	12,590
Advertising .....	15,233	8,317	7,310
Telephone reservation center costs.....	7,967	9,338	7,660
Utilities.....	12,182	11,616	11,350
Management, office, insurance, and other expenses	24,794	24,649	22,860
	-----	-----	-----
Total cost of operations .....	\$162,416 =====	\$159,219 =====	\$150,850 =====

Increases in advertising cost include the impact of expanded yellow page advertising in telephone directories. The increase in advertising cost in 2001 as compared to 2000 also includes the impact of a \$6,072,000 increase in Consistent Group television advertising expenditures. Promotional advertising is an important part of our operational strategy. Our advertising activities have increased customer call volume into our national reservation system, where one of our representatives discusses with the customer space requirements, price and location preferences and also informs the customer of other products and

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services provided by the Company and its subsidiaries.

### Self-Storage Operations - Acquired Facilities

As of December 31, 2001, we had 267 facilities with 14,897,000 net rentable square feet that we acquired in 1999 (242) and 2000 (25) in connection with business combinations described more fully in Note 3 to the Company's financial statements, as well as certain third-party acquisitions of facilities. Substantially all of these facilities were mature, stabilized facilities at the time of their acquisition. The operations of these facilities are included in the above table under the caption "Acquired Facilities."

During 2001, the Company acquired one operating self-storage facility for an aggregate cost of \$3.5 million. Included in the above table for 2001, under the caption "Acquired Facilities", are revenues of \$144,000 and cost of operations of \$58,000 with respect to this facility.

Rental income and cost of operations increased significantly in 2000 compared to 1999, as the 1999 operations only reflect a partial year's operating results for the facilities acquired in 1999 while the 2000 operations reflect a full year's operations with respect to those facilities. In addition, the 2000 operations include the incremental operating results for those additional facilities acquired in 2000. Similarly, rental income and cost of operations increased significantly in 2001 as compared to 2000 due to the improvement in operations for those properties owned throughout the two periods (the 1999 acquisitions), a full year's operations with respect to the 2000 property acquisition are reflected in 2001 as opposed to a partial year in 2000 and to a lesser extent, the incremental operations from the aforementioned acquisition of a property in 2001.

### Self-Storage Operations - Expansion Facilities

Throughout the three-year period ended December 31, 2001, the Company has expanded certain real estate facilities that it previously owned or converted them to Combination Facilities. Such construction activities can cause a drop in revenue levels, as existing capacity is made unavailable in order to accommodate construction activities. Primarily as a result of these expansion activities, 41 of these facilities with 4,056,000 net rentable square feet (which includes the expanded space) had results that were not comparable in each of the three years ended December 31, 2001. The operating results for these facilities are presented in the Self-Storage Operations table above under the caption, "Expansion Facilities." We completed construction on projects with a total cost of \$84,948,000 in 2001, \$12,206,000 in 2000, and \$34,535,000 in 1999 with respect to these expansions.

### Self-Storage Operations - Developed Facilities

During the past three years, we have opened 53 newly developed self-storage facilities (23 in 2001, 24 in 2000, 6 in 1999) with 3,818,000 net rentable square feet and a total cost of approximately \$330.4 million, whose operating results are reflected in the Self Storage Operations table under the caption, "Developed Facilities."

Unlike many other forms of real estate, we are unable to pre-lease our newly developed facilities due to the nature of our tenants. Accordingly, at the time a newly developed facility first opens for operation the facility is entirely vacant generating no rental income. It takes approximately 24 months for a newly developed facility to fill up and reach a targeted occupancy level of approximately 90%. At December 31, 2001, the Developed Facilities had an average occupancy level of approximately 53.4%.



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Property operating expenses are substantially fixed. The rental revenue of a newly developed facility will generally not cover its property operating expenses (excluding depreciation) until the facility has reach an occupancy level of approximately 30%. However, at that occupancy level, the rental revenues from the facility are still not sufficient to cover related depreciation expense and cost of capital with respect to the facility's development cost (our blended cost of capital is approximately 9.0%). During construction of the facility, we capitalize interest costs and include such cost as part of the overall development cost of the facility. Once the facility is opened for operations interest is no longer capitalized. Due to the relationship between the generation of rental income and immediate recognition of expenses upon opening of a facility, our development activities have had a negative impact on our net income.

We estimate that our net income for 2001 has been impacted negatively as a result of our development activities by approximately \$29,011,000, \$17,869,000, and \$10,828,000 in the years ended December 31, 2001, 2000, and 1999, respectively, primarily representing the difference between the revenues of the Developed Facilities and the related costs denoted above. These amounts include approximately \$8,670,000, \$4,232,000, and \$1,366,000 for the years ended December 31, 2001, 2000, and 1999, respectively, in depreciation expense.

We continue to develop facilities, despite the short-term earnings dilution experienced during the Stabilization Period, because we believe that the ultimate returns on developed facilities are favorable. In addition, we believe that it is advantageous for us to continue to expand our asset base and benefit from the resultant increased critical mass, with facilities that will improve our portfolio's overall average construction and location quality.

We expect that over at least the next 24 months, the Developed Facilities will continue to have a negative impact to our earnings. Furthermore, the 46 facilities in our development pipeline described in "Liquidity and Capital Resources - Acquisition and Development of Facilities" that will be opened for operation over the next 12 - 24 months will also negatively impact our earnings until they reach a stabilized occupancy level.

### Self-Storage Operations - Disposed Facilities

During the three-year period ended December 31, 2001, we disposed of 18 facilities. No further operations will be reflected on the Company's financial statements after December 31, 2001 with respect to these facilities. These properties consisted primarily of facilities condemned by governmental agencies or acquired in the Storage Trust merger that were not deemed compatible with the Company's operations.

COMMERCIAL PROPERTY OPERATIONS: Commercial property operations included in the consolidated financial statements include commercial space owned by the Company and Consolidated Entities. We have a much larger interest in commercial properties through ownership interest in PSB. Our investment in PSB is accounted for on the equity method of accounting, and accordingly our share of PSB's earnings is reflected as "Equity in earnings of real estate entities", see below.

During 2000, we acquired two commercial facilities (which were anticipated to be converted to storage facilities) for an aggregate cost of \$5,930,000. Included within commercial property operations for 2000 with respect to these facilities was revenues of \$475,000 and cost of operations of \$131,000; included within commercial properties operations for 2001 with respect to these facilities were revenues of \$670,000 and cost of operations of \$243,000.

The following table sets forth the historical commercial property amounts included in the financial statements:

Commercial Property Operations:

	Year Ended December 31,			Year Ended December 3	
	2001	2000	Change	2000	1999
	(Amounts in thousands)				
Rental income .....	\$12,530	\$11,341	10.5%	\$11,341	\$ 8,204
Cost of operations.....	3,972	3,826	3.8%	3,826	2,826
Net operating income.....	8,558	7,515	13.9%	7,515	5,378
Depreciation expense.....	2,685	2,291	17.2%	2,291	1,686
Operating income.....	\$5,873	\$5,224	12.4%	\$5,224	\$3,692

CONTAINERIZED STORAGE OPERATIONS: In August 1996, Public Storage Pickup & Delivery ("PSPUD"), a subsidiary of the Company, made its initial entry into the containerized storage business through its acquisition of a single facility operator located in Irvine, California. At December 31, 2001, PSPUD operated 55 facilities in 14 states. The facilities are located in major markets in which we have significant market presence with respect to our traditional self-storage facilities.

PSPUD incurred operating losses totaling approximately \$2.2 million, \$5.1 million and \$7.4 million for the years ended December 31, 2001, 2000 and 1999, respectively, summarized as follows:

Containerized storage:

	Year Ended December 31,			Year Ended
	2001	2000	Dollar Change	2000
	(Dollar amounts in thousand)			
Rental and other income .....	\$47,686	\$37,914	\$9,772	\$37,914
Cost of operations:				
Direct operating costs.....	34,296	27,849	6,447	27,849
Marketing and advertising.....	2,176	1,283	893	1,283
Facility lease expense.....	6,532	8,666	(2,134)	8,666
Total cost of operations.....	43,004	37,798	5,206	37,798
Operating income (loss) prior to				

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depreciation.....	4,682	116	4,566	116
Depreciation expense (a).....	6,900	5,251	1,649	5,251
	-----	-----	-----	-----
Operating losses.....	\$ (2,218)	\$ (5,135)	\$ 2,917	\$ (5,135)
	=====	=====	=====	=====

(a) Depreciation expense principally relates to the depreciation related to the containers, however, depreciation expense for 2001 and 2000 includes \$1,049,000 and \$450,000, respectively, (none in 1999) with respect to real estate facilities.

Rental and other income includes monthly rental charges to customers for storage of the containers and service fees charged for pickup and delivery of containers to customers' homes. Rental income increased to \$47,686,000 in 2001 as compared to \$37,914,000 in 2000 as a result of higher per container rents and an increase in the number of occupied containers. Rental income increased to \$37,914,000 in 2000 compared to \$27,028,000 in 1999 principally as a result in increases in the number of occupied containers. At December 31, 2001, there were approximately 67,797 occupied containers compared to 59,443 at December 31, 2000 and 57,405 at December 31, 1999.

Direct operating costs principally includes payroll, equipment lease expense, utilities and vehicle expenses (fuel and insurance). In addition, during 2001 and 2000, included in direct operating costs was \$925,000 and \$1,853,000, respectively, expensed due to the obsolescence of containers.

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Over the past three years, facility lease expense has continued to decrease (\$6,532,000 in 2001, \$8,666,000 in 2000 and \$9,779,000 in 1999). The reduction over the past two years is principally the result of moving the operations from leased facilities to wholly-owned facilities, and thus eliminating the lease expense paid to third parties. Lease expense for 2001 was approximately \$1.5 million for those leased facilities that were replaced by wholly-owned facilities during 2001. Accordingly, we expect that facility lease expense will continue to decline during 2002 as compared to 2001, as this \$1.5 million will not be incurred in 2002.

At December 31, 2001, 18 of the 55 containerized storage facilities are leased from third parties. We anticipate developing three facilities (which includes one self-storage facility that is being converted to a combination facility) that combine self-storage and containerized storage space in the same location ("Combination Facilities"). These facilities are expected to replace three of the leased facilities during fiscal 2002. The Company has no plans currently to develop or acquire additional facilities to replace the 15 leased facilities that will remain after completion of our Combination Facility development program.

The containerized storage operations may continue to adversely impact the Company's future earnings and cash flows. There can be no assurance as to the level of the containerized storage business's expansion, level of gross rentals, level of move-outs or profitability.

EQUITY IN EARNINGS OF REAL ESTATE ENTITIES: In addition to our ownership of equity interests in PSB, we had general and limited partnership interests in 11 limited partnerships at December 31, 2001 (PSB and the limited partnerships are collectively referred to as the "Unconsolidated Entities"). Due to our limited ownership interest and limited control of these entities, we do not consolidate the accounts of these entities for financial reporting purposes,

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and account for such investments using the equity method.

Equity in earnings of real estate entities for the year ended December 31, 2001 consists of our pro rata share of the Unconsolidated Entities based upon our ownership interest for the period. Similar to the Company, the Unconsolidated Entities (other than PSB) generate substantially all of their income from their ownership of self-storage facilities, which we manage. As of December 31, 2001, the 11 limited partnerships own a total of 114 self-storage facilities, all of which we manage, and PSB owns and operates 14.8 million net rentable square feet of commercial space. The following table sets forth the significant components of equity in earnings of real estate entities:

Historical summary:	Year Ended December 31,			Year E
-----	2001	2000	Dollar Change	2000
	-----	-----	-----	-----
	(Amounts in thousands)			
<b>Property operations:</b>				
PSB.....	\$51,335	\$42,562	\$8,773	\$42,562
Development Joint Venture.....	6,146	4,541	1,605	4,541
Other investments.....	16,766	16,724	42	16,724
	-----	-----	-----	-----
	74,247	63,827	10,420	63,827
	-----	-----	-----	-----
<b>Depreciation:</b>				
PSB.....	(17,534)	(14,672)	(2,862)	(14,672)
Development Joint Venture.....	(2,064)	(1,887)	(177)	(1,887)
Other investments.....	(5,498)	(5,266)	(232)	(5,266)
	-----	-----	-----	-----
	(25,096)	(21,825)	(3,271)	(21,825)
	-----	-----	-----	-----
<b>Other: (1)</b>				
PSB (2).....	(11,440)	(7,150)	(4,290)	(7,150)
Development Joint Venture.....	145	40	105	40
Other investments.....	686	1,217	(531)	1,217
	-----	-----	-----	-----
	(10,609)	(5,893)	(4,716)	(5,893)
	-----	-----	-----	-----
<b>Total equity in earnings of real estate entities.....</b>	<b>\$38,542</b>	<b>\$36,109</b>	<b>\$2,433</b>	<b>\$36,109</b>
	=====	=====	=====	=====

(1) "Other" reflects our share of general and administrative expense, interest expense, interest income, and other non-property, non-depreciation related operating results of these entities.

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(2) During 2000, we also recorded our pro-rata share of gain on disposition of real estate investments totaling \$3,210,000. This gain is included in the line item "Gain on disposition of real estate and real estate investments" on our consolidated statements of income.

As a result of improved operations of PSB and the continued fill-up of the self-storage facilities owned by the Development Joint Venture, equity in

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earnings has increased in the years ended December 31, 2001 and 2000 as compared to the previous years. In addition, equity in earnings for the year ended December 31, 2000 includes an increase as compared to the previous year, with respect to certain temporary investments which were acquired in 1999 and 2000 and disposed of in 2000.

During 2000 and 1999, we acquired controlling interests in certain entities. As a result of these acquisitions of controlling interests, we began to consolidate the accounts of these entities into our financial statements and no longer account for these investments on the equity method. Equity in earnings of real estate entities includes income of \$2,293,000 and \$4,477,000 for 2000 and 1999, respectively, (none for 2001) with respect to investments that were no longer held at December 31, 2001.

Equity in earnings of PSB represents our pro rata share (approximately 44% at December 31, 2001) of the earnings of PS Business Parks, Inc., a publicly traded real estate investment trust (American Stock Exchange symbol "PSB") organized by the Company on January 2, 1997. As of December 31, 2001, we owned 5,418,273 common shares and 7,305,355 operating partnership units (units which are convertible into common shares on a one-for-one basis) in PSB. At December 31, 2001, PSB owned and operated 14.8 million net rentable square feet of commercial space located in nine states. PSB also manages the commercial properties owned by the Company and affiliated entities.

In April 1997, we formed a joint venture partnership (the "Development Joint Venture") with an institutional investor to participate in the development of approximately \$220 million of self-storage facilities. The venture is funded solely with equity capital consisting of 30% from the Company and 70% from the institutional investor. Equity in earnings from the Development Joint Venture reflects our pro rata share, based upon our ownership interest, of the operations of the Development Joint Venture. Since inception through December 31, 2000, the Development Joint Venture has developed and opened 47 self-storage facilities with an aggregate cost of approximately \$232 million. Generally the construction period takes nine to 12 months followed by an estimated 24 month fill-up process until the newly constructed facility reaches a stabilized occupancy level of approximately 90%. For fiscal 2001, 2000 and 1999, many of the completed facilities were in the fill-up process and had not reached a stabilized occupancy level.

On January 16, 2002, we purchased the 70% interest from the institutional investor for cash totaling approximately \$155,358,000. As a result of this purchase, effective January 16, 2002, we will no longer account for our ownership of this entity using the equity method, and accordingly, equity in earnings of real estate investments will be eliminated with respect to this investment on a go forward basis. Correspondingly, effective January 16, 2002, the rental income, cost of operations and depreciation expense with respect to these 47 facilities will be reflected in our consolidated statements of income.

Operating results with respect to the "Other investments" includes our pro rata share of earnings with respect to 10 limited partnerships. These limited partnerships were formed by the Company during the 1980's. The Company is the general partner in each limited partnership. The limited partners consist of numerous individual investors, including the Company, which throughout the 1990's acquired units of limited partnership interests in these limited partnerships in various transactions.

These 10 limited partnerships own 67 self-storage facilities which are managed by the Company under the "Public Storage" name. The operating

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characteristics of these facilities are similar to those of the Company's self-storage facilities. All 67 of these self-storage facilities are included in the "Same Store" group of facilities - see Supplemental Property Data and Trends below. See Note 5 to the consolidated financial statements for further financial information on these partnerships.

### Other Income and Expense Items

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**INTEREST AND OTHER INCOME:** Interest in other income includes (i) the net operating results from our third party property management operations, (ii) the net operating results from our merchandise sales and consumer truck rentals and (iii) interest income.

Interest and other income has decreased in 2001 as compared to 2000 principally as a result of lower cash balances invested in interest bearing accounts, as well as lower interest rates. Interest and other income has increased in 2000 as compared to 1999 principally as a result of higher average cash balances invested in interest bearing accounts. The changes in average cash balances are primarily due to the timing of investing proceeds from the issuance of equity securities into real estate assets.

**DEPRECIATION AND AMORTIZATION:** Depreciation and amortization expense was \$168,061,000 in 2001, \$148,967,000 in 2000 and \$137,719,000 in 1999. Depreciation expense with respect to our real estate facilities was \$152,901,000 in 2001, \$134,857,000 in 2000 and \$123,495,000 in 1999; the increases are due to the acquisition and development of additional real estate facilities in 1999 through 2001. Depreciation expense with respect to non real estate assets, primarily depreciation of equipment and containers associated with the containerized storage operations, was \$5,851,000 in 2001, \$4,801,000 in 2000 and \$4,915,000 in 1999. Amortization expense with respect to intangible assets totaled \$9,309,000 for each of the three years ended December 31, 2001.

In accordance with the provisions of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," ("SFAS 142") and as discussed in Note 14 to the consolidated financial statements, amortization expense with respect to intangible assets is expected to be reduced by \$2,709,000 in 2002 and beyond as a result of certain provisions of SFAS 142 which preclude amortization of goodwill and intangible assets with indeterminable lives.

**GENERAL AND ADMINISTRATIVE EXPENSE:** General and administrative expense was \$21,038,000 in 2001, \$21,306,000 in 2000 and \$12,491,000 in 1999. General and administrative costs for each year principally consists of state income taxes, investor relation expenses, certain overhead cost associated with the acquisition and development of real estate facilities, and overhead cost associated with the containerized storage business.

The increase in 2000 as compared to 1999 is primarily due to increases in our product research and development efforts, costs associated with lease terminations on leased storage facilities used by PSPUD which were replaced by newly-developed facilities, and increased consulting fees. The total amount of such expenses was approximately \$5,963,000 in 2000 as compared to \$1,291,000 in 1999. In addition during 2000, when compared to 1999, we experienced an increase in overhead costs associated with the acquisition and development of real estate facilities amounting to \$1,447,000.

In 2001, we continued to experience product research and development costs, lease termination expense as well as an increase in employee severance costs which in aggregate totaled \$5,630,000. During 2001, when compared to 2000, we experienced an increase in overhead cost associated with the acquisition and development of real estate facilities amounting to \$2,159,000.

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Although we expect that our general and administrative expense for fiscal 2002 will be less than what we experienced in 2001 and 2000, we expect to continue to exceed the level of general and administrative expense experienced in 1999 because the Company has continued to expand the size and scope of its operations.

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INTEREST EXPENSE: Interest expense was \$3,227,000 in 2001, \$3,293,000 in 2000 and \$7,971,000 in 1999. Debt and related interest expense remain relatively low compared to our overall asset base. The decrease in interest expense in 2001 and 2000 compared to 1999 is principally the result of increased capitalized interest, as well as a reduction in average outstanding debt balances. Capitalized interest expense totaled \$8,992,000 in 2001, \$9,778,000 in 2000 and \$4,509,000 in 1999 in connection with our development activities.

The combined interest expense and capitalized interest was \$12,219,000 in 2001, \$13,071,000 in 2000 and \$12,480,000 in 1999. The increase in 2000 as compared to 1999 is due to the addition of \$100 million of notes payable assumed in a merger during 1999, partially offset by regular principal amortization.

We expect that our aggregate interest cost (interest expensed and capitalized interest combined) during fiscal 2002 will continue to decline as a result of principal amortization. During fiscal 2002, scheduled principal amortization approximates \$28.0 million. The amount of interest which will be capitalized during fiscal 2002 will be dependent on our development activities which we believe will approximate the levels in fiscal 2001.

MINORITY INTEREST IN INCOME: Minority interest in income represents the income allocable to equity interests in Consolidated Entities, which are not owned by the Company. The following table summarizes minority interest in income for each of the three years ended December 31, 2001:

Description	Minority interest in income for the year ended		
	December 31, 2001	December 31, 2000	December 31, 1999
		(in thousands)	
Preferred partnership interests.....	\$ 31,737	\$ 24,859	\$ -
Consolidated Development Joint Venture .....	1,074	325	8
Convertible OP Units .....	359	577	1,175
Other consolidated partnerships.....	12,845	12,595	14,823
Total minority interests in income.....	\$ 46,015	\$ 38,356	\$ 16,006

On March 17, 2000, one of our consolidated operating partnerships issued \$240.0 million of 9.5% Series N Cumulative Redeemable Perpetual Preferred Units. On March 29, 2000 the partnership issued \$75.0 million of 9.125% Series O Cumulative Redeemable Perpetual Preferred Units and on August 11, 2000, issued \$50.0 million of 8.75% Series P Cumulative Redeemable Perpetual Preferred Units. In August 2001, we repurchased, at par, \$30 million of 9.125% Series O Cumulative Redeemable Perpetual Preferred Units. In October 2001, we repurchased, at par, \$50 million of 8.75% Series P Cumulative Redeemable

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Perpetual Preferred Units. For 2001 and 2000, the holders of our preferred partnership units were paid in aggregate approximately \$31,737,000 and \$24,859,000, respectively, in distributions and received a corresponding allocation of minority interest in earnings for the respective period. We estimate that during 2002 we will pay aggregate distributions totaling \$26.9 million to these units with a corresponding allocation of income to minority interest in earnings.

In November 1999, we formed a development joint venture (the "Consolidated Development Joint Venture") with a joint venture partner whose partners include an institutional investor and B. Wayne Hughes ("Mr. Hughes"). The Consolidated Development Joint Venture is funded solely with equity capital consisting of 51% from the Company and 49% from the joint venture partner. Included in minority interest in income for the years ended December 31, 1999, 2000, and 2001 is \$8,000, \$325,000, and \$1,074,000, respectively, representing our joint venture partner's pro rata interest in the operations of the Consolidated Development Joint Venture. The facilities in the entity are newly developed facilities that are all in the fill-up phase. The increase in minority interest in income in 2001 and 2000 as compared to the preceding years with respect to the Consolidated Development Joint Venture is due to the opening and fill-up of the facilities owned by this entity. We expect that such minority interest in income will continue to increase during 2002 as the facilities continue to fill-up and increase the earnings of this entity.

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We recently mailed an information statement relating to the April 19, 2002 acquisition by the Company of all of the remaining limited partnership interest not currently owned by the Company in PS Partners V, Ltd., a partnership which is consolidated with the Company. Minority interest in income for the year ended December 31, 2001, with respect to these interests, was approximately \$2.0 million and is included in the "Other consolidated partnerships" category in the table above. If completed, the transaction would have the effect of reducing minority interest in income on a go forward basis. See Acquisition and Development of Facilities below.

In determining income allocable to the minority interest for 2001, 2000 and 1999 consolidated depreciation and amortization expense of approximately \$7,847,000, \$7,138,000 and \$9,294,000, respectively, was allocated to the minority interests. Of these amounts, \$2,373,000, \$365,000, and \$15,000, respectively, was allocated to the minority interests in the Consolidated Development Joint Venture, with the remainder allocated to the minority interests in the Other Consolidated Partnerships and the Convertible OP Units.

### Supplemental Property Data and Trends

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At December 31, 2001, there were approximately 46 ownership entities owning in aggregate 1,384 storage facilities, including the facilities which we own and/or operate. At December 31, 2001, 114 of these facilities were owned by Unconsolidated Entities, entities in which we have an ownership interest and use the equity method for financial statement presentation. The remaining 1,270 facilities are owned by the Company and Consolidated Entities.

The following table summarizes our investment in real estate facilities as of December 31, 2001:

	Number of Storage	Net Rentable Square Footage of Storage Facilities
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	Facilities -----	(in thousands) -----
Consolidated facilities:		
Wholly-owned by the Company.....	721	44,927
Owned by Consolidated Entities.....	549	31,992
	-----	-----
	1,270	76,919
	-----	-----
Facilities owned by Unconsolidated Entities:		
Institutional partnerships.....	13	855
Development Joint Venture (a).....	47	2,879
Other.....	54	2,998
	-----	-----
	114	6,732
	-----	-----
Total facilities in which the Company has an ownership interest.....	1,384	83,651
	=====	=====

(a) In January 2002, we acquired the remaining 70% interest in this partnership in which we previously owned only a 30% interest for an aggregate of \$155,358,000.

In addition to the Company's interest in storage facilities noted above, the Company and the Consolidated Entities own five commercial facilities with an aggregate of 385,000 net rentable square feet. We also have a 44% common interest in PSB, which owns and operates 14.8 million net rentable square feet of commercial space.

In order to evaluate how our overall self-storage portfolio has performed, as management we analyze the operating performance of a consistent group of storage facilities representing 945 (54.9 million net rentable square feet) of the 1,384 storage facilities (herein referred to as "Same Store" storage facilities). The 945 facilities represent a consistent pool of properties which have been operated under the "Public Storage" name, at a stabilized level, by the Company since January 1, 1994. From time to time, we remove facilities from the "Same Store" pool as a result of expansions, dispositions or other activities which make such facilities' results not comparable to previous periods.

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The Same Store group of properties includes 82 facilities that are not consolidated in the financial statements. Accordingly, rental income and cost of operations with respect to these 82 facilities are not reflected on the consolidated statements of income. As of December 31, 2001, the remaining 863 facilities are included in the consolidated financial statements, however, many of them were not included in the consolidated financial statements throughout each of the three years presented. The following table summarizes the pre-depreciation historical operating results of the Same Store storage facilities:

Same Store storage facilities:

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(historical property operations)

Year Ended December 31,

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Year Ended De

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Percentage

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	2001	2000	Change	2000
	-----	-----	-----	-----
	(Dollar amounts in thousands except rent per			
Rental income (1).....	\$583,899	\$544,202	7.3%	\$544,202
Cost of operations (2).....	167,019	163,390	2.2%	163,390
	-----	-----	-----	-----
Net operating income.....	\$416,880	\$380,812	9.5%	\$380,812
	=====	=====	=====	=====
Gross profit margin (3).....	71.4%	70.0%	1.4%	70.0%
Weighted Average:				
Occupancy.....	89.7%	92.3%	(2.6)%	92.3%
Realized annual rent per sq. ft (4)	\$11.85	\$10.73	10.4%	\$10.73

1. Rental income includes late charges and administrative fees that in aggregate totaled \$19,581,000 in 2001, \$19,837,000 in 2000 and \$19,807,000 in 1999. Rental income does not include retail sales or truck rental income generated at the facilities.

2. Cost of operations consists of the following:

	2001	2000	1999
	-----	-----	-----
Payroll expense.....	\$45,341	\$46,252	\$45,060
Property taxes.....	46,729	45,983	46,142
Repairs and maintenance.....	13,046	15,740	13,094
Advertising.....	15,694	8,592	7,470
Telephone reservation center costs.....	8,148	9,509	7,844
Utilities.....	12,415	11,878	11,594
Other.....	25,646	25,436	23,106
	-----	-----	-----
	\$167,019	\$163,390	\$154,310
	=====	=====	=====

3. Gross profit margin is computed by dividing property net operating income (before depreciation expense) by rental revenues.

4. Realized annual rent per square foot is computed by annualizing rental income including late charges and administrative fees divided by weighted average occupied square footage for the year.

As indicated above, the Same Store Facilities net operating income increased 9.5% in 2001 as compared to 2000 and 3.8% in 2000 as compared to 1999. Rental income increased 7.3% in 2001 as compared to 2000 and 4.4% in 2000 as compared to 1999. Cost of operations increased 2.2% in 2001 as compared to 2000 and 5.9% in 2000 as compared to 1999. We do not expect to maintain this level of growth in 2002 either as to net operating income or rental income.

The increase in rental income for 2001 as compared to 2000 is attributable to a 10.4% increase in realized rent per occupied square foot partially offset by a reduction in weighted average occupancy levels during the period. Higher realized rent per occupied square foot was achieved through more aggressive pricing of our self-storage space, partially offset by a reduction in occupancy levels. During 2001, we increased rents charged to new tenants and significantly reduced the level of discounts offered to new tenants. Promotional discounts totaled approximately \$4.1 million in 2001, \$13.9 million in 2000 and \$14.7 in 1999. In addition, during 2001, we increased the level of rent charged to our existing tenant base in many markets.

We believe that our ability to raise rents and reduce promotional discounts and thereby increase rental income during 2001 was facilitated by 1) more aggressive marketing efforts, including an increase in television advertising expenditures for 2001 of \$6.2 million as compared to 2000, as well as an increase in the intensity of our yellow page advertising, and 2) the continuing impact of our efforts over the last several years to improve the value of the Public Storage brand, most significantly through the completion of our program to enhance our visual icon and to modernize the appearance of our self-storage facilities.

We believe that principally as a result of our more aggressive rental rates and reductions in the amount of promotional discounts, and partially as a result of the national economic contraction (discussed below), our weighted average occupancy levels decreased during 2001 as compared to 2000. Our occupancy levels through the first two months of fiscal 2002 continued to trend downward, with the Same Store Facilities average occupancy level at 83.4% at February 28, 2002 as compared to 89.0% at February 28, 2001. While the occupancy level at February 28, 2002 is significantly lower than the average occupancy levels experienced during the year, some decreases in occupancy are expected due to minor seasonal fluctuations in occupancies. Occupancies are generally higher in the summer months than in the winter months. We therefore believe that the comparison of occupancies at February 28, 2001 versus that at February 28, 2002 provides a more meaningful measure of occupancy trends.

We believe that the national economic contraction has also contributed to our decreasing occupancies; however, it is difficult to isolate the impact of the downturn from our aforementioned pricing decisions. While there can be no assurance, we believe that the potential impact of regional downturns are partially mitigated by the geographic diversification and quality locations of our facilities. Our storage facilities are geographically diversified and are located primarily in or near major metropolitan markets in 37 states.

We are continuously evaluating our call volume, reservation activity, and move-in/move-out rates for each of our markets relative to our marketing activities and rental rates. In addition, we are evaluating market supply and demand factors and based upon these analyses we are continuing to adjust our marketing activities, and are currently reducing rental rates charged to new incoming tenants in an effort to increase our occupancy levels.

Same-Store Operating Trends by Region  
(Dollar amounts in thousands, except weighted average amounts)

	Northern California		Southern California		Texas		Florida
	% change from prior year		% change from prior year		% change from prior year		
	Amount		Amount		Amount		Amount
Rental income:							

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2001	\$88,169	8.50%	\$115,232	10.80%	\$48,786	5.50%	\$34,905
2000	\$81,262	5.30%	\$103,972	7.60%	\$46,242	1.40%	\$32,664
1999	\$77,154	3.00%	\$96,672	8.30%	\$45,601	2.10%	\$31,649

Cost of operations:

2001	\$20,100	6.50%	\$24,828	3.00%	\$18,986	4.90%	\$12,208
2000	\$18,881	7.00%	\$24,115	7.70%	\$18,101	1.00%	\$11,591
1999	\$17,654	1.20%	\$22,393	2.10%	\$17,920	4.40%	\$11,180

Net operating income:

2001	\$68,069	9.10%	\$90,404	13.20%	\$29,800	5.90%	\$22,697
2000	\$62,381	4.80%	\$79,857	7.50%	\$28,141	1.70%	\$21,073
1999	\$59,500	3.50%	\$74,279	10.30%	\$27,681	0.60%	\$20,469

Weighted avg. occupancy:

2001	90.60%	(4.00)%	91.00%	(4.70)%	89.80%	(0.60)%	88.90%
2000	94.60%	1.40%	95.70%	0.80%	90.40%	(1.60)%	89.40%
1999	93.20%	(1.50)%	94.90%	0.70%	92.00%	(0.60)%	90.10%

Weighted avg. annual realized rents per occupied sq. ft.:

2001	\$15.33	13.40%	\$15.25	16.70%	\$8.06	6.10%	\$10.18
2000	\$13.52	3.80%	\$13.07	6.60%	\$7.60	3.30%	\$9.44
1999	\$13.03	4.50%	\$12.26	7.60%	\$7.36	2.80%	\$9.07

Number of

facilities	120		134		107		70
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Same-Store Operating Trends by Region  
(Dollar amounts in thousands, except weighted average amounts)

	Illinois		Other states		Total	
	Amount	% change from prior year	Amount	% change from prior year	Amount	% change from prior year

Rental income:

2001	\$41,045	6.40%	\$255,762	5.90%	\$583,899	7.30%
2000	\$38,592	4.90%	\$241,470	3.50%	\$544,202	4.40%
1999	\$36,779	6.00%	\$233,401	3.60%	\$521,256	4.30%

Cost of operations:

2001	\$14,192	(1.20)%	\$76,705	0.50%	\$167,019	2.20%
2000	\$14,369	6.90%	\$76,333	6.40%	\$163,390	5.90%
1999	\$13,441	(5.50)%	\$71,722	3.70%	\$154,310	2.30%

Net operating income:

2001	\$26,853	10.90%	\$179,057	8.40%	\$416,880	9.50%
2000	\$24,223	3.80%	\$165,137	2.10%	\$380,812	3.80%
1999	\$23,338	13.90%	\$161,679	3.60%	\$366,946	5.20%

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Weighted avg. occupancy:

2001	89.30%	(2.50)%	89.20%	(2.30)%	89.70%	(2.60)%
2000	91.80%	(0.80)%	91.50%	(0.40)%	92.30%	(0.20)%
1999	92.60%	(0.10)%	91.90%	0.30%	92.50%	0.00%

Weighted avg. annual realized rents per occupied sq. ft.:

2001	\$13.00	9.20%	\$10.97	8.80%	\$11.85	10.40%
2000	\$11.90	5.60%	\$10.08	3.80%	\$10.73	4.60%
1999	\$11.27	5.90%	\$9.71	3.20%	\$10.26	4.30%

Number of

facilities	56	458	945
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Liquidity and Capital Resources

We believe that our internally generated net cash provided by operating activities will continue to be sufficient to enable us to meet our operating expenses, capital improvements, debt service requirements and distributions to shareholders for the foreseeable future.

Operating as a real estate investment trust ("REIT"), our ability to retain cash flow for reinvestment is restricted. In order for us to maintain our REIT status, a substantial portion of our operating cash flow must be used to make distributions to our shareholders (see "Requirement to Pay Distributions" below). However, despite the significant distribution requirements, we have been able to retain a significant amount of our operating cash flow. The following table summarizes our ability to fund distributions to the minority interest, capital improvements to maintain our facilities, and distributions to our shareholders through the use of cash provided by operating activities. The remaining cash flow generated is available to make both scheduled and optional principal payments on debt and for reinvestment.

	For the Year Ended	
	(Amount in millions)	
	2001	2000
Net cash provided by operating activities.....	\$538,534	\$538,534
Allocable to minority interests (Preferred Units).....	(31,737)	(31,737)
Allocable to minority interests (common equity).....	(22,125)	(22,125)
Cash from operations allocable to our shareholders.....	484,672	484,672
Capital improvements to maintain our facilities:		
Storage facilities.....	(34,436)	(34,436)
Commercial properties.....	(1,042)	(1,042)
Add back: minority interest share of capital improvements to maintain facilities.....	1,267	1,267
Remaining operating cash flow available for distributions to our		

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shareholders.....	450,461	4
Distributions paid:		
Preferred stock dividends.....	(117,979)	(1
Equity Stock, Series A dividends.....	(19,455)	(
Regular distributions to Common and Class B shareholders.....	(162,481)	(1
Special distributions to Common and Class B shareholders (a).....	(42,115)	(
	-----	
Cash available for principal payments on debt and reinvestment.....	\$108,431	\$1
	=====	==

- (a) The special distribution for 2001 was declared in August 2001 and paid in September 2001. The special distribution for 2000 was declared in August 2000 and paid in September 2000. The special distribution for 1999 was declared in 1999 and paid in January 2000. In each instance, the special distribution enabled the Company to maintain its REIT status with respect to the distribution requirements.

Our financial profile is characterized by a low level of debt to total capitalization, increasing net income, increasing cash flow from operations, and a conservative dividend payout ratio with respect to the common stock. We expect to fund our growth strategies with cash on hand at December 31, 2001, internally generated retained cash flows, and proceeds from issuing equity securities. In general, our current strategy is to continue to finance our growth with permanent capital; either common or preferred equity. We have in the past used our \$200 million line of credit as temporary "bridge" financing, and repaid those amounts with internally generated cash flows and proceeds from the placement of permanent capital. As of December 31, 2001, outstanding borrowings under our \$200 million bank line of credit totaled \$25 million. In addition, outstanding debt at December 31, 2001 totaled \$143.6 million, consisting of mortgage debt of \$23.8 million and unsecured debt of \$119.8 million. By comparison, our real estate facilities had a net book value of approximately \$3.8 billion at December 31, 2001. Accordingly, our portfolio of real estate facilities is substantially unencumbered.

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Over the past three years we have funded substantially all of our acquisitions with permanent capital (both common and preferred securities). We have elected to use preferred securities as a form of leverage despite the fact that the dividend rates of our preferred securities exceed the prevailing market interest rates on conventional debt. We have chosen this method of financing for the following reasons: (i) under the REIT structure, a significant amount of operating cash flow needs to be distributed to our shareholders making it difficult to repay debt with operating cash flow alone, (ii) our perpetual preferred stock has no sinking fund requirement, or maturity date and does not require redemption, all of which eliminate any future refinancing risks, (iii) after the end of a non-call period, we have the option to redeem the preferred stock at any time, which in 2001 enabled us to effectively refinance higher coupon preferred stock with new preferred stock at lower rates, (iv) preferred stock does not contain onerous covenants, thus allowing us to maintain significant financial flexibility, and (v) dividends on the preferred stock can be applied to our REIT distribution requirements.

Our credit ratings on each of our series of Cumulative Preferred Stock by each of the three major credit agencies are "Baa2" by Moody's and BBB+ by both Standard & Poor's and Fitch IBCA.

We believe that our size and financial flexibility enables us to access

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capital when appropriate. During 2001, we completed the following capital raising activities (amounts are presented net of issuance costs):

Securities issued	Date issued	Cumulative Preferred Stock	Equity Securities
		(in thousands)	
8.60% Cumulative Preferred Stock, Series Q	January 19, 2001	\$ 166,966	\$
Public issuance of Equity Stock, Series A	April 11, 2001	-	5
Direct placement of Equity Stock, Series A	May 31, 2001	-	2
8.00% Cumulative Preferred Stock, Series R	September 28, 2001	493,085	
7.875% Cumulative Preferred Stock, Series S	October 31, 2001	139,022	
Direct placement of Equity Stock, Series A	November 21, 2001	-	
		-----	-----
		\$ 799,073	\$7
		=====	=====

The net proceeds raised through the issuance of our Cumulative Preferred Stock, Series R and Series S allowed us to take advantage of favorable rate spreads. Accordingly, at our option, we redeemed for cash our Cumulative Preferred Stock Series G, Series H and Series I, each having higher coupon rates than either the Series R or Series S. In addition, we repurchased all of our outstanding Series P Partnership Preferred Units and a portion of our outstanding Series O Partnership Preferred Units. These transactions, summarized below, represented a refinancing of a portion of our permanent capital structure into lower coupon securities.

Security Redeemed or Repurchased	Date Redeemed or Repurchased	Cumulative Preferred Stock	Preferred Partnership
		(in thousands)	
9.125% Cumulative Preferred Units, Series O	August 31, 2001	\$ -	\$
8 7/8% Cumulative Preferred Stock, Series G	September 28, 2001	172,525	
8.45% Cumulative Preferred Stock, Series H	October 5, 2001	168,775	
8.75% Cumulative Preferred Units, Series P	October 15, 2001	-	
8 5/8% Cumulative Preferred Stock, Series I	November 13, 2001	100,025	
		-----	-----
		\$ 441,325	\$
		=====	=====

The Cumulative Preferred Stock amounts listed above include redemption cost of approximately \$25,000 per redemption.

Subsequent to December 31, 2001, we issued additional Cumulative Preferred Stock: \$150 million of our 7.625% Cumulative Preferred Stock, Series T was issued on January 18, 2002 and \$150 million of our 7.625% Cumulative Preferred Stock, Series U was issued on February 19, 2002.

It is our intent to call for redemption our 10% Senior Preferred Stock Series A, which becomes redeemable on September 30, 2002. The aggregate

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redemption amount for this security is \$25 per share or approximately \$45.6 million, plus accrued dividends.

**REQUIREMENT TO PAY DISTRIBUTIONS:** We have operated, and intend to continue to operate, in such a manner as to qualify as a REIT under the Internal Revenue Code of 1986, but no assurance can be given that we will at all times so qualify. To the extent that the Company continues to qualify as a REIT, we will not be taxed, with certain limited exceptions, on the taxable income that is distributed to our shareholders, provided that at least 90% of our taxable income is so distributed to our shareholders prior to filing of the Company's tax return. We have satisfied the REIT distribution requirement since 1980.

During 2001, we paid regular quarterly distributions of \$0.22 per common share for the first two quarters; during the third and fourth quarters the regular quarterly distribution was \$0.45 per common share. In addition, in the third quarter, a special distribution in the amount of \$0.35 per common share (an aggregate of \$39.7 million) was declared and paid.

Aggregate dividends paid during 2001, totaled \$118.0 million to the holders of our Cumulative Preferred Stock, \$193.1 million to the holders of our Common Stock, \$11.5 million to the holders of our Class B Common Stock and \$19.5 million to the holders of our Equity Stock, Series A. Although we have not finalized the calculation of our 2001 taxable income, we believe that the aggregate dividends paid in 2001 to our shareholders were designed to enable us to continue to qualify as a REIT.

We estimate that the distribution requirements for fiscal 2002 with respect to our Cumulative Preferred Stock outstanding (including the Series T and U issued subsequent to December 31, 2001), and assuming the redemption of Cumulative Preferred Stock, Series A, will be approximately \$150.6 million.

During 2001, we paid distributions totaling \$31.7 million with respect to our Preferred Partnership Units. We estimate the annual distribution requirements with respect to the preferred partnership units outstanding at December 31, 2001 to be approximately \$26.9 million.

For 2002, distributions with respect to the Common Stock and Equity Stock, Series A will be determined based upon our REIT distribution requirements after taking into consideration distributions to the preferred shareholders. We anticipate that, at a minimum, quarterly distributions per common share will remain at \$0.45 per common share (increased from \$0.22 per common share during 2000 and in the first two quarters of 2001). For the first quarter of 2002, a quarterly distribution of \$0.45 per common share has been declared by our Board of Directors. Over the past several years, in addition to the regular quarterly dividends paid to our common shareholder, we also paid special distributions. These special distributions were necessary to meet our distribution requirements in order to maintain our REIT tax status. The need to make a special distribution in 2002 is not determinable at this time and will depend in large part on our 2002 taxable income relative to the distributions being paid to all of our shareholders.

With respect to the depositary shares of Equity Stock, Series A, we have no obligation to pay distributions if no distributions are paid to the common shareholders. To the extent that we do pay common distributions in any year, the holders of the depositary shares receive annual distributions equal to the lesser of (i) five times the per share dividend on the common stock or (ii) \$2.45. The depositary shares are noncumulative, and have no preference over our Common Stock either as to dividends or in liquidation.

**CAPITAL IMPROVEMENT REQUIREMENTS:** During 2002, we have budgeted approximately \$31 million for capital improvements. Capital improvements include major repairs or replacements to the facilities which keep the facilities in



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good operation condition and maintain their visual appeal. Capital improvements do not include costs relating to the development or expansion of facilities.

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**DEBT SERVICE REQUIREMENTS:** We do not believe we have any significant refinancing risks with respect to our mortgage debt, all of which is fixed rate. At December 31, 2001, we had total outstanding notes payable of approximately \$143.6 million. See Note 7 to the consolidated financial statements for approximate principal maturities of such borrowings. We anticipate that our retained operating cash flow will continue to be sufficient to enable us to make scheduled principal payments. It is our current intent to fully amortize our debt as opposed to refinance debt maturities with additional debt.

**GROWTH STRATEGIES:** During 2002, we intend to continue to expand our asset and capital base through the acquisition of real estate assets and interests in real estate assets through direct purchases, mergers, tender offers or other transactions and through the development of additional storage facilities.

**ACQUISITION AND DEVELOPMENT OF FACILITIES:** During 2001, we acquired only one self-storage facility for approximately \$3.5 million. During 2000, we acquired two commercial facilities and 12 storage facilities at an aggregate cost of approximately \$67.1 million. Our low level of third party acquisitions over the past two years is not indicative of either the supply of facilities offered for sale or our ability to finance the acquisitions, but is primarily due to prices sought by sellers and our lack of desire to pay such prices. During fiscal 2002, we will continue to seek to acquire additional self-storage facilities from third parties, however, it is difficult to estimate the level of third party acquisitions.

On September 15, 2000, we acquired the remaining ownership interests in an affiliated partnership, of which we were the general partner, for an aggregate acquisition cost of \$81.2 million. This partnership owned 13 self-storage facilities.

In April 1997, we formed a joint venture partnership with an institutional investor for the purpose of developing up to \$220.0 million of self-storage facilities. The joint venture is funded solely with equity capital consisting of 30% from us and 70% from the institutional investor. Our share of the cost of the real estate in the joint venture was approximately \$69 million at December 31, 2001. As of December 31, 2001, the joint venture had 47 operating facilities, with 2,804,000 net rentable square feet and total development costs of approximately \$232 million. On January 16, 2002, we acquired the 70% interest from the institutional investor for approximately \$155,358,000 in cash. This transaction was principally financed with the capital raised through the issuance of our 7.625% Cumulative Preferred Stock, Series T.

We recently mailed an information statement relating to the April 19, 2002 acquisition by the Company of all of the 55,150 limited partnership units that it did not own in PS Partners V, Ltd., a partnership which is consolidated with the Company. The acquisition of the 55,150 units will be accomplished through a merger of a subsidiary of the Company into the partnership and the conversion of the 55,150 units into either cash or common stock of the Company. Each unit will be converted into the right to receive a value of \$596 in our common stock or, cash at the election of the unitholder. We expect that the cash portion of the transaction will be funded by available cash on hand.

In November 1999, we formed a second joint venture partnership for the

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development of approximately \$100 million of self-storage facilities. The venture is funded solely with equity capital consisting of 51% from us and 49% from the joint venture partner. The term of the joint venture is 15 years. After six years, the joint venture partner has the right to cause the Company to purchase the joint venture partner's interest for an amount necessary to provide them with a maximum return of 10.75% or less in certain circumstances. At December 31, 2001, this development joint venture was committed to develop 22 facilities (approximately 1,464,000 net rentable sq. ft.), of which 20 facilities (approximately 1,285,000 net rentable sq. ft.) were completed at an aggregate cost of approximately \$96.0 million. As of December 31, 2001, this development joint venture is developing two additional projects (approximately 144,000 net rentable square feet) that were in process, with total costs incurred of \$11.0 million and estimated remaining costs to complete of \$700,000.

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We currently have a development "pipeline" of 46 self-storage facilities, combination facilities, and expansions to existing self-storage facilities with an aggregate estimated cost of approximately \$298.4 million. Approximately \$121.2 million of development cost has been incurred as of December 31, 2001. We have acquired the land for 32 of these projects, which have an aggregate estimated cost of approximately \$200.4 million, and costs incurred as of December 31, 2001 of approximately \$117.1 million. The remaining 14 facilities represent identified sites where we have an agreement in place to acquire the land, generally within one year. We anticipate that the development of these projects will be funded solely by the Company.

The development and fill-up of these storage facilities is subject to significant contingencies such as obtaining appropriate governmental approvals. We estimate that the amount remaining to be spent of approximately \$177.2 million will be incurred over the next 18 - 24 months. The following table sets forth our development pipeline and a range of estimated opening dates for these projects:

	Number of Facilities	Total Estimated Cost of Development	Total Cost Incurred through December 31, 2001	E Fra
	-----	-----	-----	---
Development - Land Acquired at 12/31/01				
-----				
Self-storage facilities.....	23	\$ 157,283	\$ 91,103	Q1
Expansions of existing self-storage facilities.....	6	23,165	7,321	Q1
Expansion of existing self-storage facilities into Combination Facilities.....	1	5,850	5,542	
Combination facilities.....	2	14,136	13,111	
Total.....	32	200,434	117,077	
-----				
Potential Development - Land to be				
-----				
Acquired After 12/31/01				
-----				
Other self-storage facilities.....	14	97,971	4,104	Q4

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Total Development Pipeline.....	46	\$ 298,405	\$ 121,181
	=====	=====	=====

In addition to the above projects, we have 12 parcels of land held for development with total costs of approximately \$30,001,000 at December 31, 2001.

**STOCK REPURCHASE PROGRAM:** The Company's Board of Directors has authorized the repurchase from time to time of up to 25,000,000 shares of the Company's common stock on the open market or in privately negotiated transactions. During 2001, we repurchased a total of 10,585,593 common shares, for a total aggregate cost of approximately \$276.9 million. From the inception of the repurchase program through December 31, 2001, we have repurchased a total of 21,486,020 shares of common stock at an aggregate cost of approximately \$535.5 million. From January 1, 2002 until March 26, 2002, there were no significant repurchases of our common stock.

**FUNDS FROM OPERATIONS:** Total funds from operations ("FFO") increased to \$499.6 million for the year ended 2001 compared to \$452.2 million for the year ended 2000 and \$429.0 million in 1999. FFO available to common shareholders (after deducting preferred stock dividends) increased to \$362.1 million for the year ended December 31, 2001 compared to \$341.0 million in 2000 and \$334.2 million in 1999. FFO means net income (loss) (computed in accordance with generally accepted accounting principles) before (i) gain (loss) on early extinguishment of debt, (ii) minority interest in income and (iii) gain (loss) on disposition of real estate, adjusted as follows: (i) plus depreciation and amortization related to real estate assets (including the Company's pro-rata share of depreciation and amortization of unconsolidated equity interests and amortization of assets acquired in a merger, including property management agreements and goodwill), and (ii) less FFO attributable to minority interests.

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FFO is a supplemental performance measure for equity REITs as defined by the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"). The NAREIT definition does not specifically address the treatment of minority interest in the determination of FFO or the treatment of the amortization of property management agreements and goodwill. In the case of the Company, FFO represents amounts attributable to its shareholders after deducting amounts attributable to the minority interests and before deductions for the amortization of property management agreements and goodwill. FFO is presented because management, as well as many industry analysts, consider FFO to be one measure of the performance of the Company and it is used in establishing the terms of the Class B Common Stock. FFO does not take into consideration capital improvements, scheduled principal payments on debt, distributions and other obligations of the Company. Accordingly, FFO is not a substitute for the Company's cash flow or net income (as discussed above) as a measure of the Company's liquidity or operating performance. FFO is not comparable to similarly entitled items reported by other REITs that do not define it exactly as we have defined it.

### ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

To limit our exposure to market risk, we principally finance our operations and growth with permanent equity capital consisting either of common or preferred stock. At December 31, 2001, the Company's debt as a percentage of total shareholders' equity (based on book values) was 4.3%.

Our preferred stock is not redeemable at the option of the holders.

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Except under certain conditions relating to the Company's qualification as a REIT, the Senior Preferred Stock is not redeemable by the Company prior to the following dates: Series A - September 30, 2002, Series B - March 31, 2003, Series C - June 30, 1999, Series D - September 30, 2004, Series E - January 31, 2005, Series F - April 30, 2005, Series J - August 31, 2002, Series K - January 19, 2004, Series L - March 10, 2004, Series M - August 17, 2004, Series Q - January 19, 2006, Series R - September 28, 2006, Series S - October 31, 2006, Series T - January 18, 2007 and Series U - February 19, 2007. On or after the respective dates, each of the series of Senior Preferred Stock will be redeemable at the option of the Company, in whole or in part, at \$25 per share (or depositary share in the case of the Series J through Series U), plus accrued and unpaid dividends.

Our market risk sensitive instruments include notes payable, which totaled \$168,552,000 at December 31, 2001. All of our notes payable bear interest at fixed rates. See Note 7 to the consolidated financial statements for terms, valuations and approximate principal maturities of the notes payable as of December 31, 2001.

### ITEM 8. Financial Statements and Supplementary Data

The financial statements of the Company at December 31, 2001 and December 31, 2000 and for each of the three years in the period ended December 31, 2001 and the report of Ernst & Young LLP, Independent Auditors, thereon and the related financial statement schedule, are included elsewhere herein. Reference is made to the Index to Financial Statements and Schedules in Item 14.

### ITEM 9. Disagreements on Accounting and Financial Disclosure

Not applicable.

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## PART III

### ITEM 10. Directors and Executive Officers of the Registrant

The information required by this item with respect to directors is hereby incorporated by reference to the material appearing in the Company's definitive proxy statement to be filed in connection with the annual shareholders' meeting to be held on May 9, 2002 (the "Proxy Statement") under the caption "Proposal No. 1 - Election of Directors." Information required by this item with respect to executive officers is provided in Item 4A of this report. See "Executive Officers of the Company."

### 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" and "Compensation Committee Interlocks and Insider Participation."

### ITEM 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this item is hereby incorporated by reference to the material appearing in the Proxy Statement under the captions "Proposal No. 1 - Election of Directors - Security Ownership of Certain Beneficial Owners" and "- Security Ownership of Management."

### ITEM 13. Certain Relationships and Related Transactions

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The information required by this item is hereby incorporated by reference to the material appearing in the Proxy Statement under the caption "Compensation Committee Interlocks and Insider Participation - Certain Relationships and Related Transactions."

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### PART IV

#### ITEM 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

##### a. 1. Financial Statements

The financial statements listed in the accompanying Index to Financial Statements and Schedules hereof are filed as part of this report.

##### 2. Financial Statement Schedules

The financial statements schedules listed in the accompanying Index to Financial Statements and Schedules are filed as part of this report.

##### 3. Exhibits

See Index to Exhibits contained herein.

##### b. Reports on Form 8-K

The Company filed a Current Report on form 8-K dated September 4, 2001 (filed September 5, 2001), pursuant to Item 5, in connection with the Company's public offering of depositary shares each representing 1/1,000 of a share of 8.000% Cumulative Preferred Stock, Series R in September 2001.

The Company filed a Current Report on form 8-K dated October 16, 2001 (filed October 17, 2001), pursuant to Item 5, in connection with the Company's public offering of depositary shares each representing 1/1,000 of a share of 7.875% Cumulative Preferred Stock, Series S in October 2001.

The Company filed a Current Report on form 8-K dated January 15, 2002 (filed January 16, 2002), pursuant to Item 5, in connection with the Company's public offering of depositary shares each representing 1/1,000 of a share of 7.625% Cumulative Preferred Stock, Series T in January 2002.

The Company filed a Current Report on form 8-K dated February 13, 2002 (filed February 14, 2002), pursuant to Item 5, in connection with the Company's public offering of depositary shares each representing 1/1,000 of a share of 7.625% Cumulative Preferred Stock, Series U in February 2002.

##### c. Exhibits:

See Index to Exhibits contained herein.

##### d. Financial Statement Schedules

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Not applicable.

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PUBLIC STORAGE, INC.

INDEX TO EXHIBITS

(Items 14(a)(3) and 14(c))

- 3.1 Restated Articles of Incorporation. Filed with Registrant's Registration Statement No. 33-54557 and incorporated herein by reference.
- 3.2 Certificate of Determination for the 10% Cumulative Preferred Stock, Series A. Filed with Registrant's Registration Statement No. 33-54557 and incorporated herein by reference.
- 3.3 Certificate of Determination for the 9.20% Cumulative Preferred Stock, Series B. Filed with Registrant's Registration Statement No. 33-54557 and incorporated herein by reference.
- 3.4 Amendment to Certificate of Determination for the 9.20% Cumulative Preferred Stock, Series B. Filed with Registrant's Registration Statement No. 33-56925 and incorporated herein by reference.
- 3.5 Certificate of Determination for the 8.25% Convertible Preferred Stock. Filed with Registrant's Registration Statement No. 33-54557 and incorporated herein by reference.
- 3.6 Certificate of Determination for the Adjustable Rate Cumulative Preferred Stock, Series C. Filed with Registrant's Registration Statement No. 33-54557 and incorporated herein by reference.
- 3.7 Certificate of Determination for the 9.50% Cumulative Preferred Stock, Series D. Filed with Registrant's Form 8-A/A Registration Statement relating to the 9.50% Cumulative Preferred Stock, Series D and incorporated herein by reference.
- 3.8 Certificate of Determination for the 10% Cumulative Preferred Stock, Series E. Filed with Registrant's Form 8-A/A Registration Statement relating to the 10% Cumulative Preferred Stock, Series E and incorporated herein by reference.
- 3.9 Certificate of Determination for the 9.75% Cumulative Preferred Stock, Series F. Filed with Registrant's Form 8-A/A Registration Statement relating to the 9.75% Cumulative Preferred Stock, Series F and incorporated herein by reference.
- 3.10 Certificate of Determination for the Convertible Participating Preferred Stock. Filed with Registrant's Registration Statement No. 33-63947 and incorporated herein by reference.
- 3.11 Certificate of Amendment of Articles of Incorporation, Filed with Registrant's Registration Statement No. 33-63947 and incorporated herein by reference.
- 3.12 Certificate of Determination for the 8-7/8% Cumulative Preferred Stock, Series G. Filed with Registrant's Form 8-A/A Registration Statement

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relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8-7/8% Cumulative Preferred Stock, Series G and incorporated herein by reference.

3.13 Certificate of Determination for the 8.45% Cumulative Preferred Stock, Series H. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8.45% Cumulative Preferred Stock, Series H and incorporated herein by reference.

3.14 Certificate of Determination for the Convertible Preferred Stock, Series CC. Filed with Registrant's Registration Statement No. 333-03749 and incorporated herein by reference.

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3.15 Certificate of Correction of Certificate of Determination for the Convertible Participating Preferred Stock. Filed with Registrant's Registration Statement No. 333-08791 and incorporated herein by reference.

3.16 Certificate of Determination for 8-5/8% Cumulative Preferred Stock, Series I. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8-5/8% Cumulative Preferred Stock, Series I and incorporated herein by reference.

3.17 Certificate of Amendment of Articles of Incorporation. Filed with Registrant's Registration Statement No. 333-18395 and incorporated herein by reference.

3.18 Certification of Determination for Equity Stock, Series A. Filed with Registrant's Form 10-Q for the quarterly period ended June 30, 1997 and incorporated herein by reference.

3.19 Certificate of Determination for Equity Stock, Series AA. Filed with Registrant's Form 10-Q for the quarterly period ended September 30, 1999 and incorporated herein by reference.

3.20 Certificate Decreasing Shares Constituting Equity Stock, Series A. Filed with Registrant's Form 10-Q for the quarterly period ended September 30, 1999 and incorporated herein by reference.

3.21 Certificate of Determination for Equity Stock, Series A. Filed with Registrant's Form 10-Q for the quarterly period ended September 30, 1999 and incorporated herein by reference.

3.22 Certification of Determination for 8% Cumulative Preferred Stock, Series J. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8% Cumulative Preferred Stock, Series J and incorporated herein by reference.

3.23 Certificate of Correction of Certificate of Determination for the 8.25% Convertible Preferred Stock. Filed with Registrant's Registration Statement No. 333-61045 and incorporated herein by reference.

3.24 Certification of Determination for 8-1/4% Cumulative Preferred Stock, Series K. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share

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of 8-1/4% Cumulative Preferred Stock, Series K and incorporated herein by reference.

- 3.25 Certificate of Determination for 8-1/4% Cumulative Preferred Stock, Series L. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8-1/4% Cumulative Preferred Stock, Series L and incorporated herein by reference.
- 3.26 Certificate of Determination for 8.75% Cumulative Preferred Stock, Series M. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8.75% Cumulative Preferred Stock, Series M and incorporated herein by reference.
- 3.27 Certificate of Determination for Equity Stock, Series AAA. Filed with Registrant's Current Report on Form 8-K dated November 15, 1999 and incorporated herein by reference.
- 3.28 Certification of Determination for 9.5% Cumulative Preferred Stock, Series N. Filed with Registrant's Annual Report on Form 10-K for the year ended December 31, 1999 and incorporated herein by reference.
- 3.29 Certification of Determination for 9.125% Cumulative Preferred Stock, Series O. Filed with Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2000 and incorporated herein by reference.
- 3.30 Certificate of Determination for 8.75% Cumulative Preferred Stock, Series P. Filed with Registrant's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2000 and incorporated herein by reference.

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- 3.31 Certificate of Determination for 8.600% Cumulative Preferred Stock, Series Q. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8.600% Cumulative Preferred Stock, Series Q and incorporated herein by reference.
- 3.32 Amendment to Certificate of Determination for Equity Stock, Series A. Filed with Registrant's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2001 and incorporated herein by reference.
- 3.33 Certificate of Determination for 8.000% Cumulative Preferred Stock, Series R. Filed with Registrant's Form 8-A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8.000% Cumulative Preferred Stock, Series R and incorporated herein by reference.
- 3.34 Certificate of Determination for 7.875% Cumulative Preferred Stock, Series S. Filed with Registrant's Form 8-A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 7.875% Cumulative Preferred Stock, Series S and incorporated herein by reference.
- 3.35 Certificate of Determination for 7.625% Cumulative Preferred Stock, Series T. Filed with Registrant's Form 8-A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share



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of 7.625% Cumulative Preferred Stock, Series T and incorporated herein by reference.

- 3.36 Certificate of Determination for 7.625% Cumulative Preferred Stock, Series U. Filed with Registrant's Form 8-A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 7.625% Cumulative Preferred Stock, Series U and incorporated herein by reference.
- 3.37 Bylaws, as amended. Filed with Registrant's Registration Statement No. 33-64971 and incorporated herein by reference.
- 3.38 Amendment to Bylaws adopted on May 9, 1996. Filed with Registrant's Registration Statement No. 333-03749 and incorporated herein by reference.
- 3.39 Amendment to Bylaws adopted on June 26, 1997. Filed with Registrant's Registration Statement No. 333-41123 and incorporated herein by reference.
- 3.40 Amendment to Bylaws adopted on January 6, 1998. Filed with Registrant's Registration Statement No. 333-41123 and incorporated herein by reference.
- 3.41 Amendment to Bylaws adopted on February 10, 1998. Filed with Registrant's Current Report on Form 8-K dated February 10, 1998 and incorporated herein by reference.
- 3.42 Amendment to Bylaws adopted on March 4, 1999. Filed with Registrant's Current Report on Form 8-K dated March 4, 1999 and incorporated herein by reference.
- 3.43 Amendment to Bylaws adopted on May 6, 1999. Filed with Registrant's Form 10-Q for the quarterly period ended March 31, 1999 and incorporated herein by reference.
- 10.1 Second Amended and Restated Management Agreement by and among Registrant and the entities listed therein dated as of November 16, 1995. Filed with PS Partners, Ltd.'s Annual Report on Form 10-K for the year ended December 31, 1996 and incorporated herein by reference.
- 10.2 Amended Management Agreement between Registrant and Public Storage Commercial Properties Group, Inc. dated as of February 21, 1995. Filed with Registrant's Annual Report on Form 10-K for the year ended December 31, 1994 and incorporated herein by reference.
- 10.3 Loan Agreement between Registrant and Aetna Life Insurance Company dated as of July 11, 1988. Filed with Registrant's Current Report on Form 8-K dated July 14, 1988 and incorporated herein by reference.
- 10.4 Amendment to Loan Agreement between Registrant and Aetna Life Insurance Company dated as of September 1, 1993. Filed with Registrant's Annual Report on Form 10-K for the year ended December 31, 1993 and incorporated herein by reference.
- 10.5 Second Amended and Restated Credit Agreement by and among Registrant, Wells Fargo Bank, National Association, as agent, and the financial institutions party thereto dated as of February 25, 1997. Filed with

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Registrant's Registration Statement No. 333-22665 and incorporated herein by reference.

- 10.6 Note Assumption and Exchange Agreement by and among Public Storage Management, Inc., Public Storage, Inc., Registrant and the holders of the notes dated as of November 13, 1995. Filed with Registrant's Registration Statement No. 33-64971 and incorporated herein by reference.
- 10.7\* Registrant's 1990 Stock Option Plan. Filed with Registrant's Annual Report on Form 10-K for the year ended December 31, 1994 and incorporated herein by reference.
- 10.8\* Registrant's 1994 Stock Option Plan. Filed with Registrant's Annual Report on Form 10-K for the year ended December 31, 1997 and incorporated herein by reference.
- 10.9\* Registrant's 1996 Stock Option and Incentive Plan. Filed with registrant's Annual Report on Form 10-K for the year ended December 31, 2000 and incorporated herein by reference.
- 10.10 Deposit Agreement dated as of December 13, 1995, among Registrant, The First National Bank of Boston, and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 8-7/8 Cumulative Preferred Stock, Series G. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8-7/8 Cumulative Preferred Stock, Series G and incorporated herein by reference.
- 10.11 Deposit Agreement dated as of January 25, 1996, among Registrant, The First National Bank of Boston, and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 8.45% Cumulative Preferred Stock, Series H. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8.45% Cumulative Preferred Stock, Series H and incorporated herein by reference.
- 10.12\*\* Employment Agreement between Registrant and B. Wayne Hughes dated as of November 16, 1995. Filed with Registrant's Annual Report on Form 10-K for the year ended December 31, 1995 and incorporated herein by reference.
- 10.13 Deposit Agreement dated as of November 1, 1996, among Registrant, The First National Bank of Boston, and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 8-5/8% Cumulative Preferred Stock, Series I. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8-5/8% Cumulative Preferred Stock, Series I and incorporated herein by reference.
- 10.14 Limited Partnership Agreement of PSAF Development Partners, L. P. between PSAF Development, Inc. and the Limited Partner dated as of April 10, 1997. Filed with Registrant's Form 10-Q for the quarterly period ended March 31, 1997 and incorporated herein by reference.
- 10.15 Deposit Agreement dated as of August 28, 1997 among Registrant, The First National Bank of Boston, and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 8% Cumulative Preferred Stock, Series J. Filed with

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Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8% Cumulative Preferred Stock, Series J and incorporated herein by reference.

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- 10.16 Agreement of Limited Partnership of PS Business Parks, L. P. dated as of March 17, 1998. Filed with PS Business Parks, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1998 and incorporated herein by reference.
- 10.17 Deposit Agreement dated as of January 19, 1999 among Registrant, BankBoston, N. A. and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 8-1/4% Cumulative Preferred Stock, Series K. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8-1/4% Cumulative Preferred Stock, Series K and incorporated herein by reference.
- 10.18 Agreement and Plan of Merger among Storage Trust Realty, Registrant and Newco Merger Subsidiary, Inc. dated as of November 12, 1998. Filed with Registrant's Registration Statement No. 333-68543 and incorporated herein by reference.
- 10.19 Amendment No. 1 to Agreement and Plan of Merger among Storage Trust Realty, Registrant, Newco Merger Subsidiary, Inc. and STR Merger Subsidiary, Inc. dated as of January 19, 1999. Filed with Registrant's Registration Statement No. 333-68543 and incorporated herein by reference.
- 10.20 Amended and Restated Agreement of Limited Partnership of Storage Trust Properties, L. P., dated as of March 12, 1999. Filed with Registrant's Form 10-Q for the quarterly period ended June 30, 1999 and incorporated herein by reference.
- 10.21\* Storage Trust Realty 1994 Share Incentive Plan. Filed with Storage Trust Realty's Annual Report on Form 10-K for the year ended December 31, 1997 and incorporated herein by reference.
- 10.22 Amended and Restated Storage Trust Realty Retention Bonus Plan effective as of November 12, 1998. Filed with Registrant's Registration Statement No. 333-68543 and incorporated herein by reference.
- 10.23 Deposit Agreement dated as of March 10, 1999 among Registrant, Bank Boston, N.A. and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 8-1/4% Cumulative Preferred Stock, Series L. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8-1/4% Cumulative Preferred Stock, Series L and incorporated herein by reference.
- 10.24 Note Purchase Agreement and Guaranty Agreement with respect to \$100,000,000 of Senior Notes of Storage Trust Properties, L.P. Filed with Storage Trust Realty's Annual Report on Form 10-K for the year ended December 31, 1996 and incorporated herein by reference.
- 10.25 Deposit Agreement dated as of August 17, 1999 among Registrant, Bank Boston, N.A. and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 8.75% Cumulative Preferred Stock, Series M. Filed with Registrant's Form

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8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8.75% Cumulative Preferred Stock, Series M and incorporated herein by reference.

- 10.26 Limited Partnership Agreement of PSAC Development Partners, L.P. among PS Texas Holdings, Ltd., PS Pennsylvania Trust and PSAC Storage Investors, L.L.C. dated as November 15, 1999. Filed with Registrant's Current Report on Form 8-K dated November 15, 1999 and incorporated herein by reference.
- 10.27 Agreement of Limited Liability Company of PSAC Storage Investors, L.L.C. dated as of November 15, 1999. Filed with Registrant's Current Report on Form 8-K dated November 15, 1999 and incorporated herein by reference.

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- 10.28 Deposit Agreement dated as of January 14, 2000 among Registrant, BankBoston, N.A. and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A and incorporated herein by reference.
- 10.29 Amended and Restated Agreement of Limited Partnership of PSA Institutional Partners, L.P. among PS Texas Holdings, Ltd. and the Limited Partners dated as of March 29, 2000. Filed with Registrant's Annual Report on Form 10-K for the year ended December 31, 1999 and incorporated herein by reference.
- 10.30 Amended and Restated Agreement of Limited Partnership of PSA Institutional Partners, L.P. among PS Texas Holdings, Ltd. and the Limited Partners dated as of August 11, 2000. Filed with Registrant's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2000 and incorporated herein by reference.
- 10.31\* Registrant's 2000 Non-Executive/Non-Director Stock Option and Incentive Plan. Filed with Registrant's Registration Statement No. 333-52400 and incorporated herein by reference.
- 10.32 Deposit Agreement dated as of January 19, 2001 among Registrant, Fleet National Bank and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 8.600% Cumulative Preferred Stock, Series Q. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8.600% Cumulative Preferred Stock, Series Q and incorporated herein by reference.
- 10.33\* Registrant's 2001 Non-Executive/Non-Director Stock Option and Incentive Plan. Filed with Registrant's Registration Statement No. 333-59218 and incorporated herein by reference.
- 10.34\* Registrant's 2001 Stock Option and Incentive Plan. Filed with Registrant's Registration Statement No. 333-59218 and incorporated herein by reference.
- 10.35 Deposit Agreement dated as of September 28, 2001 among Registrant, Fleet National Bank and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share

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of 8.000% Cumulative Preferred Stock, Series R. Filed with Registrant's Form 8-A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8.000% Cumulative Preferred Stock, Series R and incorporated herein by reference.

- 10.36 Deposit Agreement dated as of October 31, 2001 among Registrant, Fleet National Bank and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 7.875% Cumulative Preferred Stock, Series S. Filed with Registrant's Form 8-A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 7.875% Cumulative Preferred Stock, Series S and incorporated herein by reference.
- 10.37 Credit Agreement by and among Registrant, Wells Fargo Bank, National Association, as agent, and the financial institutions party thereto dated as of November 1, 2001. Filed with Registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2001 and incorporated herein by reference.
- 10.38 Deposit Agreement dated as of January 18, 2002 among Registrant, Fleet National Bank and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 7.625% Cumulative Preferred Stock, Series T. Filed with Registrant's Form 8-A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 7.625% Cumulative Preferred Stock, Series T and incorporated herein by reference.

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- 10.39 Deposit Agreement dated as of February 19, 2002 among Registrant, Fleet National Bank and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 7.625% Cumulative Preferred Stock, Series U. Filed with Registrant's Form 8-A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 7.625% Cumulative Preferred Stock, Series U and incorporated herein by reference.
- 11 Statement Re Computation of Ratio of Earnings Per Share. Filed herewith.
- 12 Statement Re Computation of Ratio of Earnings to Fixed Charges. Filed herewith.
- 21 Subsidiaries of the Registrant. Filed herewith.
- 23 Consent of Independent Auditors. Filed herewith.

- 
- \* Compensatory benefit plan.  
\*\* Management contract.

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### SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to

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be signed on its behalf by the undersigned, thereunto duly authorized.

PUBLIC STORAGE, INC.

Date: July 11, 2002

By: /s/ Harvey Lenkin

-----  
Harvey Lenkin, President

Pursuant to the requirements of Section 13 or 15(d) 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
-----	-----
/s/ B. Wayne Hughes ----- B. Wayne Hughes	Chairman of the Board, Chief Executive Officer and Director (principal executive officer)
/s/ Harvey Lenkin ----- Harvey Lenkin	President and Director
/s/ Marvin M. Lotz ----- Marvin M. Lotz	Senior Vice President and Director
/s/ B. Wayne Hughes, Jr. ----- B. Wayne Hughes, Jr.	Vice President and Director
/s/ John Reyes ----- John Reyes	Senior Vice President and Chief Financial Officer (principal financial officer and principal accounting officer)
/s/ Robert J. Abernethy ----- Robert J. Abernethy	Director
----- Dann V. Angeloff	Director
/s/ William C. Baker ----- William C. Baker	Director
----- Thomas J. Barrack, Jr.	Director
/s/ Uri P. Harkham ----- Uri P. Harkham	Director
/s/ Daniel C. Staton ----- Daniel C. Staton	Director

PUBLIC STORAGE, INC.  
 INDEX TO CONSOLIDATED FINANCIAL STATEMENTS  
 AND SCHEDULES

(Item 14 (a))

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III - Real estate and accumulated depreciation.....	F-34 - F-62
All other schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements or notes thereto.	

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Shareholders  
 Public Storage, Inc.

We have audited the accompanying consolidated balance sheets of Public Storage, Inc. as of December 31, 2001 and 2000, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2001. Our audits also included the financial statement schedule listed in the Index at Item 14 (a). These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

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We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated financial position of Public Storage, Inc. at December 31, 2001 and 2000, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

ERNST & YOUNG L L P

Los Angeles, California

February 22, 2002

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PUBLIC STORAGE, INC.  
 CONSOLIDATED BALANCE SHEETS  
 December 31, 2001 and 2000  
 (amounts in thousands, except share data)

	December 31, 2001
	-----
ASSETS	
Cash and cash equivalents .....	\$ 49,347
Real estate facilities, at cost:	
Land .....	1,165,111
Buildings .....	3,265,943
	-----
	4,431,054
Accumulated depreciation .....	(819,932)
	-----
	3,611,122
Construction in process .....	121,181
Land held for development .....	30,001
	-----
	3,762,304



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Investment in real estate entities .....	479,300
Intangible assets, net .....	202,701
Notes receivable, including amounts due from related parties .....	59,344
Other assets .....	72,883
	-----
Total assets .....	\$ 4,625,879
	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Line of credit borrowings .....	\$ 25,000
Notes payable .....	143,552
Accrued and other liabilities .....	93,143
	-----
Total liabilities .....	261,695
Minority interest:	
Preferred partnership interests .....	285,000
Other partnership interests .....	169,601
Commitments and contingencies	
Shareholders' equity:	
Preferred Stock, \$0.01 par value, 50,000,000 shares authorized, 11,156,500 shares issued and outstanding, (11,141,100 at December 31, 2000) at liquidation preference:	
Cumulative Preferred Stock, issued in series .....	1,540,150
Common Stock, \$0.10 par value, 200,000,000 shares authorized, 114,961,915 shares issued and outstanding (123,703,874 at December 31, 2000) .....	11,496
Equity Stock, Series A, \$0.01 par value, 200,000,000 shares authorized, 8,776.102 shares issued and outstanding (5,635.602 at December 31, 2000) ..	-
Class B Common Stock, \$0.10 par value, 7,000,000 shares authorized and issued	700
Paid-in capital .....	2,325,898
Cumulative net income .....	1,711,269
Cumulative distributions paid .....	(1,679,930)
	-----
Total shareholders' equity .....	3,909,583
	-----
Total liabilities and shareholders' equity .....	\$ 4,625,879
	=====

See accompanying notes.

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PUBLIC STORAGE, INC.  
CONSOLIDATED STATEMENTS OF INCOME

For each of the three years in the period ended December 31, 2001  
(amounts in thousands, except per share data)

	2001	2000	1
	-----	-----	-----
Revenues:			
Rental income:			
Self-storage facilities .....	\$ 721,662	\$ 653,110	\$ 59
Commercial properties .....	12,530	11,341	
Containerized storage facilities .....	47,686	37,914	2
Equity in earnings of real estate entities .....	38,542	36,109	3
Interest and other income .....	14,225	18,836	1

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	834,645	757,310	67
Expenses:			
Cost of operations:			
Storage facilities .....	229,211	210,462	18
Commercial properties .....	3,972	3,826	
Containerized storage facilities .....	43,004	37,798	2
Depreciation and amortization .....	168,061	148,967	13
General and administrative .....	21,038	21,306	1
Interest expense .....	3,227	3,293	
	468,513	425,652	37
Income before minority interest and gain on disposition of real estate and real estate investments .....	366,132	331,658	30
Minority interest in income:			
Preferred partnership interests .....	(31,737)	(24,859)	
Other partnership interests .....	(14,278)	(13,497)	(1)
Net income before gain on disposition of real estate .....	320,117	293,302	28
Gain on disposition of real estate and real estate investments .	4,091	3,786	
Net income .....	\$ 324,208	\$ 297,088	\$ 28
Net income allocation:			
Allocable to preferred shareholders .....	\$ 117,979	\$ 100,138	\$ 9
Allocable to Equity Stock, Series A .....	19,455	11,042	
Allocable to common shareholders .....	186,774	185,908	19
	\$ 324,208	\$ 297,088	\$ 28
Per common share:			
Basic net income per share .....	\$ 1.53	\$ 1.41	\$
Diluted net income per share .....	\$ 1.51	\$ 1.41	\$
Basic weighted average common shares outstanding .....	122,310	131,566	12
Diluted weighted average common shares outstanding .....	123,577	131,657	12

See accompanying notes.

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PUBLIC STORAGE, INC.  
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY  
For each of the three years in the period ended December 31, 2001  
(Amounts in thousands, except share and per share amounts)

Cumulative

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	Preferred Stock	Common Stock
	-----	-----
Balances at December 31, 1998.....	\$ 868,900	\$ 11,598
Issuance of Preferred Stock, net of issuance costs:		
Series K (4,600 shares), Series L (4,600 shares) and Series M (2,250 shares).....	286,250	-
Issuance of Common Stock (15,320,505 shares) .....	-	1,532
Repurchase of Common Stock (4,589,427 shares).....	-	(459)
Net income.....	-	-
Distributions to shareholders:		
Preferred Stock.....	-	-
Common Stock (\$1.52 per share).....	-	-
	-----	-----
Balances at December 31, 1999.....	1,155,150	12,671
Issuance of Equity Stock, Series A (5,635.602 shares).....	-	-
Issuance of Common Stock (498,451 shares) .....	-	50
Repurchase of Common Stock (3,491,600 shares).....	-	(351)
Issuance costs: Preferred operating partnership units (Note 8)	-	-
Net income.....	-	-
Distributions to shareholders:		
Preferred Stock.....	-	-
Equity Stock, Series A.....	-	-
Common Stock (\$1.48 per share).....	-	-
	-----	-----
Balances at December 31, 2000.....	1,155,150	12,370
Issuance of Series Q (6,900 shares), Series R (20,400 shares) and Series S (5,750 shares).....	826,250	-
Redemption of Series G (6,900 shares), Series H (6,750 shares) and Series I (4,000 shares).....	(441,250)	-
Issuance of Equity Stock, Series A (3,140.500 shares).....	-	-
Issuance of Common Stock (1,843,634 shares) .....	-	184
Repurchase of Common Stock (10,585,593 shares).....	-	(1,058)
Issuance of Put Option (Note 9).....	-	-
Net income.....	-	-
Distributions to shareholders:		
Preferred Stock.....	-	-
Equity Stock, Series A.....	-	-
Common Stock (\$1.69 per share).....	-	-
	-----	-----
Balances at December 31, 2001.....	\$ 1,540,150	\$ 11,496
	=====	=====

	Cumulative Net Income	Cumulative Distributio
	-----	-----
Balances at December 31, 1998.....	\$ 802,088	\$ (742,41
Issuance of Preferred Stock, net of issuance costs:		
Series K (4,600 shares), Series L (4,600 shares) and Series M (2,250 shares).....	-	-
Issuance of Common Stock (15,320,505 shares) .....	-	-
Repurchase of Common Stock (4,589,427 shares).....	-	-
Net income.....	287,885	-
Distributions to shareholders:		
Preferred Stock.....	-	(94,79
Common Stock (\$1.52 per share).....	-	(195,38
	-----	-----

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Balances at December 31, 1999.....	1,089,973	(1,032,58
Issuance of Equity Stock, Series A (5,635.602 shares).....	-	
Issuance of Common Stock (498,451 shares) .....	-	
Repurchase of Common Stock (3,491,600 shares).....	-	
Issuance costs: Preferred operating partnership units (Note 8)	-	
Net income.....	297,088	
Distributions to shareholders:		
Preferred Stock.....	-	(100,13
Equity Stock, Series A.....	-	(11,04
Common Stock (\$1.48 per share).....	-	(194,13
	-----	-----
Balances at December 31, 2000.....	1,387,061	(1,337,90
Issuance of Series Q (6,900 shares), Series R (20,400 shares) and		
Series S (5,750 shares).....	-	
Redemption of Series G (6,900 shares), Series H (6,750 shares)		
and Series I (4,000 shares).....	-	
Issuance of Equity Stock, Series A (3,140.500 shares).....	-	
Issuance of Common Stock (1,843,634 shares) .....	-	
Repurchase of Common Stock (10,585,593 shares).....	-	
Issuance of Put Option (Note 9).....	-	
Net income.....	324,208	
Distributions to shareholders:		
Preferred Stock.....	-	(117,97
Equity Stock, Series A.....	-	(19,45
Common Stock (\$1.69 per share).....	-	(204,59
	-----	-----
Balances at December 31, 2001.....	\$1,711,269	\$ (1,679,93
	=====	=====

See accompanying notes.

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PUBLIC STORAGE, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For each of the three years in the period ended December 31, 2001  
(amounts in thousands)

	2001	
	-----	
Cash flows from operating activities:		
Net income.....	\$ 324,208	\$
Adjustments to reconcile net income to net cash provided by operating		
activities:		
Less gain on disposition of real estate and real estate investments.	(4,091)	
Depreciation and amortization.....	168,061	
Depreciation included in equity in earnings of real estate entities.	25,096	
Minority interest in income.....	46,015	
Other.....	(20,755)	
	-----	
Total adjustments.....	214,326	
	-----	
Net cash provided by operating activities.....	538,534	
	-----	
Cash flows from investing activities:		
Principal payments received on mortgage notes receivable.....	2,199	

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Acquisition of minority interests.....	(11,841)
Notes receivable from affiliates.....	(35,000)
Acquisition of real estate facilities.....	(3,503)
Business combinations (Note 3).....	6,276
Investments in real estate entities.....	(55,468)
Construction in process.....	(171,865)
Land held for development.....	(12,425)
Capital improvements to real estate facilities .....	(35,478)
Proceeds from the sale of real estate facilities and real estate investments.....	19,936
Other investments .....	(8,889)
	-----
Net cash used in investing activities.....	(306,058)
	-----
Cash flows from financing activities:	
Net proceeds from the issuance of preferred stock.....	799,073
Net proceeds from the issuance of preferred partnership units.....	-
Net proceeds from the issuance of Equity Stock, Series A.....	74,820
Net proceeds from the issuance of common stock.....	15,857
Repurchase of the Company's common stock.....	(276,861)
Redemption of preferred stock.....	(441,325)
Repurchase of preferred partnership units.....	(80,000)
Principal payments on notes payable.....	(12,451)
Borrowings on Line of Credit.....	25,000
Distributions paid to shareholders.....	(342,030)
Distributions paid to minority interests.....	(53,862)
Investment by minority interests.....	18,273
Issuance of Put Option (Note 9).....	910
	-----
Net cash used in financing activities.....	(272,596)
	-----
Net increase in cash and cash equivalents.....	(40,120)
Cash and cash equivalents at the beginning of the year.....	89,467
	-----
Cash and cash equivalents at the end of the year.....	\$ 49,347
	=====

See accompanying notes.

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PUBLIC STORAGE, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For each of the three years in the period ended December 31, 2001  
(amounts in thousands)

(Continued)

	2001
	-----
Supplemental schedule of non cash investing and financing activities:	
Business combinations (Note 3):	
Real estate facilities.....	\$ -
Construction in process.....	-
Investment in real estate entities.....	-
Mortgage notes receivable.....	-
Intangible assets.....	(26,993)
Other assets.....	(4,538)

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Accrued and other liabilities.....	6,993
Minority interest.....	-
Notes payable.....	-
Acquisition of real estate facilities in exchange for minority interests, common stock, the cancellation of mortgage notes receivable, the reduction of investment in real estate entities and other assets.....	-
Other assets given in exchange for real estate facilities.....	-
Minority interest acquired in exchange for the sale of real estate facilities .....	-
Cancellation of mortgage notes receivable to acquire real estate facilities	-
Reduction of investment in real estate entities in exchange for real estate facilities.....	-
Disposition of real estate facilities in exchange for notes receivable, other assets, and investment in real estate entities.....	16,150
Notes receivable issued in connection with real estate dispositions.....	(305)
Other assets received in connection with real estate dispositions.....	-
Investment in real estate entities.....	-
Acquisition of minority interest in exchange for common stock.....	-
Distributions payable.....	-
Cumulative distributions paid.....	-
Issuance of Common Stock:	
In connection with business combinations.....	30,814
To acquire minority interests.....	-
Issuance of equity stock, Series A in connection with special distribution to common shareholders and in connection with acquisition of real estate facilities.....	-

See accompanying notes.

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PUBLIC STORAGE, INC.  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 December 31, 2001

1. Description of the business  
 -----

Public Storage, Inc. (the "Company") is a California corporation, which was organized in 1980. We are a fully integrated, self-administered and self-managed real estate investment trust ("REIT") whose principal business activities include the acquisition, development, ownership and operation of self-storage facilities which offer storage spaces for lease, usually on a month-to-month basis, for personal and business use. In addition, to a much lesser extent, we have interests in commercial properties, containing commercial and industrial rental space, and interests in facilities that lease storage containers.

We invest in real estate facilities by acquiring wholly owned facilities or by acquiring interests in real estate entities which own facilities. At December 31, 2001, we had direct and indirect equity interests in 1,384 self-storage facilities located in 37 states and operating under the "Public Storage" name. We also have direct and indirect equity interests in approximately 15.2 million net rentable square feet of commercial space located in 11 states.

2. Summary of significant accounting policies  
 -----

Basis of presentation  
 -----

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The consolidated financial statements include the accounts of the Company and 38 controlled entities (the "Consolidated Entities"). Collectively, the Company and the Consolidated Entities own a total of 1,275 real estate facilities, consisting of 1,270 storage facilities and five commercial properties.

At December 31, 2001, we had equity investments in 10 limited partnerships in which we do not have a controlling interest. These limited partnerships collectively own 114 self-storage facilities, which are managed by the Company. In addition, we own approximately 44% of the common equity of PS Business Parks, Inc. ("PSB"), which owns and operates 14.8 million net rentable square feet of commercial space at December 31, 2001. We do not control these entities, accordingly, our investments in these limited partnerships and PSB are accounted for using the equity method.

### Use of estimates

-----

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

### Income taxes

-----

For all taxable years subsequent to 1980, the Company qualified and intends to continue to qualify as a REIT, as defined in Section 856 of the Internal Revenue Code. As a REIT, we are not taxed on that portion of our taxable income which is distributed to our shareholders provided that we meet certain tests. We believe we have met these tests during 2001, 2000 and 1999; accordingly, no provision for income taxes has been made in the accompanying financial statements.

### Notes Receivable

-----

Notes receivable includes \$24,344,000 in mortgage notes receivable that are secured by real estate facilities, and a \$35,000,000 loan to PSB. The loan to PSB, which bore interest at the rate of 3.25% per year, was repaid (unaudited) on January 28, 2002.

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### Financial instruments

-----

The methods and assumptions used to estimate the fair value of financial instruments is described below. We have estimated the fair value of our financial instruments using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop estimates of market value. Accordingly, estimated fair values are not necessarily indicative of the amounts that could be realized in current market exchanges.

For purposes of financial statement presentation, we consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

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Due to the short period to maturity of our cash and cash equivalents, accounts receivable, and other financial assets included in other assets, and accrued and other liabilities, the carrying values as presented on the consolidated balance sheets are reasonable estimates of fair value. The carrying amount of mortgage notes receivable approximates fair value because the applicable interest rates approximate market rates for these loans. A comparison of the carrying amount of notes payable to their estimated fair value is included in Note 7, "Notes Payable."

Financial assets that are exposed to credit risk consist primarily of cash and cash equivalents, accounts receivable, and notes receivable. Cash and cash equivalents, which consist of short-term investments, including commercial paper, are only invested in entities with an investment grade rating. Other than the \$35,000,000 note receivable from PSB noted above, which was repaid (unaudited) on January 28, 2002, notes receivable are secured by real estate facilities that we believe are valued in excess of the related note receivable. Accounts receivable are not a significant portion of total assets and are comprised of a large number of individual customers.

### Real estate facilities

-----

Real estate facilities are recorded at cost. Costs associated with the acquisition, development, construction, and improvement of properties are capitalized. Interest, property taxes, and other costs associated with development are capitalized as building cost. Expenditures for repairs and maintenance are charged to expense when incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the buildings and improvements, which are generally between 5 and 25 years.

### Evaluation of asset impairment

-----

In 1995, the Financial Accounting Standards Board issued Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" which requires impairment losses to be recorded on long-lived assets. We annually evaluate long-lived assets (including intangibles), by identifying indicators of impairment and, if such indicators exist, by comparing the sum of the estimated undiscounted future cash flows for each asset to the asset's carrying amount. When indicators of impairment are present and the sum of the undiscounted cash flows is less than the carrying value of such asset, an impairment loss is recorded equal to the difference between the asset's current carrying value and its value based upon discounting its estimated future cash flows. Statement No. 121 also addresses the accounting for long-lived assets that are expected to be disposed of. Such assets are to be reported at the lower of their carrying amount or fair value, less cost to sell. Our evaluations have indicated no impairment in the carrying amount of our assets.

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### Other assets

-----

Other assets primarily consist of furniture, fixtures, equipment, and other such assets associated with the containerized storage business as well as accounts receivable, prepaid expenses, and other such assets of the Company. Included in other assets with respect to the containerized storage



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business is furniture, fixtures, and equipment (net of accumulated depreciation) of \$30,699,000 and \$28,544,000 at December 31, 2001 and 2000, respectively. Included in depreciation and amortization expense is \$5,851,000, \$4,801,000, and \$4,915,000 in the years ended December 31, 2001, 2000 and 1999, respectively, of depreciation of furniture, fixtures, and equipment relating to the containerized storage business.

### Intangible assets and goodwill

-----

Intangible assets consist of property management contracts (\$165,000,000 at December 31, 2001 and 2000) and the excess of acquisition cost over the fair value of net tangible and identifiable intangible assets or "goodwill" (\$94,719,000 at December 31, 2001 and \$ 67,726,000 at December 31, 2000) acquired in business combinations. Intangible assets are amortized straight-line over 25 years. At December 31, 2001 and 2000, intangible assets are net of accumulated amortization of \$57,018,000 and \$47,709,000, respectively. Included in depreciation and amortization expense is \$9,309,000 in each of the three fiscal years ended December 31, 2001 with respect to the amortization of intangible assets.

Intangible assets and goodwill increased by \$26,993,000 in the year ended December 31, 2001 as a result of the acquisition of PS Insurance Company, Ltd. (See Note 3).

### Revenue and expense recognition

-----

Property rents are recognized as earned. Equity in earnings of real estate entities are recognized based on our ownership interest in the earnings of each of the unconsolidated real estate entities. Advertising costs of \$21,987,000, \$11,987,000 and \$10,160,000 for 2001, 2000 and 1999, respectively, were expensed as incurred. Repairs and maintenance expenditures are expensed as incurred.

### Environmental costs

-----

Our policy is to accrue environmental assessments and/or remediation cost when it is probable that such efforts will be required and the related costs can be reasonably estimated. Our current practice is to conduct environmental investigations in connection with property acquisitions. Although there can be no assurance, we are not aware of any environmental contamination of any of our facilities which individually or in the aggregate would be material to our overall business, financial condition, or results of operations.

### Net income per common share

-----

Preferred stock dividends totaling \$117,979,000, \$100,138,000 and \$94,793,000 for the years ended December 31, 2001, 2000 and 1999, respectively, have been deducted from net income to arrive at net income allocable to our common shareholders.

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Net income allocated to our common shareholders has been further allocated among our two classes of common stock; our regular common stock and our Equity Stock, Series A. The allocation among each class was based

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upon the two-class method. Under the two-class method, earnings per share for each class of common stock is determined according to dividends declared (or accumulated) and participation rights in undistributed earnings. Under the two-class method, the Equity Stock, Series A for the years ended December 31, 2001 and 2000 were allocated approximately \$19,455,000 and \$11,042,000 of net income. The remaining \$186,774,000, \$185,908,000, and \$193,092,000, for the years ended December 31, 2001, 2000, and 1999, respectively, was allocated to the regular common shares.

Basic net income per share is computed using the weighted average common shares outstanding (prior to the dilutive impact of stock options outstanding). Diluted net income per common share is computed using the weighted average common shares outstanding (adjusted for the dilutive impact of stock options outstanding that totaled 1,267,000 in 2001, 91,000 in 2000 and 361,000 shares in 1999).

Commencing January 1, 2000, the Company's 7,000,000 Class B common shares outstanding began to participate in distributions of the Company's earnings. Distributions per share of Class B common stock are equal to 97% of the per share distribution paid to the Company's regular common shares. As a result of this participation in distribution of earnings, for purposes of computing net income per common share, we began to include 6,790,000 (7,000,000 x 97%) Class B common shares in the weighted average common equivalent shares for the years ended December 31, 2001 and 2000. Weighted average shares for the year ended December 31, 1999 does not include any shares with respect to the Class B common stock as these shares did not participate in distributions of the Company's earnings prior to January 1, 2000.

### Stock-based compensation

-----

In October 1995, the Financial Accounting Standards Board issued Statement No. 123 "Accounting for Stock-Based Compensation" which provides companies an alternative to accounting for stock-based compensation as prescribed under APB Opinion No. 25 (APB 25). Statement 123 encourages, but does not require companies to recognize expense for stock-based awards based on their fair value at date of grant. Statement No. 123 allows companies to continue to follow existing accounting rules (fair value method under APB 25) provided that pro-forma disclosures are made of what net income and earnings per share would have been had the new fair value method been used. We have elected to adopt the disclosure requirements of Statement No. 123 but will continue to account for stock-based compensation under APB 25.

### Reclassifications

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Certain reclassifications have been made to the consolidated financial statements for 1999 and 2000 in order to conform to the 2001 presentation.

### 3. Business combinations

-----

On December 31, 2001, we acquired all of the capital stock of PS Insurance Company, Ltd. ("PS Insurance Company"), which reinsures policies against losses to goods stored by tenants in our self-storage facilities and which owned, and continues to own, 301,032 shares of the Company's common stock. This acquisition was completed in order to provide an additional source of operating income for the Company. Prior to December 31, 2001, PS Insurance was owned by our chairman and chief executive

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officer, B. Wayne Hughes, and members of his family (collectively, "Hughes").

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The acquisition cost was \$24,538,000, which was composed of \$30,814,000 in common stock (1,439,765 shares issued to Hughes less the 301,032 shares held by PS Insurance Company) valued at the market price of the common stock at the time the acquisition agreement was entered into and announced publicly) less \$6,276,000 cash held by PS Insurance Company.

The purchase price was allocated first to the tangible assets and liabilities of PS Insurance Company. The difference between the purchase price and the net tangible assets was determined to be related to the value of the ongoing operations of the enterprise as a whole (and not to any specific intangible asset) and was therefore allocated to goodwill. The goodwill will not be amortized but instead will be evaluated for recoverability on an annual basis in accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets."

During 2000, we acquired the remaining ownership interests in a partnership, of which we are the general partner, for an aggregate acquisition cost of \$81,169,000, consisting of cash of \$66,776,000 and the reduction of our pre-existing investment in the amount of \$14,393,000. Prior to the acquisition, we accounted for our investment in the partnership using the equity method of accounting.

On March 12, 1999, we completed a merger with Storage Trust Realty, Inc. ("Storage Trust"). All the outstanding stock of Storage Trust was exchanged for 13,009,485 shares of the Company's common stock and an additional 1,011,963 shares were reserved for issuance upon conversion of limited partnership units in Storage Trust's operating partnership. The aggregate acquisition cost of the merger was approximately \$575,676,000, consisting of the issuance of the Company's common stock of approximately \$347,223,000, cash of approximately \$105,239,000, the assumption of debt in the amount of \$100,000,000, and the Company's pre-existing investment in Storage Trust of approximately \$23,214,000.

During 1999, we acquired all of the limited partner interests in fourteen partnerships, which owned an aggregate of 40 storage facilities. Prior to the acquisitions, we accounted for our investment in each of these partnerships using the equity method. As a result of increasing our ownership interest and obtaining control of the partnerships, we began to consolidate the accounts of the partnerships in the consolidated financial statements. The aggregate amount of the interests acquired totaled \$118,453,000 consisting of a \$43,476,000 reduction of the Company's pre-existing investment and cash of \$74,977,000.

Each of the business combinations, indicated above, has been accounted for using the purchase method. Accordingly, allocations of the total acquisition cost to the net assets acquired were made based upon the fair value of such assets and liabilities assumed with respect to the transactions, with the remainder, if any, allocated to goodwill. Accordingly, allocations of the total acquisition cost to the net assets acquired were made based upon the fair value of such assets and liabilities assumed with respect to the transactions occurring in 2001, 2000, and 1999 are summarized as follows:

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	PS Insurance Acquisition	Partnership Acquisitions	Storage Trust Merger	
	-----	-----	-----	-----
	(Amounts in thousands)			
2001 business combinations:				
Goodwill.....	\$ 26,993	\$ -	\$ -	\$ -
Other assets.....	4,538	-	-	-
Accrued and other liabilities.....	(6,993)	-	-	-
	-----	-----	-----	-----
	\$ 24,538	\$ -	\$ -	\$ -
	=====	=====	=====	=====
2000 business combinations:				
Real estate facilities.....	\$ -	\$ 82,163	\$ -	\$ -
Other assets.....	-	183	-	-
Accrued and other liabilities.....	-	(1,177)	-	-
	-----	-----	-----	-----
	\$ -	\$ 81,169	\$ -	\$ -
	=====	=====	=====	=====
1999 business combinations:				
Real estate facilities.....	\$ -	\$ 129,348	\$ 598,577	\$ -
Construction in process.....	-	-	11,449	-
Investment in real estate entities...	-	-	356	-
Mortgage notes receivable.....	-	-	6,739	-
Other assets.....	-	386	2,909	-
Accrued liabilities.....	-	(6,089)	(17,345)	-
Minority interest.....	-	(5,192)	(27,009)	-
	-----	-----	-----	-----
	\$ -	\$ 118,453	\$ 575,676	\$ -
	=====	=====	=====	=====

The historical operating results of the above acquisitions prior to each respective acquisition date have not been included in the Company's historical operating results. Pro forma data (unaudited) for the two years ended December 31, 2001 as though the business combinations above had been effective at the beginning of fiscal 2000 are as follows:

	For the Year Ended December 31,	
	-----	-----
	2001	2000
	(in thousands except per share data)	
Revenues.....	\$853,280	\$782,972
Net income.....	333,739	305,498
Net income per common share (Basic).....	1.59	1.46
Net income per common share (Diluted).....	1.57	1.46

The pro forma data does not purport to be indicative either of results of operations that would have occurred had the transactions occurred at the beginning of fiscal 2000 or future results of operations of the Company. Certain pro forma adjustments were made to the combined historical amounts to reflect (i) expected reductions in general and administrative expenses, (ii) estimated increased interest expense from bank borrowings to finance the cash portion of the acquisition cost and (iii) estimated increase in depreciation expense.

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4. Real estate facilities  
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Activity in real estate facilities during 2001, 2000 and 1999 is as follows:

	2001	2000
	-----	-----
		(Amounts in tho
Operating facilities, at cost:		
Beginning balance.....	\$ 4,134,417	\$ 3,822,433
Property acquisitions:		
Business combinations (Note 3) .....	-	82,163
Other acquisitions.....	3,503	67,107
Disposition of facilities.....	(9,603)	(20,516)
Facilities contributed to unconsolidated real estate entities.....	-	-
Newly developed facilities opened for operations.....	264,161	135,095
Acquisition of minority interest (Note 8).....	3,098	15,112
Capital improvements.....	35,478	33,023
	-----	-----
Ending balance.....	4,431,054	4,134,417
	-----	-----
Accumulated depreciation:		
Beginning balance.....	(668,018)	(533,412)
Additions during the year.....	(152,901)	(134,857)
Disposition of facilities.....	987	251
	-----	-----
Ending balance.....	(819,932)	(668,018)
	-----	-----
Construction in process:		
Beginning balance.....	217,140	125,812
Current development.....	171,865	226,423
Property acquisitions - merger with Storage Trust.....	-	-
Transfers to land held for development.....	(3,663)	-
Newly developed facilities opened for operations.....	(264,161)	(135,095)
	-----	-----
Ending balance.....	121,181	217,140
	-----	-----
Land held for development:		
Beginning balance.....	21,447	14,952
Acquisitions.....	12,425	6,495
Transfers from construction in process.....	3,663	-
Dispositions.....	(7,534)	-
	-----	-----
Ending balance.....	30,001	21,447
	-----	-----
Total real estate facilities.....	\$ 3,762,304	\$ 3,704,986
	=====	=====

Operating Facilities  
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During 2001, we opened 23 newly developed facilities having approximately 1,511,000 aggregate net rentable square feet and a total cost of approximately \$179,213,000. In addition, expansions of existing facilities with a total cost of approximately \$84,948,000 with a total of 895,000 net rentable square feet were completed during 2001.

During 2001, we purchased one existing storage facility from a third party for approximately \$3,503,000 in cash.

During 2001, we disposed of two existing real estate facilities and a parcel of land for a total of \$20,241,000, composed of \$19,936,000 cash and a note receivable of \$305,000. An aggregate gain of \$4,091,000 was recorded on these dispositions.

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During 2000, we acquired a total of 13 facilities for an aggregate cost of \$82,163,000 in connection with a business combination (Note 3). In addition, we acquired 12 storage facilities and 2 industrial facilities for an aggregate cost of \$67,107,000, consisting of \$62,938,000 cash, the issuance of Equity Stock, Series A (\$1,025,000) and an existing investment (\$3,144,000). In addition, we opened 24 facilities we had developed with a total cost of \$122,889,000 and completed various expansions of existing storage facilities at an aggregate cost of \$12,206,000.

During 2000, we disposed of eight storage facilities and two parcels of land for an aggregate of \$20,561,000, consisting of cash (\$10,444,000), the acquisition of minority interest (\$6,427,000), and a note receivable (\$3,690,000). An aggregate gain of \$296,000 was recorded on these dispositions.

During 1999, we acquired a total of 253 real estate facilities for an aggregate cost of \$727,925,000 in connection with certain business combinations (Note 3). In addition, we also acquired three storage facilities and two industrial facilities for an aggregate cost of \$36,013,000, consisting of the cancellation of mortgage notes receivable (\$5,573,000), other assets (\$3,800,000), and cash (\$26,640,000).

In April 1999, we sold six properties for approximately \$10,500,000 (composed of \$1,460,000 cash, notes receivable of \$5,240,000, and other assets of \$3,800,000). In addition, during 1999, we disposed of an industrial facility, two storage facilities through condemnation proceedings, and four parcels of land for an aggregate of approximately \$16,416,000, composed of \$11,196,000 cash and \$5,220,000 mortgage notes receivable. In aggregate, we recorded a gain upon sale of \$2,154,000, representing the difference between the proceeds received and the net book value of the real estate.

At December 31, 2001, the unaudited adjusted basis of real estate facilities for Federal income tax purposes was approximately \$3.0 billion.

### Construction in process and land held for development -----

Construction in process consists of land and development costs relating to the development of storage facilities. At December 31, 2001, construction in process consists primarily of 25 facilities being developed on newly acquired land and the expansion of seven existing facilities.

In addition, we have 12 parcels of land held for development with

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total costs of approximately \$30,001,000.

5. Investments in real estate entities  
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At December 31, 2001, our investments in real estate entities consist of ownership interests in 10 partnerships, which principally own self-storage facilities, and an ownership interest in PSB. These interests are non-controlling interests of less than 50% and are accounted for using the equity method of accounting. Accordingly, earnings are recognized based upon our ownership interest in each of the partnerships. The accounting policies of these entities are similar to the Company's.

During 2001, 2000 and 1999, we recognized earnings from our investments of \$38,542,000, \$36,109,000 and \$32,183,000, respectively, and received cash distributions totaling \$24,124,000, \$16,984,000 and \$15,949,000, respectively. In addition, during 2000, we recognized a gain of \$3,210,000, representing our share of PSB's gains on sale of real estate and real estate investments; this gain is presented as "Gain on the disposition of real estate and real estate investments" in our consolidated income statement.

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The following table sets forth our investments in the Unconsolidated Entities at December 31, 2001 and 2000 and our Equity in Earnings of Real Estate Investments for each of the three years ended December 31, 2001:

	Investments in Real Estate Entities at December 31,		Equity in Earnings
	2001	2000	year e
PSB	\$ 267,472	\$ 259,554	\$ 22,361
Development Joint Venture	79,263	65,631	4,227
Other Investments.....	132,565	123,743	11,954
Total.....	\$ 479,300	\$ 448,928	\$ 38,542

Investment in PSB  
-----

On January 2, 1997, we reorganized our commercial property operations into an entity now known as PS Business Parks, Inc., a REIT traded on the American Stock Exchange, and an operating partnership controlled by PS Business Parks, Inc. (collectively, the REIT and the operating partnership are referred to as "PSB"). The Company and certain partnerships in which the Company has a controlling interest have a 44% common equity interest in PSB as of December 31, 2001. This 44% common equity interest is comprised of the ownership of 5,418,273 shares of common stock and 7,305,355 limited partnership units in the operating partnership; these limited partnership units are convertible at our option, subject to certain conditions, on a one-for-one basis into PSB common stock. Based upon PSB's trading price at December 31, 2001 (\$31.50), the shares and

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units had a market value of approximately \$400.8 million.

At December 31, 2001, PSB owned and operated 14.8 million net rentable square feet of commercial space located in nine states. PSB also manages the commercial space owned by the Company and the Consolidated Entities.

During 2001 and 2000, respectively, we received a total of \$14,443,000 and \$12,391,000 in distributions from PSB.

The following table sets forth the condensed statements of operations for each of the two years ended December 31, 2001, and the condensed balance sheets of PSB at December 31, 2001 and 2000. These amounts below represent 100% of PSB's balances and not our pro-rata share.

PSB ----	For the Year Ended December 31,	
	2001	2000
	(Amount in thousands)	
For the year ended December 31, -----		
Total revenue.....	\$ 170,391	\$ 150,634
Gain on real estate investments.....	8	8,105
Cost of operations and other expenses.....	(51,973)	(45,180)
Depreciation and amortization.....	(41,067)	(35,637)
Minority interest.....	(27,489)	(26,741)
Net income.....	\$ 49,870	\$ 51,181
At December 31,		
Total assets (primarily real estate).....	\$ 1,169,955	\$ 930,756
Total debt.....	165,145	30,971
Other liabilities.....	45,188	28,964
Preferred equity and preferred minority interests....	318,750	199,750
Common equity.....	640,872	671,071

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### Investment in Development Joint Venture -----

In April 1997, the Company and an institutional investor formed a joint venture partnership (the "Development Joint Venture") for the purpose of developing approximately \$220 million of self-storage facilities. The Development Joint Venture has a total of 47 opened facilities with a total cost of \$232 million and was fully committed at December 31, 2000. The partnership is funded solely with equity capital consisting of 30% from the Company and 70% from the institutional investor.

The term of the joint venture is 7 years, after which the properties would either be sold to third parties or acquired by either of the partners (at their option) based upon the then fair market value of the facilities. Under the partnership agreement, the sales proceeds would generally be allocated to the partners pro rata based upon ownership interests, however, at various returns on investment milestones to the



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investor our share in the sales proceeds would be promoted to a higher percentage interest.

In addition, five years after inception of the partnership, the Company has the right (but not the obligation) to purchase the institutional investor's interest in the partnership. Under the partnership agreement, the purchase price for the interest would be equal to an amount, when combined with all the prior cash flows of the institutional investor, would result in an internal rate of return of 11.5% to the investor from the inception of the partnership through the acquisition date.

During 2001 and 2000, respectively, we invested a total of \$14,997,000 and \$3,262,000 in the Development Joint Venture. During 2001 and 2000, respectively, we received distributions totaling \$5,592,000 and \$1,120,000 from the Development Joint Venture.

The following table sets forth the statements of operations for each of the two years ended December 31, 2001 and the condensed balance sheets of the Development Joint Venture at December 31, 2001 and 2000. These amounts below represent 100% of the Development Joint Venture's balances and not our pro-rata share.

Development Joint Venture	2001	2000
	(Amount in thousands)	
For the year ended December 31		
Total revenue.....	\$ 34,162	\$ 26,247
Cost of operations and other expenses	(13,203)	(10,987)
Depreciation and amortization.....	(6,880)	(6,290)
	\$ 14,079	\$ 8,970
	=====	=====
At December 31,		
Total assets.....	\$ 215,550	\$ 222,670
Other liabilities.....	2,765	3,899
Partners' equity.....	212,785	218,771

### Other Investments

In addition to our investments in PSB and the Development Joint Venture, our investments in real estate entities has included the other Unconsolidated Entities as well as certain other entities (collectively, the "Other Investments") throughout each of the three years ended December 31, 2001.

At December 31, 2001 and 2000, the Other Investments primarily represent an average 46% common equity interest in 10 limited partnerships owning an aggregate of 67 storage facilities. During 2001 and 2000, respectively, we invested a total of \$957,000 and \$27,772,000, respectively, in the Other Investments. During 2001 and 2000, we received a total of \$4,089,000 and \$3,473,000 in distributions from the Other Investments, respectively.

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During 2000, the Other Investments reflected decreases as a result of business combinations whereby the Company eliminated approximately \$14,393,000 of Other Investments.

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During 2000, we disposed of other investments, for total proceeds of \$47,875,000. We recorded a net gain of \$280,000 as "Gain on the disposition of real estate and real estate investments" representing the difference between our cost and proceeds received.

The following table sets forth certain condensed financial information (representing 100% of these entities balances and not our pro-rata share) with respect to the 10 limited partnerships comprising the Other Investments that we held at December 31, 2001:

Other Investments	2001	2000
	(Amount in thousands)	
For the year ended December 31		
Total revenue.....	\$ 48,651	\$ 43,120
Cost of operations and other expenses	(16,136)	(16,169)
Depreciation and amortization.....	(4,511)	(4,437)
	\$ 28,004	\$ 22,514
At December 31,		
Total assets (primarily storage facilities).....	\$ 110,165	\$ 100,129
Total debt.....	12,907	32,675
Other liabilities.....	8,746	7,657
Partners' equity.....	88,513	59,797

### 6. Revolving line of credit

In November 2001, we entered into a new agreement for a \$200 million revolving line of credit (the "Credit Agreement") to replace our \$150 million line of credit which was due to expire on July 1, 2002. The Credit Agreement has a maturity date of October 31, 2004 and bears an annual interest rate ranging from the London Interbank Offered Rate ("LIBOR") plus 0.45% to LIBOR plus 1.50% depending on our credit ratings (currently 0.45%). In addition, we are required to pay a quarterly commitment fee ranging from 0.20% per annum to 0.30% per annum depending on our credit ratings (currently the fee is 0.20% per annum). At December 31, 2001, we had borrowings of \$25 million on our line of credit, at an interest rate of 2.45% per year.

The Credit Agreement includes various covenants, the more significant of which requires us to (i) maintain a balance sheet leverage ratio of less than 0.50 to 1.00, (ii) maintain certain quarterly interest and fixed-charge coverage ratios (as defined) of not less than 2.50 to 1.0 and 1.75 to 1.0, respectively, and (iii) maintain a minimum total shareholders' equity (as defined). In addition, we are limited in our ability to incur additional borrowings (we are required to maintain unencumbered assets with an aggregate book value equal to or greater than two times our unsecured recourse debt). We were in compliance with all the covenants of the Credit Agreement at December 31, 2001.

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### 7. Notes payable

Notes payable at December 31, 2001 and 2000 consist of the

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following:

	2001		Carrying amount
	Carrying amount	Fair value	
(Amounts in thousands)			
Unsecured senior notes:			
7.08% note due November 2003.....	\$ 19,750	\$ 19,750	\$ 29,000
7.47% note due January 2004.....	44,000	44,000	44,000
7.66% note due January 2007.....	56,000	56,000	56,000
Mortgage notes payable:			
10.55% mortgage notes secured by real estate facilities, principal and interest payable monthly, due August 2004	21,142	22,499	23,000
7.134% to 10.5% mortgage notes secured by real estate facilities, principal and interest payable monthly, due at varying dates between May 2004 and September 2028	2,660	2,660	2,660
Total notes payable.....	\$143,552	\$144,909	\$156,000

All of our notes payable are fixed rate. The senior notes require interest and principal payments to be paid semi-annually and have various restrictive covenants, all of which have been met at December 31, 2001.

The 10.55% mortgage notes consist of five notes, which are cross-collateralized by 19 properties and are due to a life insurance company. Although there is a negative spread between the carrying value and the estimated fair value of the notes, the notes provide for the prepayment of principal subject to the payment of penalties, which exceed this negative spread. Accordingly, prepayment of the notes at this time would not be economically practicable.

Mortgage notes payable are secured by 24 real estate facilities having an aggregate net book value of approximately \$57.8 million at December 31, 2001.

At December 31, 2001, approximate principal maturities of notes payable are as follows:

	Unsecured Senior Notes	Mortgage debt	Total
(in thousands)			
2002.....	\$ 24,450	\$ 3,530	\$ 27,980
2003.....	35,900	3,585	39,485
2004.....	25,800	15,063	40,863
2005.....	11,200	156	11,356
2006.....	11,200	170	11,370
Thereafter.....	11,200	1,298	12,498
	\$ 119,750	\$ 23,802	\$ 143,552
Weighted average rate....	7.5%	10.2%	7.9%

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Interest paid (including interest related to the borrowings on the Credit Facility) during 2001, 2000 and 1999 was \$12,219,000, \$13,071,000 and \$12,480,000, respectively. In addition, in 2001, 2000 and 1999, capitalized interest totaled \$8,992,000, \$9,778,000 and \$4,509,000, respectively, related to construction of real estate facilities.

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### 8. Minority interest

In consolidation, we classify ownership interests in the net assets of each of the Consolidated Entities, other than our own, as minority interest on the consolidated financial statements. Minority interest in income consists of the minority interests' share of the operating results of the Company relating to the consolidated operations of the Consolidated Entities.

#### Preferred partnership interests:

During 2000, one of our consolidated operating partnerships issued in aggregate \$365.0 million of preferred partnership units: March 17, 2000, - \$240.0 million of 9.5% Series N Cumulative Redeemable Perpetual Preferred Units, March 29, 2000 - \$75.0 million of 9.125% Series O Cumulative Redeemable Perpetual Preferred Units, and August 11, 2000 - \$50.0 million of 8.75% Series P Cumulative Redeemable Perpetual Preferred Units.

We incurred approximately \$3,750,000 in costs in connection with the issuances; these costs were recorded as a reduction to Paid in Capital during 2000. The issuance of these units in 2000 had the effect of increasing minority interest by \$365.0 million. For the years ended December 31, 2001 and 2000, the holders of these preferred units were paid in aggregate approximately \$31,737,000 and \$24,859,000, respectively, in distributions and received an equivalent allocation of minority interest in earnings.

During 2001, we repurchased all of the 8.75% Series P Cumulative Redeemable Perpetual Preferred Units and \$30 million of the 9.125% Series O Cumulative Redeemable Perpetual Preferred Units. The units were repurchased at an amount equal to the original issuance price.

The following table summarizes the preferred partnership units outstanding:

Series	Distribution Rate	At December 31, 2001		At December 31, 2000	
-----	-----	Units Outstanding	Carrying Amount	Units Outstanding	Carrying Amount
-----	-----	-----	-----	-----	-----
(Dollar and unit amounts in thousands)					
Series N	9.500%	9,600	\$ 240,000	9,600	\$ 240,000
Series O	9.125%	1,800	45,000	3,000	75,000
Series P	8.750%	-	-	2,000	50,000
Total		11,400	\$285,000	14,600	365,000
		=====	=====	=====	=====

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These preferred units are not redeemable during the first 5 years, thereafter, at our option, we can call the units for redemption at the issuance amount plus any unpaid distributions. The units are not redeemable by the holder. Subject to certain conditions, the Series N preferred units are convertible into shares of 9.5% Series N Cumulative Preferred Stock, and the Series O preferred units are convertible into shares of 9.125% Series O Cumulative Preferred Stock of the Company.

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Other partnership interests:

Other partnership interests included in minority interest consists of the following:

Description	Minority interest at		Minority interest in in	
	December 31, 2001	December 31, 2000	December 31, 2001	Decemb 20
	(in thousands)			
Consolidated Development Joint Venture.....	\$ 82,879	\$ 77,126	\$ 1,074	\$
Convertible OP Units.....	6,418	6,461	359	
Other consolidated partnerships..	80,304	84,331	12,845	
Total other partnership interests	\$ 169,601	\$ 167,918	\$ 14,278	\$

In November 1999, we formed a development joint venture (the "Consolidated Development Joint Venture") with a joint venture partner (PSAC Storage Investors) whose partners include an institutional investor and B. Wayne Hughes ("Mr. Hughes"), chairman and chief executive officer of the Company, to develop approximately \$100 million of self-storage facilities and to purchase \$100 million of the Company's Equity Stock, Series AAA (see Note 9). At December 31, 2001, the Consolidated Development Joint Venture had completed construction on 20 storage facilities with a total cost of approximately \$96.0 million, and had 2 facilities under construction with an aggregate cost incurred of approximately \$11.0 million and total additional unaudited estimated cost to complete of approximately \$0.7 million.

The Consolidated Development Joint Venture is funded solely with equity capital consisting of 51% from the Company and 49% from PSAC Storage Investors. The accounts of the Consolidated Development Joint Venture are included in the Company's consolidated financial statements. The accounts of PSAC Storage Investors are not included in the Company's consolidated financial statements, as the Company has no ownership interest in this entity.

The term of the Consolidated Development Joint Venture is 15 years; however, during the sixth year PSAC Storage Investors has the right to cause an early termination of the partnership. If PSAC Storage Investors

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exercises this right, we then have the option, but not the obligation, to acquire their interest for an amount that will allow them to receive an annual return of 10.75%. If the Company does not exercise its option to acquire PSAC Storage Investors' interest, the partnership's assets will be sold to third parties and the proceeds distributed to the Company and PSAC Storage Investors in accordance with the partnership agreement. If PSAC Storage Investors does not exercise its right to early termination during the sixth year, the partnership will be liquidated 15 years after its formation with the assets sold to third parties and the proceeds distributed to the Company and PSAC Storage Investors in accordance with the partnership agreement. PSAC Storage Investors provides Mr. Hughes with a fixed yield of approximately 8.0% per annum on his preferred non-voting interest (representing an investment of approximately \$64.1 million at December 31, 2001).

In consolidation, the Equity Stock, Series AAA owned by the joint venture and the related dividend income have been eliminated. Minority interests primarily represent the total contributions received from PSAC Storage Investors combined with the accumulated net income allocated to PSAC Storage Investors, net of cumulative distributions.

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As of December 31, 2001, one of our Consolidated Entities had approximately 237,935 operating partnership units ("Convertible OP Units") outstanding, representing a limited partnership interest in the partnership. The Convertible OP Units are convertible on a one-for-one basis (subject to certain limitations) into common shares of the Company at the option of the unitholder. Minority interest in income with respect to Convertible OP Units reflects the Convertible OP Units' share of the net income of the Company, with net income allocated to minority interests with respect to weighted average outstanding Convertible OP Units on a per unit basis equal to diluted earnings per common share. During the year ended December 31, 2001, no units were converted. During the year ended December 31, 2000, 277,104 Convertible OP Units were redeemed in connection with the sale of real estate facilities (reducing minority interest by \$6,427,000) and 255,853 Convertible OP Units were converted into shares of the Company's common stock (reducing minority interest by \$6,829,000).

During fiscal 2001, we acquired minority interests in the Consolidated Entities for an aggregate cash cost of \$11,841,000; these acquisitions had the effect of reducing minority interest by \$8,743,000, with the excess of cost over underlying book value (\$3,098,000) to real estate.

During fiscal 2000, we acquired minority interests in the Consolidated Entities for an aggregate cash cost of \$31,271,000; these acquisitions had the effect of reducing minority interest by \$16,159,000, with the excess of cost over underlying book value (\$15,112,000) allocated to real estate.

### 9. Shareholders' equity

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Preferred Stock  
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At December 31, 2001 and 2000, we had the following series of Preferred Stock outstanding:

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Series	Dividend Rate	At December 31, 2001		At Dec
		Shares Outstanding	Carrying Amount	Shares Outstanding
		(Dollar amount in thousands)		(Dollar am
Series A	10.000%	1,825,000	\$ 45,625	1,825,00
Series B	9.200%	2,386,000	59,650	2,386,00
Series C	Adjustable	1,200,000	30,000	1,200,00
Series D	9.500%	1,200,000	30,000	1,200,00
Series E	10.000%	2,195,000	54,875	2,195,00
Series F	9.750%	2,300,000	57,500	2,300,00
Series G	8.875%	-	-	6,90
Series H	8.450%	-	-	6,75
Series I	8.625%	-	-	4,00
Series J	8.000%	6,000	150,000	6,00
Series K	8.250%	4,600	115,000	4,60
Series L	8.250%	4,600	115,000	4,60
Series M	8.750%	2,250	56,250	2,25
Series Q	8.600%	6,900	172,500	
Series R	8.000%	20,400	510,000	
Series S	7.875%	5,750	143,750	
Total Senior Preferred Stock		11,156,500	\$ 1,540,150	11,141,10

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During 2001, we issued our Series Q, Series R and Series S Preferred Stock: Series Q - issued on January 19, 2001, net proceeds of \$166,966,000, Series R - issued on September 28, 2001, net proceeds of \$493,085,000 and Series S - issued October 31, 2001, net proceeds of \$139,022,000.

On January 18, 2002, (unaudited) we issued \$150 million of 7.625% Cumulative Preferred Stock, Series T and on February 19, 2002, (unaudited) we issued \$150 million of 7.625% Cumulative Preferred Stock, Series U (Note 13).

The Series A through Series U (collectively the "Cumulative Senior Preferred Stock") have general preference rights with respect to liquidation and quarterly distributions. Holders of the preferred stock, except under certain conditions and as noted above, will not be entitled to vote on most matters. In the event of a cumulative arrearage equal to six quarterly dividends or failure to maintain a Debt Ratio (as defined) of 50% or less, holders of all outstanding series of preferred stock (voting as a single class without regard to series) will have the right to elect two additional members to serve on the Company's Board of Directors until events of default have been cured. At December 31, 2001, there were no dividends in arrears and the Debt Ratio was 3.1%.

Except under certain conditions relating to the Company's qualification as a REIT, the Senior Preferred Stock is not redeemable prior to the following dates: Series A - September 30, 2002, Series B - March 31, 2003, Series C - June 30, 1999, Series D - September 30, 2004, Series E - January 31, 2005, Series F - April 30, 2005, Series J - August 31, 2002, Series K - January 19, 2004, Series L - March 10, 2004, Series M - August

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17, 2004, Series Q - January 19, 2006, Series R - September 28, 2006 , Series S - October 31, 2006, Series T - January 18, 2007, Series U - February 19, 2007. On or after the respective dates, each of the series of Senior Preferred Stock will be redeemable, at the option of the Company, in whole or in part, at \$25 per share (or depository share in the case of the Series J through Series U), plus accrued and unpaid dividends.

### Common Stock

-----

During 2001, 2000 and 1999, we issued and repurchased shares of our common stock as follows:

	2001		2000		S
	Shares	Amount	Shares	Amount	
			(Dollar amount in thousands)		
Exercise of stock options.....	704,901	\$ 15,857	242,598	\$ 4,608	
In connection with mergers (Note 3)	-	-	-	-	13,
Conversion of OP Units.....	-	-	255,853	6,829	
Business Combinations (a).....	1,138,733	30,814	-	-	1,
Repurchases of stock (b).....	(10,585,593)	(276,861)	(3,491,600)	(77,799)	(4,
	-----	-----	-----	-----	-----
	(8,741,959)	\$ (230,190)	(2,993,149)	\$ (66,362)	10,
	=====	=====	=====	=====	=====

(a) See Note 3 regarding acquisition of PS Insurance Company.

(b) Includes 10,000 shares purchased in January 2001 from a corporation wholly-owned by a director of the Company for an aggregate of \$251,875 cash. Includes 2,619,893 shares purchased in March 2001 from a limited liability company of which a director of the Company is a controlling member for an aggregate of \$68,064,820 in cash. In each transaction, the purchase price approximated market value as of the date of each transaction.

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As previously announced, the Board of Directors authorized the repurchase from time to time of up to 10,000,000 shares of the Company's common stock on the open market or in privately negotiated transactions. On March 4, 2000, the Board of Directors increased the authorized number of shares which the Company could repurchase to 15,000,000. On March 15, 2001, the Board of Directors increased the authorized number of shares the Company could repurchase to 20,000,000. During 2001, the Board of Directors increased the authorized number of shares the Company could repurchase to 25,000,000. Cumulatively through December 31, 2001, we repurchased a total of 21,486,020 shares of common stock at an aggregate cost of approximately \$535,481,000.

During 2001, we entered into an arrangement with a financial institution whereby we sold to the institution the right to require us to purchase from the institution (or, at our option, pay in cash or common stock the differential between the market price and \$26.26 per share) up to 1,000,000 shares of our common stock at a price of \$26.26 on certain dates



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in September 2001 and October 2001. In exchange for this right, the financial institution paid us \$910,000, the amount of which has been reflected as an increase to our paid-in capital. The right expired without being exercised.

On December 31, 2001, we issued 1,138,733 shares of common stock in connection with the acquisition of PS Insurance Company (Note 3), representing 1,439,765 shares issued to Hughes less 301,032 shares held by PS Insurance. On March 12, 1999, we issued 13,009,485 shares of common stock pursuant to the merger with Storage Trust Realty.

At December 31, 2001, the Company had 11,240,846 shares of common stock reserved in connection with the Company's stock option plans (Note 11), 7,000,000 shares of common stock reserved for the conversion of the Class B Common Stock and 237,935 shares reserved for the conversion of Convertible OP Units.

### Class B Common Stock

-----

Commencing January 1, 2000, the Class B Common Stock participates in distributions at the rate of 97% of the per share distributions on the Common Stock, provided that cumulative distributions of at least \$0.22 per quarter per share have been paid on the Common Stock. The Class B Common Stock will (i) not participate in liquidating distributions, (ii) not be entitled to vote (except as expressly required by California law) and (iii) automatically convert into Common Stock, on a share for share basis, upon the later to occur of FFO per common share aggregating \$3.00 during any period of four consecutive calendar quarters or January 1, 2003.

For these purposes, FFO means net income (loss) (computed in accordance with generally accepted accounting principles) before (i) gain (loss) on early extinguishment of debt, (ii) minority interest in income and (iii) gain (loss) on disposition of real estate, adjusted as follows: (i) plus depreciation and amortization (including the Company's pro-rata share of depreciation and amortization of unconsolidated equity interests and amortization of assets acquired in a merger, including property management agreements and goodwill), and (ii) less FFO attributable to minority interest. For these purposes, FFO per Common Share means FFO less preferred stock dividends (other than dividends on convertible preferred stock) divided by the outstanding weighted average shares of Common Stock assuming conversion of all outstanding convertible securities and the Class B Common Stock.

For these purposes, FFO per share of Common Stock (as defined) was \$2.93 for the year ended December 31, 2001.

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### Equity Stock

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The Company is authorized to issue up to 200,000,000 shares of Equity Stock. The Articles of Incorporation provide that the Equity Stock may be issued from time to time in one or more series and gives the Board of Directors broad authority to fix the dividend and distribution rights, conversion and voting rights, redemption provisions and liquidation rights of each series of Equity Stock.

Equity Stock, Series A

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As of December 31, 2001, there were 8,776,102 depositary shares, each representing 1/1,000 of a share, of Equity Stock, Series A outstanding. The following table summarizes the activity:

	2001		2000	
	Depositary Shares	Issuance Amount	Depositary Shares	Issuance Amount
	(Dollar amounts in thousands)			
Amount at beginning of year.....	5,635,602	\$ 113,354	-	\$ -
Public offerings.....	2,210,500	51,836	3,382,500	68,318
Direct placements.....	930,000	22,984	-	-
Special dividend.....	-	-	2,200,555	44,011
Issued to a related party in connection with acquisitions of real estate facilities.....	-	-	52,547	1,025
Amount at end of year.....	8,776,102	\$ 188,174	5,635,602	\$ 113,354

The issuance amounts have been recorded as part of paid-in capital on the consolidated balance sheet.

The Equity Stock, Series A ranks on a parity with common stock and junior to the Senior Preferred Stock with respect to general preference rights and has a liquidation amount which cannot exceed \$24.50 per share. Distributions with respect to each depositary share shall be the lesser of: a) five times the per share dividend on the Common Stock or b) \$2.45 per annum (prorated for the year 2000). Except in order to preserve the Company's federal income tax status as a REIT, we may not redeem the depositary shares before March 31, 2010. On or after March 31, 2010, we may, at our option, redeem the depositary shares at \$24.50 per depositary share. If the Company fails to preserve its federal income tax status as a REIT, each depositary share will be convertible into 0.956 shares of our common stock. The depositary shares are otherwise not convertible into common stock. Holders of depositary shares vote as a single class with our holders of common stock on shareholder matters, but the depositary shares have the equivalent of one-tenth of a vote per depositary share. We have no obligation to pay distributions if no distributions are paid to common shareholders.

Equity Stock, Series AA

In June 1997, we contributed \$22,500,000 (225,000 shares) of Equity Stock, Series AA to a partnership in which the Company is the general partner. As a result of this contribution, the Company obtained a controlling interest in the partnership and began to consolidate the accounts of the partnership and therefore the Equity Stock, Series AA and related dividends are eliminated in consolidation. The Equity Stock, Series AA ranks on a parity with Common Stock and junior to the Senior Preferred Stock with respect to general preference rights and has a liquidation amount of ten times the amount paid to each Common Share up to a maximum of \$100 per share. Quarterly distributions per share on the Equity Stock, Series AA are equal to the lesser of (i) 10 times the amount paid per

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Common Stock or (ii) \$2.20. We have no obligation to pay distributions if no distributions are paid to common shareholders.

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### Equity Stock, Series AAA

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In November 1999, we sold \$100,000,000 (4,289,544 shares) of Equity Stock, Series AAA to the Consolidated Development Joint Venture (Note 8). We control the joint venture and consolidate the accounts of the joint venture, and accordingly the Equity Stock, Series AAA and related dividends are eliminated in consolidation. The Equity Stock, Series AAA ranks on a parity with Common Stock and junior to the Senior Preferred Stock with respect to general preference rights, and has a liquidation amount equal to 120% of the amount distributed to each common share. Annual distributions per share are equal to the lesser of (i) five times the amount paid per common share or (ii) \$2.1564. We have no obligation to pay distributions if no distributions are paid to common shareholders.

### Dividends

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On August 9, 2001, the Board of Directors increased the quarterly distribution paid on the Company's common stock from \$0.22 to \$0.45, an increase of \$0.23 or 104.5% over the previous quarterly distribution.

The unaudited characterization of dividends for Federal income tax purposes is made based upon earnings and profits of the Company, as defined by the Internal Revenue Code. Distributions declared by the Board of Directors (including distributions to the holders of preferred stock) in 2001 were characterized as follows:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	-----	-----	-----	-----
Ordinary income	96.60%	99.67%	100.00%	100.00%
Long-term Capital Gain	3.40%	0.33%	0.00%	0.00%
	-----	-----	-----	-----
Total	100.00%	100.00%	100.00%	100.00%
	-----	-----	-----	-----

On August 9, 2001, the Board of Directors declared a special distribution to the common shareholders of \$0.35 per common share in cash, which was paid on September 30, 2001. On August 30, 2000, the Board of Directors declared a special distribution to the common shareholders of \$0.60 per common share in cash, which was paid on September 30, 2000. On November 4, 1999, the Board of Directors declared a special distribution to the common shareholders. The special distribution is comprised of (i) \$0.65 per common share payable in depositary shares, representing interests in Equity Stock, Series A, with cash being paid in lieu of fractional shares or (ii) at the election of each common shareholder, \$0.62 per common share payable in cash. The special distribution was accrued at December 31, 1999, and paid on January 14, 2000 to shareholders of record as of November 15, 1999.

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The following summarizes dividends during 2001, 2000 and 1999:

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	2001		2000		1999
	Per share	Total	Per share	Total	Per share
(in thousands, except per share data)					
Preferred Stock					
Series A	\$2.500	\$4,563	\$2.500	\$4,563	\$2.500
Series B	\$2.300	5,488	\$2.300	5,488	\$2.300
Series C	\$1.688	2,024	\$1.711	2,052	\$1.688
Series D	\$2.375	2,850	\$2.375	2,850	\$2.375
Series E	\$2.500	5,488	\$2.500	5,488	\$2.500
Series F	\$2.437	5,606	\$2.437	5,606	\$2.437
Series G	\$1.664	11,482	\$2.219	15,309	\$2.219
Series H	\$1.608	10,853	\$2.112	14,259	\$2.112
Series I	\$1.869	7,475	\$2.156	8,625	\$2.156
Series J	\$2.000	12,000	\$2.000	12,000	\$2.000
Series K	\$2.063	9,488	\$2.063	9,48	\$1.965
Series L	\$2.063	9,488	\$2.063	9,488	\$1.673
Series M	\$2.188	4,92	\$2.188	4,922	\$0.820
Series Q	\$2.048	14,134	-	-	-
Series R	\$0.500	10,200	-	-	-
Series S	\$0.334	1,918	-	-	-
		-----		-----	
		117,979		100,138	
Common Stock					
Common Stock (a)	\$1.690	193,121	\$1.480	184,084	\$1.520
Equity Stock, Series A	\$2.450	19,455	\$2.363	11,042	-
Class B Common Stock	\$1.639	11,475	\$1.436	10,049	-
		-----		-----	
		\$342,030		\$305,313	
		=====		=====	

(a) \$82,086,000 (\$0.64 per share) of the common dividend in 1999 was accrued at December 31, 1999, of which \$38,075,000 was paid on January 14, 2000 in cash and \$44,011,000 was paid in the issuance of depository shares of Equity Stock, Series A.

The dividend rate on the Series C Preferred Stock is adjusted quarterly and is equal to the highest of one of three U.S. Treasury indices (Treasury Bill Rate, Ten Year Constant Maturity Rate, and Thirty Year Constant Maturity Rate) multiplied by 110%. However, the dividend rate for any dividend period will not be less than 6.75% per annum nor greater than 10.75% per annum. The dividend rate with respect to the first quarter of 2002 will be equal to 6.75% per annum.

10. Related Party Transactions

On December 31, 2001, the Company purchased all of the capital stock of PS Insurance Company from B. Wayne Hughes, our Chairman and Chief Executive Officer, and members of his family. This acquisition is discussed more fully in Note 3.

In November 1999, we formed the Consolidated Development Joint Venture with a joint venture partner whose partners include an institutional investor and Mr. Hughes. This transaction is discussed more fully in Note 8.

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On December 31, 2001, the Company acquired equity interests in the Consolidated Entities from Mr. Hughes for a cash price of \$786,770, a price representing the Hughes family's original cost in these equity interests. This amount is included in the amounts described as "acquisition of minority interests" in Note 8.

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In January 2001, the Company repurchased 10,000 shares of common stock from a corporation wholly-owned by a director of the Company for an aggregate of \$251,875 cash. In March 2001, the Company repurchased 2,619,893 shares of common stock from a limited liability company of which a director of the Company is a controlling member for an aggregate of \$68,064,820 cash. In each transaction, the purchase price approximated market value as of the date of each transaction.

In December 2001, the Company loaned \$35,000,000 to PSB. This loan bears interest at the rate of 3.25% per year. All outstanding principal and accrued and unpaid interest shall be repaid on June 30, 2002; however, PSB may make prepayments in whole or in part at any time without penalty. This loan, which was repaid in full on January 28, 2002 (unaudited), was included in Notes Receivable at December 31, 2001.

### 11. Stock options

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The Company has a 1990 Stock Option Plan (the "1990 Plan") which provides for the grant of non-qualified stock options. The Company has a 1994 Stock Option Plan (the "1994 Plan"), a 1996 Stock Option and Incentive Plan (the "1996 Plan") and a 2000 Non-Executive/Non-Director Stock Option and Incentive Plan (the "2000 Plan"), each of which provides for the grant of non-qualified options and incentive stock options. (The 1990 Plan, the 1994 Plan, the 1996 Plan and the 2000 Plan are collectively referred to as the "PSI Plans"). Under the PSI Plans, the Company has granted non-qualified options to certain directors, officers and key employees to purchase shares of the Company's common stock at a price equal to the fair market value of the common stock at the date of grant. Generally, options under the Plans vest over a three-year period from the date of grant at the rate of one-third per year and expire (i) under the 1990 Plan, five years after the date they became exercisable and (ii) under the 1994 Plan, the 1996 Plan and the 2000 Plan, ten years after the date of grant. The 1996 Plan and the 2000 Plan also provide for the grant of restricted stock to officers, key employees and service providers on terms determined by an authorized committee of the Board of Directors; no shares of restricted stock have been granted. In connection with the Storage Trust merger in March 1999, we assumed the outstanding non-qualified options under the Storage Trust Realty 1994 Share Incentive Plan (the "Storage Trust Plan"), which were converted into non-qualified options to purchase our common stock (the PSI Plans and the Storage Trust Plan are collectively referred to as the "Plans.") The Company determined there was no material impact from the use of the fair value method for the years ended December 31, 2001, 2000 and 1999.

Information with respect to the Plans during 2001, 2000 and 1999 is as follows:

2001

2000

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	Number of Options	Average Price per Share	Number of Options	Average Price per Share
Options outstanding January 1	6,412,576	\$23.65	3,024,274	\$24.00
Granted or assumed	1,776,500	27.93	3,762,500	23.00
Exercised	(704,901)	22.50	(242,598)	18.90
Canceled	(806,841)	24.51	(131,600)	26.00
Options outstanding December 31	6,677,334	24.81	6,412,576	23.60
Option price range at December 31 (A)		\$14.88 to \$34.68		\$14.10 to \$33.50
Options exercisable at December 31	2,618,889	\$24.14	1,680,083	\$23.80
Options available for grant at December 31	4,563,512		33,171	

(A) Approximately 6,532,334, 6,362,575 and 2,967,274 of options outstanding at December 31, 2001, 2000 and 1999, had exercise prices less than \$30.

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In 1996, the Company adopted the disclosure requirement provision of SFAS 123 in accounting for stock-based compensation issued to employees. As of December 31, 2001, 2000 and 1999 there were 6,675,667, 6,372,741 and 2,935,338 options outstanding, respectively, that were subject to SFAS 123 disclosure requirements. The Company follows Accounting Principles Board Opinion 25, "Accounting for Stock Issued to Employees", ("APB 25") to account for employee stock options. An alternative method of accounting for stock options is Financial Accounting Standards Board Statement No. 123 ("SFAS 123"). Under SFAS 123, employee stock options are valued at grant date, and this expense is recognized ratably over the vesting period, rather than including the dilutive impact of stock options in weighted average shares outstanding - diluted as the Company does in following APB 25. Had the Company computed compensation cost with respect to SFAS 123, net income would have been \$320,032,000, \$295,417,000 and \$286,551,000 in 2001, 2000 and 1999, respectively. Diluted net income per share would have been \$1.48, \$1.40 and \$1.51 in 2001, 2000 and 1999, respectively. Basic net income per share would have been \$1.49, \$1.40 and \$1.52, respectively. In computing such compensation cost, the Company used the Black-Scholes method with a risk-free interest rate of 5.55% for 1999, 6.16% for 2000 and 4.08% for 2001; an expected life of 5 years for each year; expected volatility of .201 for 1999, .191 for 2000 and .155 for 2001; and an expected dividend yield of 7% for each year.

12. Disclosures regarding segment reporting

In July 1997, the Financial Accounting Standards Board issued Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("FAS 131"), which establishes standards for the way that public business enterprises report information about operating segments. This statement is effective for financial statements for periods beginning after December 15, 1997. We adopted this standard effective for the year ended December 31, 1998.

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### Description of each reportable segment

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Our reportable segments reflect significant operating activities that are evaluated separately by management. We have three reportable segments: self-storage operations, containerized storage operations, and commercial property operations.

The self-storage segment comprises the direct ownership, development, and operation of traditional storage facilities, and the ownership of equity interests in entities that own storage properties. PSPUD operates the containerized storage segment. The commercial property segment reflects our interest in the ownership, operation, and management of commercial properties. The vast majority of the commercial property operations are conducted through PSB, and to a much lesser extent the Company and certain of its unconsolidated subsidiaries own commercial space, managed by PSB, within facilities that combine storage and commercial space for rent.

### Measurement of segment profit or loss

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We evaluate performance and allocate resources based upon the net segment income of each segment. Net segment income represents net income in conformity with generally accepted accounting principles and our significant accounting policies as denoted in Note 2, before interest and other income, interest expense, corporate general and administrative expense, and minority interest in income. The accounting policies of the reportable segments are the same as those described in the Summary of Significant Accounting Policies.

Interest and other income, interest expense, corporate general and administrative expense, and minority interest in income are not allocated to segments because management does not utilize them to evaluate the results of operations of each segment.

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### Measurement of segment assets

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No segment data relative to assets or liabilities is presented, because we do not evaluate performance based upon the assets or liabilities of the segments. We believe that the historical cost of the Company's real property does not have any significant bearing upon the performance of the commercial property and storage segments. In the same manner, management believes that the book value of investment in real estate entities as having no bearing upon the results of those investments. The only other types of assets that might be allocated to individual segments are trade receivables, payables, and other assets which arise in the ordinary course of business, but they are also not a significant factor in the measurement of segment performance. We perform post-acquisition analysis of various investments; however, such evaluations are beyond the scope of FAS 131.

### Presentation of segment information

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Our income statement provides most of the information required in order to determine the performance of each of the Company's three segments. The following tables reconcile the performance of each segment, in terms of

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segment revenues and segment income, to our consolidated revenues and net income. It further provides detail of the segment components of the income statement item, "Equity in earnings of real estate entities."

Reconciliation of Revenues by Segment:	Year Ended December 31,			Year
	2001	2000	Change	20
(Dollar amounts in thous				
Self-storage				
Rental revenue.....	\$ 721,662	\$ 653,110	\$ 68,552	\$ 65
Equity in earnings - self storage property operations.....	22,912	21,265	1,647	2
Equity in earnings - Depreciation (self-storage).....	(7,562)	(7,153)	(409)	(
Self Storage segment revenues.....	737,012	667,222	69,790	66
Containerized storage revenues	47,686	37,914	9,772	3
Commercial properties				
Rental revenue.....	12,530	11,341	1,189	1
Equity in earnings - commercial property operations.....	51,335	42,562	8,773	4
Equity in earnings - Depreciation (commercial properties).....	(17,534)	(14,672)	(2,862)	(1
Commercial properties segment revenues	46,331	39,231	7,100	3
Other items not allocated to segments				
Equity in earnings - general and administrative and other.....	(10,609)	(5,893)	(4,716)	(
Interest and other income.....	14,225	18,836	(4,611)	1
Total other items not allocated to segments.....	3,616	12,943	(9,327)	1
Total consolidated revenues.....	\$ 834,645	\$ 757,310	\$ 77,335	\$ 757

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Reconciliation of Net Income by Segment:	Year Ended December 31,			Year Ende
	2001	2000	Change	2000
(Dollar amounts in thousa				



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Self-storage

Storage properties.....	\$492,451	\$442,648	\$49,803	\$442,648
Depreciation and amortization - self -storage.....	(158,476)	(141,425)	(17,051)	(141,425)
Equity in earnings - storage property operations.....	22,912	21,265	1,647	21,265
Equity in earnings - depreciation (storage)	(7,562)	(7,153)	(409)	(7,153)
	-----	-----	-----	-----
Total self-storage segment income.....	349,325	315,335	33,990	315,335
	-----	-----	-----	-----

Containerized storage

Containerized storage.....	4,682	116	4,566	116
Depreciation.....	(6,900)	(5,251)	(1,649)	(5,251)
	-----	-----	-----	-----
Total containerized storage segment loss	(2,218)	(5,135)	2,917	(5,135)
	-----	-----	-----	-----

Commercial properties

Commercial properties.....	8,558	7,515	1,043	7,515
Depreciation and amortization - commercial properties.....	(2,685)	(2,291)	(394)	(2,291)
Equity in earnings - commercial property operations.....	51,335	42,562	8,773	42,562
Equity in earnings - depreciation (commercial properties) .....	(17,534)	(14,672)	(2,862)	(14,672)
	-----	-----	-----	-----
Total commercial property segment income	39,674	33,114	6,560	33,114
	-----	-----	-----	-----

Other items not allocated to segments

Equity in earnings - general and administrative and other.....	(10,609)	(5,893)	(4,716)	(5,893)
Interest and other income.....	14,225	18,836	(4,611)	18,836
General and administrative .....	(21,038)	(21,306)	268	(21,306)
Interest expense.....	(3,227)	(3,293)	66	(3,293)
Minority interest in income .....	(46,015)	(38,356)	(7,659)	(38,356)
Gain on disposition of real estate .....	4,091	3,786	305	3,786
	-----	-----	-----	-----
Total other items not allocated to segments	(62,573)	(46,226)	(16,347)	(46,226)
	-----	-----	-----	-----
	-----	-----	-----	-----
Total consolidated company net income	\$324,208	\$297,088	\$27,120	\$297,088
	=====	=====	=====	=====

13. Events subsequent to December 31, 2001 (Unaudited)

On January 16, 2002, we acquired the remaining interest in the Development Joint Venture, not previously consolidated in our consolidated financial statements, for approximately \$155 million in cash, representing the amount necessary to provide the investor with an internal rate of return of 11.5% since inception of the partnership. The Development Joint Venture completed and opened 47 storage facilities from April 1997 to December 2000 for a total cost of \$232 million. The partnership was funded solely with equity capital consisting of 30% from the Company and 70% from the institutional investor.

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On January 18, 2002, we completed a public offering of 6,000,000 depository shares (\$25 stated value per depository share) each representing 1/1,000 of a share of 7.625% Cumulative Preferred Stock, Series T ("Series T Preferred Stock"). The Series T Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. Except in certain conditions relating to the Company's qualification as a REIT, the Series T preferred stock is not redeemable prior to January 18, 2007. After January 18, 2007, the Series T preferred stock will be redeemable at the option of the Company, in whole or in part, at \$25 per depository share, plus accrued and unpaid dividends.

On February 19, 2002, we completed a public offering of 6,000,000 depository shares (\$25 stated value per depository share) each representing 1/1,000 of a share of 7.625% Cumulative Preferred Stock, Series U ("Series U Preferred Stock"). The Series U Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. Except in certain conditions relating to the Company's qualification as a REIT, the Series U preferred stock is not redeemable prior to February 19, 2007. After February 19, 2007, the Series U preferred stock will be redeemable at the option of the Company, in whole or in part, at \$25 per depository share, plus accrued and unpaid dividends.

On April 19, 2002 we expect to acquire all of the 55,150 limited partnership units that we did not own in PS Partners V, Ltd., a partnership which is consolidated with the Company. The acquisition of the 55,150 units will be accomplished through a merger of a subsidiary of the Company into the partnership and the conversion of the 55,150 units into either cash or common stock of the Company. Each unit will be converted into the right to receive a value of \$596 in our common stock or, cash at the election of the unitholder.

#### 14. Recent accounting pronouncements and guidance

##### Accounting for business combinations

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard No. 141, "Business Combinations," ("SFAS 141") which sets forth revised accounting guidance with respect to accounting for acquisitions of business enterprises. In accordance with the transition provisions of SFAS 141, the Company adopted the disclosure and accounting provisions of SFAS 141 for the business combinations it completed after June 30, 2001.

##### Accounting for goodwill and other intangible assets

In June 2001, the FASB issued Statement of Financial Accounting Standard No. 142, "Goodwill and Other Intangible Assets," ("SFAS 142") which addresses how intangible assets that are acquired individually or with a group of other assets (but not those acquired in a business combination, which are addressed in SFAS 141) are to be accounted for. It also addresses how goodwill and other intangible assets should be accounted for after they have been initially recognized in the financial statements. In accordance with SFAS 142, the Company will adopt the provisions of SFAS No. 142 in its financial statements beginning with the year ending December 31, 2002. The impact will include a reduction in amortization expense relative to goodwill and other intangible assets outstanding at December

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31, 2001 of approximately \$2,709,000 per year, pursuant to SFAS No. 142's provision that precludes amortization of intangibles with indeterminate lives. The Company will continue to annually review the recoverability of its intangible assets and goodwill by comparing the estimated value of such assets to their carrying value, in accordance with SFAS 142.

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Accounting for the impairment and disposal of long-lived assets  
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In August 2001, the FASB issued Statement of Financial Accounting Standards No. 144 ("SFAS 144") which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS 121, and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations" for a disposal of a segment of a business. SFAS 144 is effective for fiscal years beginning after December 15, 2001, with earlier application encouraged. The Company expects to adopt SFAS 144 on January 1, 2002, and does not expect that the adoption of the Statement will have a material impact upon the Company's financial position or results of operations.

15. Commitments and Contingencies  
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Lease obligations  
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As of December 31, 2001, we leased 18 containerized storage facilities from third parties; in addition, certain trucks and related equipment are leased. Total lease expense for the facilities and equipment, comprised entirely of minimum lease payments, was approximately \$8.0 million, \$10.7 million and \$13.6 million for the years ended December 31, 2001, 2000 and 1999, respectively. Future minimum lease payments at December 31, 2001 under these non-cancelable operating leases are as follows (in thousands):

2002.....	\$	4,613
2003.....		2,926
2004.....		2,024
2005.....		1,249
2006.....		860
Thereafter.....		325
		-----
	\$	11,997
		=====

Legal proceedings  
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In February 2000, a lawsuit was filed against the Company. The plaintiffs in this case are suing the Company on behalf of a purported class of California resident property managers who claim that they were not compensated for all the hours they worked. The named plaintiffs have indicated that their claims total less than \$20,000 in aggregate. This maximum potential liability can only be increased if a class is certified or if claims are permitted to be brought on behalf of the others under the California Unfair Business Practices Act.

The Company is continuing to vigorously contest the claims in this

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case and intends to resist any expansion beyond the named plaintiffs on the grounds of lack of commonality of claims. The Company does not believe that this case will have any material adverse effect.

The Company is a party to various claims, complaints and other legal actions that have arisen in the normal course of business from time to time. The Company believes that the outcome of these other pending legal proceedings, in the aggregate, will not have a material adverse effect upon the operations or financial position of the Company.

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16. Supplementary quarterly financial data (unaudited)

	Three months ended			
	March 31, 2001	June 30, 2001	September 30, 2001	December 31, 2001
	(in thousands, except per share data)			
Rental revenues.....	\$ 184,959	\$ 194,484	\$ 202,715	\$ 199,484
Cost of operations.....	\$ 66,897	\$ 66,536	\$ 70,521	\$ 72,521
Net income.....	\$ 74,635	\$ 81,773	\$ 83,604	\$ 84,484
Per Common Share (Note 2):				
Net income - Basic.....	\$ 0.34	\$ 0.40	\$ 0.41	\$ 0.41
Net income - Diluted.....	\$ 0.34	\$ 0.39	\$ 0.41	\$ 0.41

	Three months ended			
	March 31, 2000	June 30, 2000	September 30, 2000	December 31, 2000
	(in thousands, except per share data)			
Rental revenues.....	\$ 164,866	\$ 173,278	\$ 181,792	\$ 182,792
Cost of operations.....	\$ 59,160	\$ 60,801	\$ 64,810	\$ 67,810
Net income.....	\$ 72,561	\$ 74,303	\$ 75,652	\$ 74,982
Per Common Share (Note 2):				
Net income - Basic.....	\$ 0.34	\$ 0.35	\$ 0.37	\$ 0.37
Net income - Diluted.....	\$ 0.34	\$ 0.35	\$ 0.37	\$ 0.37

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PUBLIC STORAGE, INC.  
SCHEDULE III - REAL ESTATE  
AND ACCUMULATED DEPRECIATION

Date Acquired	Description	Encum- brances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
STORAGE FACILITIES					
6/30/99	Winter Park/N. Semor		342,000	638,000	349,
6/30/99	N. Richland Hills/Da		455,000	769,000	219,
6/30/99	Rolling Meadows/Lois		441,000	849,000	278,
6/30/99	Gresham/Burnside Cou		354,000	544,000	184,
6/30/99	Jacksonville/Univers		211,000	741,000	191,
6/30/99	Irving/W. Airport Fw		419,000	960,000	171,
6/30/99	Houston/Highway 6 So		751,000	1,006,000	274,
6/30/99	Concord/Arnold Indus		827,000	1,553,000	285,
6/30/99	Rockville/Gude Drive		602,000	768,000	307,
6/30/99	Bradenton/Cortez Roa		476,000	885,000	199,
6/30/99	San Antonio/NW Loop		511,000	786,000	179,
6/30/99	Anaheim/La Palma		1,378,000	851,000	164,
6/30/99	Spring Valley/Sweetw		271,000	380,000	76,
6/30/99	Ft. Myers/Tamiami Tr		948,000	962,000	275,
6/30/99	Littleton/Centennial		421,000	804,000	172,
6/30/99	Newark/Cedar Blvd		729,000	971,000	206,
6/30/99	Falls Church/Columbi		901,000	975,000	204,
6/30/99	Fairfax/Lee Highwa		586,000	1,078,000	242,
6/30/99	Wheat Ridge/W. 44t		480,000	789,000	187,
6/30/99	Huntington Bch/Gotha		952,000	890,000	240,
6/30/99	Fort Worth/Mc Cart A		372,000	942,000	149,
6/30/99	San Diego/Clairemont		1,601,000	2,035,000	308,
6/30/99	Houston/Millridge N.		1,160,000	1,983,000	168,
6/30/99	Woodbridge/Jefferson		840,000	1,689,000	212,
6/30/99	Mountainside (Was		1,260,000	1,237,000	290,
6/30/99	Woodbridge/Davis F		1,796,000	1,623,000	323,
6/30/99	Huntington Bch/Bolsa		1,026,000	1,437,000	101,
6/30/99	Edison/Old Post Ro		498,000	1,267,000	217,
6/30/99	Northridge/Parthenia		1,848,000	1,486,000	148,
6/30/99	Brick Township/Brick		590,000	1,431,000	259,
6/30/99	Stone Mountain/Rockb		1,233,000	288,000	278,
6/30/99	Hyattsville/Chillu		768,000	2,186,000	223,
6/30/99	Union City/Alvarad		992,000	1,776,000	179,
6/30/99	Oak Park/Greenfiel		621,000	1,735,000	154,
6/30/99	Tujunga/Foothill Blv		1,746,000	2,383,000	112,
10/1/97	Marietta/Austell Rd		398,000	1,326,000	243,
10/1/97	Denver/Leetsdale		1,407,000	1,682,000	171,
10/1/97	Baltimore/York Road		1,538,000	1,952,000	264,
10/1/97	Bolingbrook		737,000	1,776,000	185,
10/1/97	Kent/Central		483,000	1,321,000	172,
10/1/97	Geneva/Roosevelt		355,000	1,302,000	157,
10/1/97	Denver/Sheridan		429,000	1,105,000	131,
10/1/97	Mountlake Terrace		1,017,000	1,783,000	218,

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Date Acquired	Description	Gross Carrying Amount At December 31, 2001			Acc Depr
		Land	Building	Total	
STORAGE FACILITIES					
6/30/99	Winter Park/N. Semor	426,000	1,631,000	2,057,000	2
6/30/99	N. Richland Hills/Da	568,000	1,707,000	2,275,000	2
6/30/99	Rolling Meadows/Lois	550,000	1,916,000	2,466,000	2
6/30/99	Gresham/Burnside Cou	441,000	1,268,000	1,709,000	1
6/30/99	Jacksonville/Univers	263,000	1,580,000	1,843,000	1
6/30/99	Irving/W. Airport Fw	523,000	1,884,000	2,407,000	2
6/30/99	Houston/Highway 6 So	936,000	2,152,000	3,088,000	2
6/30/99	Concord/Arnold Indus	1,031,000	3,508,000	4,539,000	4
6/30/99	Rockville/Gude Drive	750,000	1,807,000	2,557,000	2
6/30/99	Bradenton/Cortez Roa	593,000	1,873,000	2,466,000	2
6/30/99	San Antonio/NW Loop	637,000	1,694,000	2,331,000	2
6/30/99	Anaheim/La Palma	1,718,000	1,896,000	3,614,000	2
6/30/99	Spring Valley/Sweetw	338,000	805,000	1,143,000	2
6/30/99	Ft. Myers/Tamiami Tr	1,182,000	2,211,000	3,393,000	2
6/30/99	Littleton/Centennial	525,000	1,684,000	2,209,000	1
6/30/99	Newark/Cedar Blvd	909,000	2,064,000	2,973,000	2
6/30/99	Falls Church/Columbi	1,124,000	2,097,000	3,221,000	2
6/30/99	Fairfax/Lee Highwa	731,000	2,281,000	3,012,000	2
6/30/99	Wheat Ridge/W. 44t	598,000	1,689,000	2,287,000	1
6/30/99	Huntington Bch/Gotha	1,187,000	2,025,000	3,212,000	2
6/30/99	Fort Worth/Mc Cart A	463,000	1,703,000	2,166,000	1
6/30/99	San Diego/Clairemont	1,996,000	3,982,000	5,978,000	4
6/30/99	Houston/Millridge N.	1,446,000	4,298,000	5,744,000	4
6/30/99	Woodbridge/Jefferson	1,047,000	3,140,000	4,187,000	3
6/30/99	Mountainside (Was	1,571,000	2,739,000	4,310,000	3
6/30/99	Woodbridge/Davis F	2,239,000	3,499,000	5,738,000	3
6/30/99	Huntington Bch/Bolsa	1,279,000	2,735,000	4,014,000	2
6/30/99	Edison/Old Post Ro	621,000	2,536,000	3,157,000	2
6/30/99	Northridge/Parthenia	2,304,000	3,017,000	5,321,000	2
6/30/99	Brick Township/Brick	735,000	2,909,000	3,644,000	2
6/30/99	Stone Mountain/Rockb	1,537,000	1,114,000	2,651,000	1
6/30/99	Hyattsville/Chillu	958,000	4,138,000	5,096,000	3
6/30/99	Union City/Alvarad	1,237,000	3,400,000	4,637,000	3
6/30/99	Oak Park/Greenfiel	774,000	3,226,000	4,000,000	2
6/30/99	Tujunga/Foothill Blv	2,177,000	4,434,000	6,611,000	3
10/1/97	Marietta/Austell Rd	398,000	2,029,000	2,427,000	4
10/1/97	Denver/Leetsdale	1,407,000	2,433,000	3,840,000	5
10/1/97	Baltimore/York Road	1,538,000	2,900,000	4,438,000	6
10/1/97	Bolingbrook	737,000	2,562,000	3,299,000	5
10/1/97	Kent/Central	483,000	1,948,000	2,431,000	4
10/1/97	Geneva/Roosevelt	355,000	1,910,000	2,265,000	4
10/1/97	Denver/Sheridan	429,000	1,625,000	2,054,000	3
10/1/97	Mountlake Terrace	1,017,000	2,605,000	3,622,000	5

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Date Acquired	Description	Encum- brances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
10/1/97	Carol Stream/St.Charles		185,000	1,187,000	150,
10/1/97	Marietta/Cobb Park		420,000	1,131,000	259,
10/1/97	Venice/Rose		5,468,000	5,478,000	595,
10/1/97	Ventura/Ventura Blvd		911,000	2,227,000	218,
10/1/97	Studio City/Ventura		2,421,000	1,610,000	139,
10/1/97	Madison Heights		428,000	1,686,000	2,026,
10/1/97	Lax/Imperial		1,662,000	2,079,000	185,
10/1/97	Justice/Industrial		233,000	1,181,000	132,
10/1/97	Burbank/San Fernando		1,825,000	2,210,000	192,
10/1/97	Pinole/Appian Way		728,000	1,827,000	171,
10/1/97	Denver/Tamarac Park		2,545,000	1,692,000	300,
10/1/97	Gresham/Powell		322,000	1,298,000	193,
10/1/97	Warren/Mound Road		268,000	1,025,000	158,
10/1/97	Woodside/Brooklyn		5,016,000	3,950,000	301,
10/1/97	Enfield/Elm Street		399,000	1,900,000	252,
10/1/97	Roselle/Lake Street		312,000	1,411,000	182,
10/1/97	Milwaukee/Appleton		324,000	1,385,000	165,
10/1/97	Emeryville/Bay St		1,602,000	1,830,000	150,
10/1/97	Monterey/Del Rey		257,000	1,048,000	178,
10/1/97	San Leandro/Washington		660,000	1,142,000	148,
10/1/97	Boca Raton/N.W. 20		1,140,000	2,256,000	360,
10/1/97	Washington Dc/So Capital		1,437,000	4,489,000	397,
10/1/97	Lynn/Lynnway		463,000	3,059,000	343,
10/1/97	Pompano Beach		1,077,000	1,527,000	501,
10/1/97	Lake Oswego/N.State		465,000	1,956,000	249,
10/1/97	Daly City/Mission		389,000	2,921,000	231,
10/1/97	Odenton/Route 175		456,000	2,104,000	214,
10/1/97	Novato/Landing		2,416,000	3,496,000	226,
10/1/97	St. Louis/Lindberg		584,000	1,508,000	186,
10/1/97	Oakland/International		358,000	1,568,000	196,
10/1/97	Stockton/March Lane		663,000	1,398,000	102,
10/1/97	Des Plaines/Golf Rd		1,363,000	3,093,000	192,
10/1/97	Morton Grove/Wauke		2,658,000	3,232,000	3,401,
10/1/97	Los Angeles/Jefferson		1,090,000	1,580,000	226,
10/1/97	Los Angeles/Martin		869,000	1,152,000	90,
10/1/97	San Leandro/E. 14t		627,000	1,289,000	96,
10/1/97	Tucson/Tanque Verde		345,000	1,709,000	140,
10/1/97	Randolph/Warren St		2,330,000	1,914,000	442,
10/1/97	Forrestville/Penn.		1,056,000	2,347,000	215,
10/1/97	Bridgeport/Wordin		4,877,000	2,739,000	561,
10/1/97	North Hollywood/Vine		906,000	2,379,000	154,
10/1/97	Santa Cruz/Portola		535,000	1,526,000	143,
10/1/97	Hyde Park/River St		626,000	1,748,000	228,
10/1/97	Dublin/San Ramon Rd		942,000	1,999,000	149,
10/1/97	Vallejo/Humboldt		473,000	1,651,000	115,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Land	Building	Total	Acc Depr
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10/1/97	Carol Stream/St.Charles	185,000	1,748,000	1,933,000	3
10/1/97	Marietta/Cobb Park	420,000	1,806,000	2,226,000	3
10/1/97	Venice/Rose	5,468,000	7,890,000	13,358,000	1,5
10/1/97	Ventura/Ventura Blvd	911,000	3,205,000	4,116,000	6
10/1/97	Studio City/Ventura	2,421,000	2,283,000	4,704,000	4
10/1/97	Madison Heights	428,000	4,273,000	4,701,000	4
10/1/97	Lax/Imperial	1,662,000	2,978,000	4,640,000	6
10/1/97	Justice/Industrial	233,000	1,717,000	1,950,000	3
10/1/97	Burbank/San Fernando	1,825,000	3,146,000	4,971,000	6
10/1/97	Pinole/Appian Way	728,000	2,616,000	3,344,000	5
10/1/97	Denver/Tamarac Park	2,545,000	2,624,000	5,169,000	6
10/1/97	Gresham/Powell	322,000	1,930,000	2,252,000	3
10/1/97	Warren/Mound Road	268,000	1,533,000	1,801,000	3
10/1/97	Woodside/Brooklyn	5,016,000	5,610,000	10,626,000	1,0
10/1/97	Enfield/Elm Street	399,000	2,791,000	3,190,000	5
10/1/97	Roselle/Lake Street	312,000	2,081,000	2,393,000	4
10/1/97	Milwaukee/Appleton	324,000	2,019,000	2,343,000	4
10/1/97	Emeryville/Bay St	1,602,000	2,601,000	4,203,000	5
10/1/97	Monterey/Del Rey	257,000	1,576,000	1,833,000	3
10/1/97	San Leandro/Washington	660,000	1,679,000	2,339,000	3
10/1/97	Boca Raton/N.W. 20	1,140,000	3,386,000	4,526,000	6
10/1/97	Washington Dc/So Capital	1,437,000	6,395,000	7,832,000	1,0
10/1/97	Lynn/Lynnway	463,000	4,464,000	4,927,000	8
10/1/97	Pompano Beach	1,077,000	2,552,000	3,629,000	4
10/1/97	Lake Oswego/N.State	465,000	2,866,000	3,331,000	5
10/1/97	Daly City/Mission	389,000	4,107,000	4,496,000	7
10/1/97	Odenton/Route 175	456,000	3,035,000	3,491,000	5
10/1/97	Novato/Landing	2,416,000	4,039,000	6,455,000	9
10/1/97	St. Louis/Lindberg	584,000	1,816,000	2,400,000	4
10/1/97	Oakland/International	358,000	1,891,000	2,249,000	4
10/1/97	Stockton/March Lane	663,000	1,610,000	2,273,000	3
10/1/97	Des Plaines/Golf Rd	1,363,000	3,523,000	4,886,000	8
10/1/97	Morton Grove/Wauke	2,658,000	7,085,000	9,743,000	1,3
10/1/97	Los Angeles/Jefferson	1,090,000	1,932,000	3,022,000	4
10/1/97	Los Angeles/Martin	869,000	1,333,000	2,202,000	3
10/1/97	San Leandro/E. 14t	627,000	1,487,000	2,114,000	3
10/1/97	Tucson/Tanque Verde	345,000	1,983,000	2,328,000	4
10/1/97	Randolph/Warren St	2,330,000	2,509,000	4,839,000	4
10/1/97	Forrestville/Penn.	1,056,000	2,749,000	3,805,000	6
10/1/97	Bridgeport/Wordin	4,877,000	3,529,000	8,406,000	7
10/1/97	North Hollywood/Vine	906,000	2,717,000	3,623,000	5
10/1/97	Santa Cruz/Portola	535,000	1,791,000	2,326,000	3
10/1/97	Hyde Park/River St	626,000	2,115,000	2,741,000	4
10/1/97	Dublin/San Ramon Rd	942,000	2,302,000	3,244,000	5
10/1/97	Vallejo/Humboldt	473,000	1,894,000	2,367,000	4

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Date Acquired	Description	Encum- brances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
10/1/97	Fremont/Warm Springs		848,000	2,885,000	209,
10/1/97	Seattle/Stone Way		829,000	2,180,000	253,



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10/1/97	W. Olympia		149,000	1,096,000	250,
10/1/97	Mercer/Parkside Ave		359,000	1,763,000	193,
10/1/97	Bridge Water/Main		445,000	2,054,000	245,
10/1/97	Norwalk/Hoyt Street		2,369,000	3,049,000	520,
9/30/95	Whittier		215,000	384,000	104,
9/30/95	Van Nuys/Balboa		295,000	657,000	98,
9/30/95	Huntington Beach		176,000	321,000	147,
9/30/95	Monterey Park	133,000	124,000	346,000	99,
9/30/95	Downey		191,000	317,000	132,
9/30/95	Del Amo		474,000	742,000	100,
9/30/95	Carson		375,000	735,000	112,
12/83	Charlotte		165,000	1,274,000	434,
12/83	Greensboro/Market		214,000	1,653,000	616,
12/83	Greensboro/Electra		112,000	869,000	329,
1/83	Raleigh/Yonkers		203,000	914,000	414,
12/83	Columbia		171,000	1,318,000	497,
12/83	Richmond		176,000	1,360,000	388,
12/83	Augusta		97,000	747,000	312,
4/84	Providence		92,000	1,087,000	384,
1/85	Cranston		175,000	722,000	320,
3/84	Marrietta/Cobb		73,000	542,000	296,
1/84	Fremont/Albrae		636,000	1,659,000	479,
12/83	Tacoma		553,000	1,173,000	372,
1/84	Belton		175,000	858,000	575,
1/84	Gladstone		275,000	1,799,000	452,
1/84	Hickman/112		257,000	1,848,000	445,
1/84	Holmes		289,000	1,333,000	374,
1/84	Independence		221,000	1,848,000	356,
1/84	Merriam		255,000	1,469,000	379,
1/84	Olathe		107,000	992,000	312,
1/84	Shawnee		205,000	1,420,000	437,
1/84	Topeka		75,000	1,049,000	245,
2/84	Unicorn/Nkoxville		662,000	1,887,000	686,
2/84	Central/Knoxville		449,000	1,281,000	567,
3/84	Manassas		320,000	1,556,000	377,
3/84	Pico Rivera		743,000	807,000	345,
5/84	Raleigh/Departure		302,000	2,484,000	487,
4/84	Milwaukie/Oregon		289,000	584,000	251,
7/84	Trevose/Old Lincoln		421,000	1,749,000	398,
5/84	Virginia Beach		509,000	2,121,000	680,
5/84	Philadelphia/Grant		1,041,000	3,262,000	463,
6/84	Lorton		435,000	2,040,000	517,
6/84	Baltimore		382,000	1,793,000	724,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Land	Building	Total	Acc Depn
10/1/97	Fremont/Warm Springs	848,000	3,319,000	4,167,000	6
10/1/97	Seattle/Stone Way	829,000	2,605,000	3,434,000	5
10/1/97	W. Olympia	149,000	1,436,000	1,585,000	2
10/1/97	Mercer/Parkside Ave	359,000	2,097,000	2,456,000	4
10/1/97	Bridge Water/Main	445,000	2,459,000	2,904,000	4
10/1/97	Norwalk/Hoyt Street	2,369,000	3,824,000	6,193,000	7
9/30/95	Whittier	215,000	1,207,000	1,422,000	4
9/30/95	Van Nuys/Balboa	295,000	1,932,000	2,227,000	6
9/30/95	Huntington Beach	176,000	1,195,000	1,371,000	3

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9/30/95	Monterey Park	124,000	1,228,000	1,352,000	4
9/30/95	Downey	191,000	1,272,000	1,463,000	4
9/30/95	Del Amo	474,000	1,790,000	2,264,000	7
9/30/95	Carson	375,000	1,294,000	1,669,000	3
12/83	Charlotte	165,000	2,150,000	2,315,000	1,2
12/83	Greensboro/Market	214,000	3,063,000	3,277,000	1,8
12/83	Greensboro/Electra	112,000	1,580,000	1,692,000	9
1/83	Raleigh/Yonkers	203,000	1,753,000	1,956,000	1,0
12/83	Columbia	171,000	2,307,000	2,478,000	1,4
12/83	Richmond	176,000	2,216,000	2,392,000	1,3
12/83	Augusta	97,000	1,383,000	1,480,000	8
4/84	Providence	92,000	1,894,000	1,986,000	1,1
1/85	Cranston	175,000	1,309,000	1,484,000	7
3/84	Marrietta/Cobb	73,000	1,097,000	1,170,000	6
1/84	Fremont/Albrae	636,000	2,670,000	3,306,000	1,6
12/83	Tacoma	553,000	2,032,000	2,585,000	1,2
1/84	Belton	175,000	1,811,000	1,986,000	1,0
1/84	Gladstone	275,000	2,891,000	3,166,000	1,7
1/84	Hickman/112	257,000	2,911,000	3,168,000	1,7
1/84	Holmes	289,000	2,162,000	2,451,000	1,2
1/84	Independence	221,000	2,813,000	3,034,000	1,6
1/84	Merriam	255,000	2,328,000	2,583,000	1,4
1/84	Olathe	107,000	1,665,000	1,772,000	1,0
1/84	Shawnee	205,000	2,359,000	2,564,000	1,3
1/84	Topeka	75,000	1,650,000	1,725,000	9
2/84	Unicorn/Nkoxville	662,000	3,265,000	3,927,000	1,8
2/84	Central/Knoxville	449,000	2,303,000	2,752,000	1,2
3/84	Manassas	320,000	2,486,000	2,806,000	1,4
3/84	Pico Rivera	743,000	1,473,000	2,216,000	9
5/84	Raleigh/Departure	302,000	3,759,000	4,061,000	2,2
4/84	Milwaukie/Oregon	289,000	1,146,000	1,435,000	6
7/84	Trevose/Old Lincoln	421,000	2,729,000	3,150,000	1,6
5/84	Virginia Beach	499,000	3,587,000	4,086,000	2,1
5/84	Philadelphia/Grant	1,040,000	4,697,000	5,737,000	2,8
6/84	Lorton	435,000	3,239,000	3,674,000	1,9
6/84	Baltimore	382,000	3,151,000	3,533,000	1,8

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Date Acquired	Description	Encum- brances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
6/84	Laurel		501,000	2,349,000	673,
6/84	Delran		279,000	1,472,000	295,
5/84	Garland		356,000	844,000	235,
6/84	Orange Blossom		226,000	924,000	228,
6/84	Safe Place (Cincinnati)		402,000	1,573,000	550,
6/84	Safe Place (Florence)		185,000	740,000	405,
8/84	Medley		584,000	1,016,000	343,
8/84	Oklahoma City		340,000	1,310,000	524,
8/84	Newport News		356,000	2,395,000	653,
8/84	Kaplan (Walnut Hill)		971,000	2,359,000	851,
9/84	Cockrell Hill		380,000	913,000	1,063,
11/84	Omaha		109,000	806,000	480,

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12/84	Austin (Ben White)	325,000	474,000	288,
12/84	Austin (Lamar)	643,000	947,000	451,
12/84	Pompano	399,000	1,386,000	628,
12/84	Fort Worth	122,000	928,000	23,
11/84	Hialeah	886,000	1,784,000	295,
12/84	Montgomeryville	215,000	2,085,000	351,
1/85	Bossier City	184,000	1,542,000	460,
2/85	Simi Valley	737,000	1,389,000	320,
3/85	Chattanooga	202,000	1,573,000	444,
2/85	Hurst	231,000	1,220,000	232,
3/85	Portland	285,000	941,000	254,
5/85	Longwood	355,000	1,645,000	274,
3/85	Fern Park	144,000	1,107,000	217,
3/85	Fairfield	338,000	1,187,000	422,
4/85	Laguna Hills	1,224,000	3,303,000	412,
7/85	Columbus (Morse Rd.)	195,000	1,510,000	383,
7/85	Columbus (Kenney Rd.)	199,000	1,531,000	380,
5/85	Columbus (Busch Blvd.)	202,000	1,559,000	359,
5/85	Columbus (Kinnear Rd.)	241,000	1,865,000	358,
6/85	Grove City/Marlane Drive	150,000	1,157,000	326,
6/85	Reynoldsburg	204,000	1,568,000	402,
5/85	Worthington	221,000	1,824,000	358,
7/85	Westerville	199,000	1,517,000	427,
5/85	Arlington	201,000	1,497,000	406,
7/85	Springfield	90,000	699,000	294,
7/85	Dayton (Needmore Road)	144,000	1,108,000	377,
7/85	Dayton (Executive Blvd.)	160,000	1,207,000	391,
7/85	Lilburn	331,000	969,000	231,
4/85	Austin/S. First	778,000	1,282,000	342,
4/85	Cincinnati/E. Kemper	232,000	1,573,000	270,
4/85	Cincinnati/Colerain	253,000	1,717,000	352,
4/85	Florence/Tanner Lane	218,000	1,477,000	343,
5/85	Tacoma/Phillips Rd.	396,000	1,204,000	277,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Land	Building	Total	Acc Depn
6/84	Laurel	501,000	3,846,000	4,347,000	2,3
6/84	Delran	279,000	2,340,000	2,619,000	1,3
5/84	Garland	356,000	1,439,000	1,795,000	8
6/84	Orange Blossom	226,000	1,550,000	1,776,000	8
6/84	Safe Place (Cincinnati)	402,000	2,795,000	3,197,000	1,5
6/84	Safe Place (Florence)	185,000	1,521,000	1,706,000	8
8/84	Medley	584,000	1,823,000	2,407,000	1,0
8/84	Oklahoma City	340,000	2,486,000	2,826,000	1,3
8/84	Newport News	356,000	4,061,000	4,417,000	2,2
8/84	Kaplan (Walnut Hill)	971,000	4,251,000	5,222,000	2,3
9/84	Cockrell Hill	380,000	2,651,000	3,031,000	1,5
11/84	Omaha	109,000	1,685,000	1,794,000	9
12/84	Austin (Ben White)	216,000	597,000	813,000	2
12/84	Austin (Lamar)	643,000	1,841,000	2,484,000	9
12/84	Pompano	399,000	2,712,000	3,111,000	1,4
12/84	Fort Worth	122,000	1,254,000	1,376,000	7
11/84	Hialeah	886,000	2,751,000	3,637,000	1,5
12/84	Montgomeryville	215,000	3,212,000	3,427,000	1,7
1/85	Bossier City	184,000	2,658,000	2,842,000	1,4

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2/85	Simi Valley	737,000	2,229,000	2,966,000	1,2
3/85	Chattanooga	202,000	2,700,000	2,902,000	1,4
2/85	Hurst	231,000	1,932,000	2,163,000	1,0
3/85	Portland	285,000	1,633,000	1,918,000	8
5/85	Longwood	355,000	2,588,000	2,943,000	1,4
3/85	Fern Park	144,000	1,756,000	1,900,000	9
3/85	Fairfield	338,000	2,136,000	2,474,000	1,1
4/85	Laguna Hills	1,224,000	4,928,000	6,152,000	2,7
7/85	Columbus (Morse Rd.)	195,000	2,563,000	2,758,000	1,3
7/85	Columbus (Kenney Rd.)	199,000	2,509,000	2,708,000	1,3
5/85	Columbus (Busch Blvd.)	202,000	2,510,000	2,712,000	1,3
5/85	Columbus (Kinneer Rd.)	241,000	2,994,000	3,235,000	1,5
6/85	Grove City/Marlane Drive	150,000	1,954,000	2,104,000	1,0
6/85	Reynoldsburg	204,000	2,568,000	2,772,000	1,3
5/85	Worthington	221,000	2,891,000	3,112,000	1,5
7/85	Westerville	199,000	2,564,000	2,763,000	1,3
5/85	Arlington	201,000	2,521,000	2,722,000	1,3
7/85	Springfield	90,000	1,325,000	1,415,000	6
7/85	Dayton (Needmore Road)	144,000	1,945,000	2,089,000	1,0
7/85	Dayton (Executive Blvd.)	159,000	2,168,000	2,327,000	1,1
7/85	Lilburn	330,000	1,625,000	1,955,000	8
4/85	Austin/S. First	778,000	1,794,000	2,572,000	1,1
4/85	Cincinnati/E. Kemper	232,000	2,065,000	2,297,000	1,2
4/85	Cincinnati/Colerain	253,000	2,297,000	2,550,000	1,4
4/85	Florence/Tanner Lane	218,000	2,029,000	2,247,000	1,2
5/85	Tacoma/Phillips Rd.	396,000	1,649,000	2,045,000	1,0

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Date Acquired	Description	Encum- brances	Initial Cost		Cost to Subseq to Acquis
			Land	Buildings & Improvements	
5/85	Milwaukie/Mcloughlin II		458,000	742,000	350,
7/85	San Diego/Kearny Mesa Rd		783,000	1,750,000	337,
5/85	Manchester/S. Willow II		371,000	2,129,000	(161,0
6/85	N. Hollywood/Raymer		967,000	848,000	256,
7/85	Scottsdale/70th St		632,000	1,368,000	289,
7/85	Concord/Hwy 29		150,000	750,000	361,
10/85	N. Hollywood/Whitsett (A)		1,524,000	2,576,000	363,
10/85	Portland/SE 82nd St		354,000	496,000	288,
9/85	Madison/Copps Ave.		450,000	1,150,000	388,
9/85	Columbus/Sinclair		307,000	893,000	297,
9/85	Philadelphia/Tacony St		118,000	1,782,000	277,
10/85	Perrysburg/Helen Dr.		110,000	1,590,000	(61,0
10/85	Columbus/Ambleside		124,000	1,526,000	(30,0
10/85	Indianapolis/Pike Place		229,000	1,531,000	220,
10/85	Indianapolis/Beach Grove		198,000	1,342,000	226,
10/85	Hartford/Roberts		219,000	1,481,000	335,
10/85	Wichita/S. Rock Rd.		501,000	1,478,000	150,
10/85	Wichita/E. Harry		313,000	1,050,000	65,
10/85	Wichita/S. Woodlawn		263,000	905,000	43,
10/85	Wichita/E. Kellogg		185,000	658,000	(46,0
10/85	Wichita/S. Tyler		294,000	1,004,000	68,
10/85	Wichita/W. Maple		234,000	805,000	(59,0

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10/85	Wichita/Carey Lane	192,000	674,000	14,
10/85	Wichita/E. Macarthur	220,000	775,000	(110,0
10/85	Joplin/S. Range Line	264,000	904,000	97,
12/85	Milpitas	1,623,000	1,577,000	238,
12/85	Pleasanton/Santa Rita (A)	1,226,000	2,078,000	314,
7/88	Fort Wayne	101,000	1,524,000	53,
10/85	San Antonio/Wetmore Rd.	306,000	1,079,000	403,
10/85	San Antonio/Callaghan	288,000	1,016,000	354,
10/85	San Antonio/Zarzamora	364,000	1,281,000	496,
10/85	San Antonio/Hackberry	388,000	1,367,000	2,192,
10/85	San Antonio/Fredericksburg	287,000	1,009,000	395,
10/85	Dallas/S. Westmoreland	474,000	1,670,000	159,
10/85	Dallas/Alvin St.	359,000	1,266,000	161,
10/85	Fort Worth/W. Beach St.	356,000	1,252,000	161,
10/85	Fort Worth/E. Seminary	382,000	1,346,000	178,
10/85	Fort Worth/Cockrell St.	323,000	1,136,000	162,
11/85	Everett/Evergreen	706,000	2,294,000	448,
11/85	Seattle/Empire Way	1,652,000	5,348,000	581,
12/85	Amherst/Niagra Falls	132,000	701,000	221,
12/85	West Sams Blvd.	164,000	1,159,000	(277,0
3/86	Jacksonville/Wiley	140,000	510,000	266,
12/85	MacArthur Rd.	204,000	1,628,000	173,
2/86	Costa Mesa/Pomona	1,405,000	1,520,000	358,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Land	Building	Total	Acc Depr
5/85	Milwaukie/Mcloughlin II	458,000	1,301,000	1,759,000	8
7/85	San Diego/Kearny Mesa Rd	783,000	2,354,000	3,137,000	1,4
5/85	Manchester/S. Willow II	371,000	2,166,000	2,537,000	1,3
6/85	N. Hollywood/Raymer	967,000	1,248,000	2,215,000	7
7/85	Scottsdale/70th St	632,000	1,830,000	2,462,000	1,1
7/85	Concord/Hwy 29	150,000	1,299,000	1,449,000	8
10/85	N. Hollywood/Whitsett (A)	1,524,000	3,273,000	4,797,000	2,0
10/85	Portland/SE 82nd St	354,000	878,000	1,232,000	5
9/85	Madison/Copps Ave.	450,000	1,688,000	2,138,000	1,0
9/85	Columbus/Sinclair	307,000	1,298,000	1,605,000	7
9/85	Philadelphia/Tacony St	118,000	2,246,000	2,364,000	1,3
10/85	Perrysburg/Helen Dr.	110,000	1,669,000	1,779,000	1,0
10/85	Columbus/Ambleside	124,000	1,632,000	1,756,000	9
10/85	Indianapolis/Pike Place	229,000	1,966,000	2,195,000	1,2
10/85	Indianapolis/Beach Grove	198,000	1,744,000	1,942,000	1,0
10/85	Hartford/Roberts	219,000	2,134,000	2,353,000	1,2
10/85	Wichita/S. Rock Rd.	642,000	1,623,000	2,265,000	9
10/85	Wichita/E. Harry	313,000	1,217,000	1,530,000	7
10/85	Wichita/S. Woodlawn	263,000	1,033,000	1,296,000	6
10/85	Wichita/E. Kellogg	185,000	668,000	853,000	4
10/85	Wichita/S. Tyler	294,000	1,224,000	1,518,000	8
10/85	Wichita/W. Maple	234,000	814,000	1,048,000	5
10/85	Wichita/Carey Lane	192,000	751,000	943,000	4
10/85	Wichita/E. Macarthur	220,000	758,000	978,000	4
10/85	Joplin/S. Range Line	264,000	1,092,000	1,356,000	6
12/85	Milpitas	1,623,000	2,090,000	3,713,000	1,2
12/85	Pleasanton/Santa Rita (A)	1,226,000	2,719,000	3,945,000	1,6
7/88	Fort Wayne	101,000	1,721,000	1,822,000	8
10/85	San Antonio/Wetmore Rd.	306,000	1,547,000	1,853,000	1,0

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10/85	San Antonio/Callaghan	288,000	1,414,000	1,702,000	9
10/85	San Antonio/Zarzamora	364,000	1,811,000	2,175,000	1,1
10/85	San Antonio/Hackberry	389,000	3,603,000	3,992,000	1,2
10/85	San Antonio/Fredericksburg	287,000	1,460,000	1,747,000	9
10/85	Dallas/S. Westmoreland	474,000	1,921,000	2,395,000	1,2
10/85	Dallas/Alvin St.	359,000	1,492,000	1,851,000	9
10/85	Fort Worth/W. Beach St.	356,000	1,454,000	1,810,000	9
10/85	Fort Worth/E. Seminary	382,000	1,557,000	1,939,000	1,0
10/85	Fort Worth/Cockrell St.	323,000	1,362,000	1,685,000	9
11/85	Everett/Evergreen	706,000	2,835,000	3,541,000	1,9
11/85	Seattle/Empire Way	1,652,000	6,100,000	7,752,000	4,0
12/85	Amherst/Niagra Falls	132,000	986,000	1,118,000	6
12/85	West Sams Blvd.	164,000	945,000	1,109,000	6
3/86	Jacksonville/Wiley	140,000	827,000	967,000	5
12/85	MacArthur Rd.	204,000	1,831,000	2,035,000	1,1
2/86	Costa Mesa/Pomona	1,405,000	1,932,000	3,337,000	1,2

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Date Acquired	Description	Encum- brances	Initial Cost		Cost to Subseq to Acquis
			Land	Buildings & Improvements	
12/85	Brockton/Main		153,000	2,020,000	(215,0
1/86	Mapleshade/Rudderow		362,000	1,811,000	282,
1/86	Bordentown/Groveville		196,000	981,000	149,
12/85	Eatontown/Hwy 35		308,000	4,067,000	453,
2/86	Brea/Imperial Hwy		1,069,000	2,165,000	359,
12/85	Denver/Leetsdale		603,000	847,000	215,
2/86	Skokie/McCormick		638,000	1,912,000	258,
1/86	Sun Valley/Sheldon		544,000	1,836,000	335,
3/86	St. Louis/Forder		517,000	1,133,000	275,
1/86	Las Vegas/Highland		432,000	848,000	222,
5/86	Westlake Village		1,205,000	995,000	222,
2/86	Colorado Springs/Sinton		535,000	1,115,000	251,
2/86	Oklahoma City/Penn		146,000	829,000	147,
2/86	Oklahoma City/39th Expressway		238,000	812,000	284,
4/86	Reno/ Telegraph		649,000	1,051,000	447,
7/86	Colorado Springs/Hollow Tree		574,000	726,000	264,
4/86	St. Louis/Kirkham		199,000	1,001,000	218,
4/86	St. Louis/Reavis		192,000	958,000	201,
4/86	Fort Worth/East Loop		196,000	804,000	228,
6/86	Richland Hills		543,000	857,000	425,
5/86	Sacramento/Franklin Blvd.		872,000	978,000	466,
6/86	West Valley/So. 3600		208,000	1,552,000	374,
7/86	West LA/Purdue Ave.		2,415,000	3,585,000	247,
7/86	Capital Heights/Central Ave.		649,000	3,851,000	348,
10/86	Peralta/Fremont		851,000	1,074,000	277,
7/86	Pontiac/Dixie Hwy.		259,000	2,091,000	90,
8/86	Laurel/Ft. Meade Rd.		475,000	1,475,000	242,
9/86	Kansas City/S. 44th.		509,000	1,906,000	476,
10/86	Birmingham/Highland		89,000	786,000	217,
10/86	Birmingham/Riverchase		262,000	1,338,000	383,
10/86	Birmingham/Eastwood		166,000	1,184,000	281,
10/86	Birmingham/Forestdale		152,000	948,000	222,

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10/86	Birmingham/Centerpoint	265,000	1,305,000	270,
10/86	Birmingham/Roebuck Plaza	101,000	399,000	249,
10/86	Birmingham/Greensprings	347,000	1,173,000	290,
10/86	Birmingham/Hoover-Lorna	372,000	1,128,000	356,
10/86	Midfield/Bessemer	170,000	355,000	286,
10/86	Huntsville/Leeman Ferry Rd.	158,000	992,000	256,
10/86	Huntsville/Drake	253,000	1,172,000	244,
10/86	Anniston/Whiteside	59,000	566,000	189,
10/86	Houston/Glenvista	595,000	1,043,000	511,
10/86	Houston/I-45	704,000	1,146,000	760,
10/86	Houston/Rogerdale	1,631,000	2,792,000	502,
10/86	Houston/Gessner	1,032,000	1,693,000	891,
10/86	Houston/Richmond-Fairdale	1,502,000	2,506,000	900,

Date Acquired	Description	Gross Carrying Amount At December 31, 2001			Acc Depr
		Land	Building	Total	
12/85	Brockton/Main	153,000	1,863,000	2,016,000	1,2
1/86	Mapleshade/Rudderow	362,000	2,181,000	2,543,000	1,3
1/86	Bordentown/Groveville	196,000	1,199,000	1,395,000	7
12/85	Eatontown/Hwy 35	308,000	4,640,000	4,948,000	3,0
2/86	Brea/Imperial Hwy	1,069,000	2,616,000	3,685,000	1,7
12/85	Denver/Leetsdale	603,000	1,096,000	1,699,000	7
2/86	Skokie/McCormick	638,000	2,216,000	2,854,000	1,4
1/86	Sun Valley/Sheldon	544,000	2,225,000	2,769,000	1,4
3/86	St. Louis/Forder	517,000	1,446,000	1,963,000	9
1/86	Las Vegas/Highland	432,000	1,108,000	1,540,000	7
5/86	Westlake Village	1,205,000	1,234,000	2,439,000	8
2/86	Colorado Springs/Sinton	535,000	1,470,000	2,005,000	9
2/86	Oklahoma City/Penn	146,000	1,037,000	1,183,000	6
2/86	Oklahoma City/39th Expressway	238,000	1,169,000	1,407,000	7
4/86	Reno/ Telegraph	649,000	1,620,000	2,269,000	1,0
7/86	Colorado Springs/Hollow Tree	574,000	1,053,000	1,627,000	6
4/86	St. Louis/Kirkham	199,000	1,227,000	1,426,000	8
4/86	St. Louis/Reavis	192,000	1,170,000	1,362,000	7
4/86	Fort Worth/East Loop	196,000	1,056,000	1,252,000	7
6/86	Richland Hills	543,000	1,277,000	1,820,000	8
5/86	Sacramento/Franklin Blvd.	872,000	1,389,000	2,261,000	9
6/86	West Valley/So. 3600	208,000	1,762,000	1,970,000	1,1
7/86	West LA/Purdue Ave.	2,416,000	3,830,000	6,246,000	2,5
7/86	Capital Heights/Central Ave.	649,000	4,148,000	4,797,000	2,7
10/86	Peralta/Fremont	851,000	1,365,000	2,216,000	8
7/86	Pontiac/Dixie Hwy.	259,000	2,215,000	2,474,000	1,4
8/86	Laurel/Ft. Meade Rd.	475,000	1,769,000	2,244,000	1,1
9/86	Kansas City/S. 44th.	509,000	2,350,000	2,859,000	1,5
10/86	Birmingham/Highland	150,000	1,014,000	1,164,000	7
10/86	Birmingham/Riverchase	278,000	1,769,000	2,047,000	1,2
10/86	Birmingham/Eastwood	232,000	1,519,000	1,751,000	9
10/86	Birmingham/Forestdale	190,000	1,243,000	1,433,000	7
10/86	Birmingham/Centerpoint	273,000	1,573,000	1,846,000	1,0
10/86	Birmingham/Roebuck Plaza	340,000	622,000	962,000	4
10/86	Birmingham/Greensprings	16,000	1,562,000	1,578,000	1,0
10/86	Birmingham/Hoover-Lorna	266,000	1,526,000	1,792,000	9
10/86	Midfield/Bessemer	95,000	615,000	710,000	4
10/86	Huntsville/Leeman Ferry Rd.	198,000	1,331,000	1,529,000	8
10/86	Huntsville/Drake	248,000	1,477,000	1,725,000	9

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10/86	Anniston/Whiteside	107,000	784,000	891,000	5
10/86	Houston/Glenvista	595,000	1,524,000	2,119,000	1,0
10/86	Houston/I-45	704,000	1,898,000	2,602,000	1,4
10/86	Houston/Rogerdale	1,631,000	3,407,000	5,038,000	2,1
10/86	Houston/Gessner	1,032,000	2,514,000	3,546,000	1,7
10/86	Houston/Richmond-Fairdale	1,502,000	3,425,000	4,927,000	2,4

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Date Acquired	Description	Encum- brances	Initial Cost		Cost to Subseq to Acquis
			Land	Buildings & Improvements	
10/86	Houston/Gulfton		1,732,000	3,036,000	879,
10/86	Houston/Westpark		503,000	854,000	155,
10/86	Jonesboro		157,000	718,000	211,
9/15/00	Gardena/W. El Segundo		1,532,000	3,424,000	78,
9/15/00	Chicago/Ashland Avenue		850,000	4,880,000	135,
9/15/00	Oakland/Macarthur		678,000	2,751,000	97,
9/15/00	Alexandria/Pickett II		2,743,000	6,198,000	251,
9/15/00	Royal Oak/Coolidge Highway		1,062,000	2,576,000	106,
9/15/00	Hawthorne/Crenshaw Blvd.		1,079,000	2,913,000	90,
9/15/00	Rockaway/U.S. Route 46		2,424,000	4,945,000	219,
9/15/00	Evanston/Greenbay		846,000	4,436,000	121,
9/15/00	Los Angeles/Coliseum & Crenshaw		3,109,000	4,013,000	90,
9/15/00	Bethpage/Hempstead Turnpike		2,899,000	5,457,000	207,
9/15/00	Northport/Fort Salonga Road		2,999,000	5,698,000	215,
9/15/00	Brooklyn/St. Johns Place		3,492,000	6,026,000	224,
9/15/00	Lake Ronkonkoma/Portion Rd.		937,000	4,199,000	137,
1/1/96	Bensenville/York R		667,000	1,602,000	152,
1/1/96	Louisville/Preston		211,000	1,060,000	64,
1/1/96	San Jose/Aborn Road		615,000	1,342,000	88,
1/1/96	Englewood/Federal		481,000	1,395,000	80,
1/1/96	W. Hollywood/Santa Monica		3,415,000	4,577,000	188,
1/1/96	Orland Hills/W. 159th		917,000	2,392,000	132,
1/1/96	Merrionette Park/S		818,000	2,020,000	88,
1/1/96	Denver/S Quebec		1,849,000	1,941,000	139,
1/1/96	Tigard/S.W. Pacific		633,000	1,206,000	114,
1/1/96	Coram/Middle Count		507,000	1,421,000	70,
1/1/96	Houston/FM 1960		635,000	1,294,000	210,
1/1/96	Kent/Military Trail		409,000	1,670,000	148,
1/1/96	Turnersville/Black H		165,000	1,360,000	98,
1/1/96	Sewell/Rts. 553		323,000	1,138,000	93,
1/1/96	Maple Shade/Fellowship		331,000	1,421,000	109,
1/1/96	Hyattsville/Kenilworth		509,000	1,757,000	121,
1/1/96	Waterbury/Captain Ne		434,000	2,089,000	122,
1/1/96	Bedford Hts/Miles		835,000	1,577,000	208,
1/1/96	Livonia/Newburgh		635,000	1,407,000	75,
1/1/96	Sunland/Sunland Blvd.		631,000	1,965,000	71,
1/1/96	Des Moines		448,000	1,350,000	89,
1/1/96	Oxonhill/Indianhead		772,000	2,017,000	188,
1/1/96	Sacramento/N. 16th		582,000	2,610,000	133,
1/1/96	Houston/Westheimer		1,508,000	2,274,000	154,
1/1/96	San Pablo/San Pablo		565,000	1,232,000	127,
1/1/96	Bowie/Woodcliff		718,000	2,336,000	71,



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1/1/96	Milwaukee/S. 84th	444,000	1,868,000	215,
1/1/96	Clinton/Malcolm Road	593,000	2,123,000	161,
1/83	Platte	409,000	953,000	359,

Date Acquired	Description	Gross Carrying Amount At December 31, 2001			Acc Depr
		Land	Building	Total	
10/86	Houston/Gulfton	1,732,000	3,992,000	5,724,000	2,7
10/86	Houston/Westpark	503,000	1,084,000	1,587,000	7
10/86	Jonesboro	157,000	980,000	1,137,000	6
9/15/00	Gardena/W. El Segundo	1,532,000	3,502,000	5,034,000	1
9/15/00	Chicago/Ashland Avenue	850,000	5,015,000	5,865,000	2
9/15/00	Oakland/Macarthur	678,000	2,848,000	3,526,000	1
9/15/00	Alexandria/Pickett II	2,743,000	6,449,000	9,192,000	2
9/15/00	Royal Oak/Coolidge Highway	1,062,000	2,682,000	3,744,000	1
9/15/00	Hawthorne/Crenshaw Blvd.	1,079,000	3,003,000	4,082,000	1
9/15/00	Rockaway/U.S. Route 46	2,424,000	5,164,000	7,588,000	2
9/15/00	Evanston/Greenbay	846,000	4,557,000	5,403,000	2
9/15/00	Los Angeles/Coliseum & Crenshaw	3,109,000	4,103,000	7,212,000	1
9/15/00	Bethpage/Hempstead Turnpike	2,899,000	5,664,000	8,563,000	2
9/15/00	Northport/Fort Salonga Road	2,999,000	5,913,000	8,912,000	2
9/15/00	Brooklyn/St. Johns Place	3,492,000	6,250,000	9,742,000	2
9/15/00	Lake Ronkonkoma/Portion Rd.	937,000	4,336,000	5,273,000	1
1/1/96	Bensenville/York R	667,000	2,649,000	3,316,000	5
1/1/96	Louisville/Preston	211,000	1,718,000	1,929,000	3
1/1/96	San Jose/Aborn Road	615,000	2,189,000	2,804,000	4
1/1/96	Englewood/Federal	481,000	2,252,000	2,733,000	5
1/1/96	W. Hollywood/Santa Monica	3,415,000	7,317,000	10,732,000	1,6
1/1/96	Orland Hills/W. 159th	917,000	3,866,000	4,783,000	8
1/1/96	Merrionette Park/S	818,000	3,230,000	4,048,000	7
1/1/96	Denver/S Quebec	1,849,000	3,166,000	5,015,000	6
1/1/96	Tigard/S.W. Pacific	633,000	2,025,000	2,658,000	4
1/1/96	Coram/Middle Count	507,000	2,283,000	2,790,000	4
1/1/96	Houston/FM 1960	635,000	2,287,000	2,922,000	5
1/1/96	Kent/Military Trail	409,000	2,774,000	3,183,000	5
1/1/96	Turnersville/Black H	165,000	2,216,000	2,381,000	4
1/1/96	Sewell/Rts. 553	323,000	1,889,000	2,212,000	4
1/1/96	Maple Shade/Fellowship	331,000	2,333,000	2,664,000	4
1/1/96	Hyattsville/Kenilworth	509,000	2,878,000	3,387,000	5
1/1/96	Waterbury/Captain Ne	434,000	3,373,000	3,807,000	6
1/1/96	Bedford Hts/Miles	835,000	2,714,000	3,549,000	5
1/1/96	Livonia/Newburgh	635,000	2,265,000	2,900,000	4
1/1/96	Sunland/Sunland Blvd.	631,000	3,126,000	3,757,000	6
1/1/96	Des Moines	448,000	2,207,000	2,655,000	4
1/1/96	Oxonhill/Indianhead	772,000	3,346,000	4,118,000	6
1/1/96	Sacramento/N. 16th	582,000	4,209,000	4,791,000	7
1/1/96	Houston/Westheimer	1,508,000	3,732,000	5,240,000	8
1/1/96	San Pablo/San Pablo	565,000	2,072,000	2,637,000	4
1/1/96	Bowie/Woodcliff	718,000	3,699,000	4,417,000	6
1/1/96	Milwaukee/S. 84th	444,000	3,174,000	3,618,000	6
1/1/96	Clinton/Malcolm Road	593,000	3,471,000	4,064,000	6
1/83	Platte	409,000	1,740,000	2,149,000	1,0

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Date Acquired	Description	Encum- brances	Initial Cost		Cost to Acquis
			Land	Buildings & Improvements	
5/83	Delta Drive		67,000	481,000	203,
12/82	Port/Halsey		357,000	1,150,000	(420,0
12/82	Sacto/Folsom		396,000	329,000	633,
1/83	Semoran		442,000	1,882,000	6,098,
3/83	Blackwood		213,000	1,559,000	242,
10/83	Orlando J. Y. Parkway		383,000	1,512,000	343,
9/83	Southington		124,000	1,233,000	305,
4/83	Vailsgate		103,000	990,000	426,
6/83	Ventura		658,000	1,734,000	187,
9/83	Southhampton		331,000	1,738,000	623,
9/83	Webster/Keystone		449,000	1,688,000	701,
9/83	Dover		107,000	1,462,000	441,
9/83	Newcastle		227,000	2,163,000	400,
9/83	Newark		208,000	2,031,000	293,
9/83	Langhorne		263,000	3,549,000	454,
8/83	Hobart		215,000	1,491,000	552,
9/83	Ft. Wayne/W. Coliseum		160,000	1,395,000	259,
9/83	Ft. Wayne/Bluffton		88,000	675,000	159,
11/83	Aurora		505,000	758,000	281,
11/83	Campbell		1,379,000	1,849,000	(556,0
11/83	Col Springs/Ed (Coulter)		471,000	1,640,000	110,
11/83	Col Springs/Mv (Coulter)		320,000	1,036,000	200,
11/83	Thorton (Coulter)		418,000	1,400,000	106,
11/83	Oklahoma City (Coulter)		454,000	1,030,000	764,
11/83	Tucson (Coulter)		343,000	778,000	600,
11/83	Webster/Nasa		1,570,000	2,457,000	299,
7/87	Oakbrook Terrace		912,000	2,688,000	(45,0
10/87	Plantation/S. State Rd.		924,000	1,801,000	(244,0
2/88	Anaheim/Lakeview		995,000	1,505,000	(12,0
8/87	San Antonio/Austin Hwy.		400,000	850,000	(61,0
10/87	Rockville/Fredrick Rd.		1,695,000	3,305,000	(273,0
10/11/99	Matthews		937,000	3,155,000	212,
12/30/99	Santa Anna		2,657,000	3,167,000	425,
4/29/00	St.Louis/Ellisville Twn Centre		765,000	4,397,000	249,
2/8/00	Lewisville/Justin Rd		529,000	2,812,000	276,
8/23/00	Morris Plains		1,501,000	4,147,000	420,
6/5/00	Mount Sinai/Route 25a		950,000	3,318,000	198,
1/5/01	Troy/E. Big Beaver Rd, MI		2,195,000	4,221,000	300,
8/1/00	Pineville		2,197,000	3,293,000	286,
9/13/00	Merrillville		343,000	2,459,000	151,
1/25/01	Lombard/Finley, IL		851,000	3,805,000	214,
11/15/00	Largo/Missouri, FL		1,092,000	3,726,000	782,
1/18/01	Tuscon/E. Speedway, AZ		735,000	2,903,000	170,
9/30/01	Syosset, NY		2,461,000	5,171,000	350,
6/26/01	Middletown		1,535,000	4,287,000	268,

Gross Carrying Amount  
At December 31, 2001

Date

Acco

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Acquired	Description	Land	Building	Total	Depr
5/83	Delta Drive	68,000	924,000	992,000	5
12/82	Port/Halsey	357,000	1,056,000	1,413,000	6
12/82	Sacto/Folsom	396,000	1,285,000	1,681,000	7
1/83	Semorran	442,000	8,700,000	9,142,000	1,7
3/83	Blackwood	213,000	2,396,000	2,609,000	1,3
10/83	Orlando J. Y. Parkway	383,000	2,477,000	2,860,000	1,4
9/83	Southington	123,000	2,085,000	2,208,000	1,1
4/83	Vailsgate	103,000	1,921,000	2,024,000	1,1
6/83	Ventura	658,000	2,504,000	3,162,000	1,3
9/83	Southhampton	331,000	3,167,000	3,498,000	1,8
9/83	Webster/Keystone	449,000	3,202,000	3,651,000	1,9
9/83	Dover	107,000	2,530,000	2,637,000	1,5
9/83	Newcastle	227,000	3,380,000	3,607,000	1,9
9/83	Newark	208,000	3,070,000	3,278,000	1,7
9/83	Langhorne	263,000	5,448,000	5,711,000	3,0
8/83	Hobart	215,000	2,881,000	3,096,000	1,6
9/83	Ft. Wayne/W. Coliseum	160,000	2,189,000	2,349,000	1,2
9/83	Ft. Wayne/Bluffton	88,000	1,119,000	1,207,000	6
11/83	Aurora	505,000	1,380,000	1,885,000	7
11/83	Campbell	1,379,000	1,767,000	3,146,000	9
11/83	Col Springs/Ed (Coulter)	471,000	2,304,000	2,775,000	1,3
11/83	Col Springs/Mv (Coulter)	320,000	1,677,000	1,997,000	9
11/83	Thorton (Coulter)	418,000	2,042,000	2,460,000	1,1
11/83	Oklahoma City (Coulter)	454,000	2,414,000	2,868,000	1,3
11/83	Tucson (Coulter)	343,000	1,798,000	2,141,000	9
11/83	Webster/Nasa	1,571,000	4,127,000	5,698,000	2,3
7/87	Oakbrook Terrace	912,000	3,042,000	3,954,000	2,1
10/87	Plantation/S. State Rd.	924,000	1,855,000	2,779,000	1,2
2/88	Anaheim/Lakeview	995,000	1,749,000	2,744,000	1,1
8/87	San Antonio/Austin Hwy.	400,000	953,000	1,353,000	6
10/87	Rockville/Fredrick Rd.	1,695,000	3,551,000	5,246,000	2,4
10/11/99	Matthews	986,000	3,318,000	4,304,000	2
12/30/99	Santa Anna	2,796,000	3,453,000	6,249,000	2
4/29/00	St.Louis/Ellisville Twn Centre	806,000	4,605,000	5,411,000	2
2/8/00	Lewisville/Justin Rd	557,000	3,060,000	3,617,000	2
8/23/00	Morris Plains	1,581,000	4,487,000	6,068,000	2
6/5/00	Mount Sinai/Route 25a	999,000	3,467,000	4,466,000	2
1/5/01	Troy/E. Big Beaver Rd, MI	2,310,000	4,406,000	6,716,000	1
8/1/00	Pineville	2,312,000	3,464,000	5,776,000	2
9/13/00	Merrillville	361,000	2,592,000	2,953,000	1
1/25/01	Lombard/Finley, IL	896,000	3,974,000	4,870,000	1
11/15/00	Largo/Missouri, FL	1,147,000	4,453,000	5,600,000	1
1/18/01	Tuscon/E. Speedway, AZ	774,000	3,034,000	3,808,000	1
9/30/01	Syosset, NY	2,590,000	5,392,000	7,982,000	
6/26/01	Middletown	1,616,000	4,474,000	6,090,000	

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Date Acquired	Description	Encum- brances	Initial Cost		Subseq to Acquis
			Land	Buildings & Improvements	

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12/27/01	Howell/Hgwy 9		941,000	3,979,000	220,
1/11/01	Ft Lauderdale, FL		954,000	4,165,000	232,
6/15/00	Pinellas Park		526,000	2,408,000	165,
7/17/00	La Palco/New Orleans		1,023,000	3,204,000	196,
11/15/99	Poplar, Memphis		1,631,000	3,062,000	265,
1/25/00	Memphis/N.Germantwn Pkwy		884,000	3,012,000	184,
12/9/93	Salt Lake City		765,000	1,422,000	(47,0
6/24/94	Las Vegas/N. Lamb Blvd.		869,000	1,629,000	(3,0
12/19/94	Salt Lake City/West North Temple		490,000	917,000	(101,0
5/1/95	Sandy/S. State Street		1,043,000	2,442,000	(383,0
6/25/97	L.A./Venice Blvd.		523,000	1,221,000	1,772,
4/1/99	Fresno	45,000	44,000	206,000	(325,0
5/1/99	Stockton	164,000	151,000	402,000	(306,0
1/31/00	Rowland Heights/Walnut B		681,000	1,589,000	112,
12/23/96	Eagle Rock/Colorado		330,000	813,000	355,
9/1/99	Charlotte/Ashley Road		664,000	1,551,000	(8,0
9/1/99	Raleigh/Capital Blvd		927,000	2,166,000	(41,0
9/1/99	Charlotte/South Blvd.		734,000	1,715,000	(8,0
9/1/99	Greensboro/W.Market St.		603,000	1,409,000	(1,0
10/11/96	Hampton/Pembroke Road		1,080,000	2,346,000	(314,0
10/11/96	Norfolk/Widgeon Road		1,110,000	2,405,000	(406,0
10/11/96	Richmond/Bloom Lane		1,188,000	2,512,000	(267,0
11/14/96	Bossier City LA		633,000	1,488,000	(185,0
4/1/98	St. Louis/Hwy. 141		659,000	1,628,000	395,
4/1/98	Island Park/Austin		2,313,000	3,015,000	1,160,
4/1/98	Akron/Brittain Rd.		275,000	2,248,000	(250,0
10/8/99	Belmont/O'neill Ave		869,000	4,582,000	157,
12/30/99	Oak Park/Greenfield Rd & 8 Mile		1,184,000	2,826,000	744,
12/17/99	Dallas/Swiss Ave		1,862,000	4,344,000	112,
3/12/99	River Grove/N. 5th Ave.		1,094,000	2,552,000	(38,0
3/12/99	St. Charles/E. Main St.		951,000	2,220,000	(335,0
1/21/00	Hanover Park		262,000	3,245,000	(119,0
8/31/00	Florissant/New Halls Fry		800,000	4,222,000	63,
7/29/00	Tracy/1615& 1650 W.11th S		1,745,000	4,189,000	605,
9/30/00	Marietta/Kennestone& Hwy5		622,000	3,388,000	132,
7/13/00	Lincolnwood		1,598,000	3,729,000	116,
9/18/00	Tampa/N. Del Mabry		2,204,000	5,148,000	4,684,
9/1/00	Bayshore, NY		1,277,000	2,980,000	114,
9/1/00	Los Angeles, CA		590,000	1,376,000	49,
5/26/00	Phoenix/N. 35th Ave		860,000	2,959,000	70,
9/30/00	Lilburn/Indian Trail		1,695,000	5,170,000	133,
8/31/00	Orange, CA		661,000	1,542,000	43,
6/17/01	Port Washington/Seaview &W.Sh	0	2,381,000	4,608,000	
2/28/00	Plano/Avenue K		2,064,000	10,407,000	344,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Land	Building	Total	Acc Depn
12/27/01	Howell/Hgwy 9	990,000	4,150,000	5,140,000	
1/11/01	Ft Lauderdale, FL	1,004,000	4,347,000	5,351,000	1
6/15/00	Pinellas Park	543,000	2,556,000	3,099,000	
7/17/00	La Palco/New Orleans	1,077,000	3,346,000	4,423,000	
11/15/99	Poplar, Memphis	1,717,000	3,241,000	4,958,000	2
1/25/00	Memphis/N.Germantwn Pkwy	930,000	3,150,000	4,080,000	2
12/9/93	Salt Lake City	633,000	1,507,000	2,140,000	1
6/24/94	Las Vegas/N. Lamb Blvd.	669,000	1,826,000	2,495,000	2

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12/19/94	Salt Lake City/West North Temple	385,000	921,000	1,306,000	1
5/1/95	Sandy/S. State Street	923,000	2,179,000	3,102,000	2
6/25/97	L.A./Venice Blvd.	1,044,000	2,472,000	3,516,000	2
4/1/99	Fresno	193,000	536,000	729,000	
5/1/99	Stockton	590,000	1,674,000	2,264,000	1
1/31/00	Rowland Heights/Walnut B	688,000	1,694,000	2,382,000	1
12/23/96	Eagle Rock/Colorado	444,000	1,054,000	1,498,000	1
9/1/99	Charlotte/Ashley Road	651,000	1,556,000	2,207,000	1
9/1/99	Raleigh/Capital Blvd	909,000	2,143,000	3,052,000	2
9/1/99	Charlotte/South Blvd.	719,000	1,722,000	2,441,000	1
9/1/99	Greensboro/W.Market St.	591,000	1,420,000	2,011,000	1
10/11/96	Hampton/Pembroke Road	914,000	2,198,000	3,112,000	2
10/11/96	Norfolk/Widgeon Road	908,000	2,201,000	3,109,000	2
10/11/96	Richmond/Bloom Lane	995,000	2,438,000	3,433,000	2
11/14/96	Bossier City LA	557,000	1,379,000	1,936,000	1
4/1/98	St. Louis/Hwy. 141	790,000	1,892,000	2,682,000	2
4/1/98	Island Park/Austin	1,928,000	4,560,000	6,488,000	5
4/1/98	Akron/Brittain Rd.	669,000	1,604,000	2,273,000	1
10/8/99	Belmont/O'neill Ave	878,000	4,730,000	5,608,000	5
12/30/99	Oak Park/Greenfield Rd & 8 Mile	1,196,000	3,558,000	4,754,000	3
12/17/99	Dallas/Swiss Ave	1,878,000	4,440,000	6,318,000	5
3/12/99	River Grove/N. 5th Ave.	1,034,000	2,574,000	3,608,000	5
3/12/99	St. Charles/E. Main St.	802,000	2,034,000	2,836,000	4
1/21/00	Hanover Park	256,000	3,132,000	3,388,000	2
8/31/00	Florissant/New Halls Fry	807,000	4,278,000	5,085,000	3
7/29/00	Tracy/1615& 1650 W.11th S	1,762,000	4,777,000	6,539,000	4
9/30/00	Marietta/Kennestone& Hwy5	628,000	3,514,000	4,142,000	3
7/13/00	Lincolnwood	1,613,000	3,830,000	5,443,000	3
9/18/00	Tampa/N. Del Mabry	2,225,000	9,811,000	12,036,000	1,8
9/1/00	Bayshore, NY	1,294,000	3,077,000	4,371,000	3
9/1/00	Los Angeles, CA	598,000	1,417,000	2,015,000	1
5/26/00	Phoenix/N. 35th Ave	876,000	3,013,000	3,889,000	3
9/30/00	Lilburn/Indian Trail	1,712,000	5,286,000	6,998,000	3
8/31/00	Orange, CA	667,000	1,579,000	2,246,000	1
6/17/01	Port Washington/Seaview &W.Sh	2,381,000	4,608,000	6,989,000	1
2/28/00	Plano/Avenue K	2,084,000	10,731,000	12,815,000	2,7

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Date Acquired	Description	Encumbrances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
4/7/01	Farmingdale/Rte 110	0	2,364,000	5,807,000	
11/21/00	St. Louis/Wilson		1,608,000	3,913,000	622,
12/30/00	Raleigh/Glenwood		1,545,000	3,253,000	435,
4/1/01	Lakewood/Cedar Dr.	0	1,329,000	9,356,000	
1/16/01	No Hollywood/Sherman Way	0	2,173,000	5,442,000	
3/15/01	Los Angeles/West Pico	0	8,579,000	8,630,000	
3/31/01	Long Island (Pud Only)		2,630,000	7,196,000	
12/29/01	Catonsville/Kent	0	1,378,000	5,289,000	
12/27/01	Los Angeles/W.Jefferson Bl(V	0	8,285,000	9,429,000	
12/31/01	Santa Ana/E.Mcfadden(RnvtN)M	0	7,587,000	8,612,000	
1/1/81	Newport News/Jefferson Ave.	578,000	108,000	1,071,000	555,
1/1/81	Virginia Beach/Diamond Springs	648,000	186,000	1,094,000	609,

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8/1/81	San Jose/Snell		312,000	1,815,000	380,
10/1/81	Tampa/Lazy Lane		282,000	1,899,000	624,
6/1/82	San Jose/Tully	826,000	645,000	1,579,000	11,626,
6/1/82	San Carlos/Storage	1,001,000	780,000	1,387,000	518,
6/1/82	Mountain View	1,424,000	1,180,000	1,182,000	557,
6/1/82	Cupertino/Storage	1,119,000	572,000	1,270,000	432,
10/1/82	Sorrento Valley	1,021,000	1,002,000	1,343,000	(826,0
10/1/82	Northwood	1,541,000	1,034,000	1,522,000	283,
3/1/85	Houston/Westheimer	492,000	850,000	1,179,000	716,
3/3/86	Tampa/56th	441,000	450,000	1,360,000	453,
12/31/86	Monrovia/Myrtle Avenue	1,141,000	1,149,000	2,446,000	193,
12/31/86	Chatsworth/Topanga	765,000	1,447,000	1,243,000	241,
12/31/86	Houston/Larkwood	270,000	247,000	602,000	346,
12/31/86	Northridge	1,713,000	3,624,000	1,922,000	3,369,
12/31/86	Santa Clara/Duane	688,000	1,950,000	1,004,000	377,
12/31/86	Oyster Point		1,569,000	1,490,000	354,
12/31/86	Walnut		767,000	613,000	3,594,
6/7/88	Mesquite/Sorrento Drive		928,000	1,011,000	3,308,
1/1/92	Costa Mesa		533,000	980,000	645,
3/1/92	Dallas/Walnut St.		537,000	1,008,000	270,
5/1/92	Camp Creek		576,000	1,075,000	252,
9/1/92	Orlando/W. Colonial		368,000	713,000	125,
9/1/92	Jacksonville/Arlington		554,000	1,065,000	188,
10/1/92	Stockton/Mariners		381,000	730,000	157,
11/18/92	Virginia Beach/General Booth Blvd		599,000	1,119,000	352,
1/1/93	Redwood City/Storage		907,000	1,684,000	218,
1/1/93	City Of Industry		1,611,000	2,991,000	266,
1/1/93	San Jose/Felipe		1,124,000	2,088,000	275,
1/1/93	Baldwin Park/Garvey Ave		840,000	1,561,000	291,
3/19/93	Westminister / W. 80th		840,000	1,586,000	217,
4/26/93	Costa Mesa / Newport	932,000	2,141,000	3,989,000	122,
5/13/93	Austin /N. Lamar		919,000	1,695,000	7,346,
5/28/93	Jacksonville/Phillips Hwy.		406,000	771,000	161,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Land	Building	Total	Acc Depr
4/7/01	Farmingdale/Rte 110	2,364,000	5,807,000	8,171,000	3
11/21/00	St. Louis/Wilson	1,628,000	4,515,000	6,143,000	3
12/30/00	Raleigh/Glenwood	1,560,000	3,673,000	5,233,000	2
4/1/01	Lakewood/Cedar Dr.	1,329,000	9,356,000	10,685,000	5
1/16/01	No Hollywood/Sherman Way	2,173,000	5,442,000	7,615,000	3
3/15/01	Los Angeles/West Pico	8,579,000	8,630,000	17,209,000	5
3/31/01	Long Island (Pud Only)	2,630,000	7,196,000	9,826,000	
12/29/01	Catonsville/Kent	1,378,000	5,289,000	6,667,000	
12/27/01	Los Angeles/W.Jefferson Bl(V	8,285,000	9,429,000	17,714,000	
12/31/01	Santa Ana/E.Mcfadden(RnvtN)M	7,587,000	8,612,000	16,199,000	
1/1/81	Newport News/Jefferson Ave.	108,000	1,626,000	1,734,000	1,3
1/1/81	Virginia Beach/Diamond Springs	186,000	1,703,000	1,889,000	1,3
8/1/81	San Jose/Snell	312,000	2,195,000	2,507,000	1,8
10/1/81	Tampa/Lazy Lane	282,000	2,523,000	2,805,000	2,0
6/1/82	San Jose/Tully	4,521,000	9,329,000	13,850,000	1,7
6/1/82	San Carlos/Storage	780,000	1,905,000	2,685,000	1,5
6/1/82	Mountain View	1,179,000	1,740,000	2,919,000	1,3
6/1/82	Cupertino/Storage	572,000	1,702,000	2,274,000	1,2
10/1/82	Sorrento Valley	651,000	868,000	1,519,000	6

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10/1/82	Northwood	1,034,000	1,805,000	2,839,000	1,3
3/1/85	Houston/Westheimer	849,000	1,896,000	2,745,000	1,2
3/3/86	Tampa/56th	450,000	1,813,000	2,263,000	1,1
12/31/86	Monrovia/Myrtle Avenue	1,148,000	2,640,000	3,788,000	1,6
12/31/86	Chatsworth/Topanga	1,446,000	1,485,000	2,931,000	1,0
12/31/86	Houston/Larkwood	246,000	949,000	1,195,000	5
12/31/86	Northridge	3,622,000	5,293,000	8,915,000	1,7
12/31/86	Santa Clara/Duane	1,949,000	1,382,000	3,331,000	8
12/31/86	Oyster Point	1,568,000	1,845,000	3,413,000	1,0
12/31/86	Walnut	768,000	4,206,000	4,974,000	6
6/7/88	Mesquite/Sorrento Drive	1,044,000	4,203,000	5,247,000	1,1
1/1/92	Costa Mesa	535,000	1,623,000	2,158,000	1,0
3/1/92	Dallas/Walnut St.	537,000	1,278,000	1,815,000	1,2
5/1/92	Camp Creek	575,000	1,328,000	1,903,000	5
9/1/92	Orlando/W. Colonial	367,000	839,000	1,206,000	3
9/1/92	Jacksonville/Arlington	553,000	1,254,000	1,807,000	5
10/1/92	Stockton/Mariners	380,000	888,000	1,268,000	3
11/18/92	Virginia Beach/General Booth Blvd	599,000	1,471,000	2,070,000	5
1/1/93	Redwood City/Storage	906,000	1,903,000	2,809,000	7
1/1/93	City Of Industry	1,610,000	3,258,000	4,868,000	1,1
1/1/93	San Jose/Felipe	1,124,000	2,363,000	3,487,000	9
1/1/93	Baldwin Park/Garvey Ave	840,000	1,852,000	2,692,000	7
3/19/93	Westminister / W. 80th	839,000	1,804,000	2,643,000	6
4/26/93	Costa Mesa / Newport	2,139,000	4,113,000	6,252,000	1,4
5/13/93	Austin /N. Lamar	1,420,000	8,540,000	9,960,000	1,6
5/28/93	Jacksonville/Phillips Hwy.	406,000	932,000	1,338,000	3

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Date Acquired	Description	Encum- brances	Initial Cost		Cost to Acquis
			Land	Buildings & Improvements	
5/28/93	Tampa/Nebraska Avenue		550,000	1,043,000	141,
6/9/93	Calabasas/Ventura Blvd.		1,762,000	3,269,000	182,
6/9/93	Carmichael/Fair Oaks		573,000	1,052,000	235,
6/9/93	Santa Clara/Duane		454,000	834,000	90,
6/10/93	Citrus Heights/Sylvan Road		438,000	822,000	178,
6/25/93	Trenton/Allen Road		623,000	1,166,000	164,
6/30/93	Los Angeles/W. Jefferson Blvd		1,085,000	2,017,000	149,
7/16/93	Austin/So. Congress Ave		777,000	1,445,000	291,
8/1/93	Gaithersburg/E. Diamond		602,000	1,139,000	159,
8/11/93	Atlanta/Northside		1,150,000	2,149,000	267,
8/11/93	Smyrna/Rosswill Rd		446,000	842,000	195,
8/13/93	So. Brunswick/Highway		1,076,000	2,033,000	276,
10/1/93	Denver/Federal Blvd		875,000	1,633,000	157,
10/1/93	Citrus Heights		527,000	987,000	103,
10/1/93	Lakewood/6th Ave		798,000	1,489,000	(10,0
10/27/93	Houston/S Shaver St		481,000	896,000	165,
11/3/93	Upland/S. Euclid Ave.		431,000	807,000	395,
11/16/93	Norcross/Jimmy Carter		627,000	1,167,000	171,
11/16/93	Seattle/13th		1,085,000	2,015,000	611,
12/16/93	West Valley City		683,000	1,276,000	163,
12/21/93	Pinellas Park/34th St. W		607,000	1,134,000	182,
12/28/93	New Orleans/S. Carrollton Ave		1,575,000	2,941,000	284,

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12/29/93	Orange/Main	1,238,000	2,317,000	1,411,
12/29/93	Sunnyvale/Wedell	554,000	1,037,000	766,
12/29/93	El Cajon/Magnolia	421,000	791,000	525,
12/29/93	Orlando/S. Semoran Blvd.	462,000	872,000	635,
12/29/93	Tampa/W. Hillsborough Ave	352,000	665,000	389,
12/29/93	Irving/West Loop 12	341,000	643,000	171,
12/29/93	Fullerton/W. Commonwealth	904,000	1,687,000	1,037,
12/29/93	N. Lauderdale/Mcnab Rd	628,000	1,182,000	688,
12/29/93	Los Alimitos/Cerritos	695,000	1,299,000	680,
12/29/93	Frederick/Prospect Blvd.	573,000	1,082,000	557,
12/29/93	Indianapolis/E. Washington	403,000	775,000	458,
12/29/93	Gardena/Western Ave.	552,000	1,035,000	584,
12/29/93	Palm Bay/Bobcock Street	409,000	775,000	516,
1/10/94	Hialeah/W. 20Th Ave.	1,855,000	3,497,000	189,
1/12/94	Sunnyvale/N. Fair Oaks Ave	689,000	1,285,000	325,
1/12/94	Honolulu/Iwaena	0	3,382,000	688,
1/12/94	Miami/Golden Glades	579,000	1,081,000	380,
1/21/94	Herndon/Centreville Road	1,584,000	2,981,000	274,
2/8/94	Las Vegas/S. Martin Luther King	1,383,000	2,592,000	1,038,
2/28/94	Arlingtn/Old Jeffersn Davishwy	735,000	1,399,000	237,
3/8/94	Beaverton/SW Barnes Road	942,000	1,810,000	167,
3/21/94	Austin/Arboretum	473,000	897,000	2,758,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Land	Building	Total	Acc Depr
5/28/93	Tampa/Nebraska Avenue	550,000	1,184,000	1,734,000	4
6/9/93	Calabasas/Ventura Blvd.	1,761,000	3,452,000	5,213,000	1,2
6/9/93	Carmichael/Fair Oaks	572,000	1,288,000	1,860,000	4
6/9/93	Santa Clara/Duane	453,000	925,000	1,378,000	3
6/10/93	Citrus Heights/Sylvan Road	437,000	1,001,000	1,438,000	4
6/25/93	Trenton/Allen Road	623,000	1,330,000	1,953,000	4
6/30/93	Los Angeles/W. Jefferson Blvd	1,084,000	2,167,000	3,251,000	7
7/16/93	Austin/So. Congress Ave	777,000	1,736,000	2,513,000	7
8/1/93	Gaithersburg/E. Diamond	602,000	1,298,000	1,900,000	4
8/11/93	Atlanta/Northside	1,149,000	2,417,000	3,566,000	8
8/11/93	Smyrna/Rosswill Rd	446,000	1,037,000	1,483,000	4
8/13/93	So. Brunswick/Highway	1,076,000	2,309,000	3,385,000	8
10/1/93	Denver/Federal Blvd	874,000	1,791,000	2,665,000	6
10/1/93	Citrus Heights	527,000	1,090,000	1,617,000	4
10/1/93	Lakewood/6th Ave	685,000	1,592,000	2,277,000	5
10/27/93	Houston/S Shaver St	481,000	1,061,000	1,542,000	4
11/3/93	Upland/S. Euclid Ave.	508,000	1,125,000	1,633,000	4
11/16/93	Norcross/Jimmy Carter	626,000	1,339,000	1,965,000	4
11/16/93	Seattle/13th	1,084,000	2,627,000	3,711,000	9
12/16/93	West Valley City	682,000	1,440,000	2,122,000	5
12/21/93	Pinellas Park/34th St. W	607,000	1,316,000	1,923,000	4
12/28/93	New Orleans/S. Carrolllton Ave	1,574,000	3,226,000	4,800,000	1,1
12/29/93	Orange/Main	1,592,000	3,374,000	4,966,000	1,0
12/29/93	Sunnyvale/Wedell	725,000	1,632,000	2,357,000	5
12/29/93	El Cajon/Magnolia	541,000	1,196,000	1,737,000	4
12/29/93	Orlando/S. Semoran Blvd.	601,000	1,368,000	1,969,000	4
12/29/93	Tampa/W. Hillsborough Ave	436,000	970,000	1,406,000	3
12/29/93	Irving/West Loop 12	354,000	801,000	1,155,000	2
12/29/93	Fullerton/W. Commonwealth	1,159,000	2,469,000	3,628,000	8
12/29/93	N. Lauderdale/Mcnab Rd	797,000	1,701,000	2,498,000	5



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12/29/93	Los Alimitos/Cerritos	874,000	1,800,000	2,674,000	5
12/29/93	Frederick/Prospect Blvd.	692,000	1,520,000	2,212,000	4
12/29/93	Indianapolis/E. Washington	504,000	1,132,000	1,636,000	3
12/29/93	Gardena/Western Ave.	694,000	1,477,000	2,171,000	4
12/29/93	Palm Bay/Bobcock Street	525,000	1,175,000	1,700,000	3
1/10/94	Hialeah/W. 20Th Ave.	1,589,000	3,952,000	5,541,000	1,3
1/12/94	Sunnyvale/N. Fair Oaks Ave	657,000	1,642,000	2,299,000	5
1/12/94	Honolulu/Iwaena	0	4,070,000	4,070,000	1,3
1/12/94	Miami/Golden Glades	557,000	1,483,000	2,040,000	5
1/21/94	Herndon/Centreville Road	1,357,000	3,482,000	4,839,000	9
2/8/94	Las Vegas/S. Martin Luther King	1,435,000	3,578,000	5,013,000	1,1
2/28/94	Arlingtn/Old Jeffersn Davishwy	630,000	1,741,000	2,371,000	6
3/8/94	Beaverton/SW Barnes Road	807,000	2,112,000	2,919,000	7
3/21/94	Austin/Arboretum	1,553,000	2,575,000	4,128,000	5

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Date Acquired	Description	Encum- brances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
3/25/94	Tinton Falls/Shrewsbury Ave		1,074,000	2,033,000	212,
3/25/94	East Brunswick/Milltown Road		1,282,000	2,411,000	293,
3/25/94	Mercerville/Quakerbridge Road		1,109,000	2,111,000	238,
3/31/94	Hypoluxo		735,000	1,404,000	1,837,
4/26/94	No. Highlands/Roseville Road		980,000	1,835,000	296,
5/12/94	Fort Pierce/Okeechobee Road		438,000	842,000	208,
5/24/94	Hempstead/Peninsula Blvd.		2,053,000	3,832,000	287,
5/24/94	La/Huntington		483,000	905,000	128,
6/18/94	Las Vegas/S. Valley View Blvd		837,000	1,571,000	135,
6/23/94	Las Vegas/Tropicana		750,000	1,408,000	183,
6/23/94	Henderson/Green Valley Pkwy		1,047,000	1,960,000	153,
6/30/94	Birmingham/W. Oxmoor Road		532,000	1,004,000	371,
7/20/94	Milpitas/Dempsey Road		1,260,000	2,358,000	158,
8/17/94	New Orleans/I-10		784,000	1,470,000	191,
8/17/94	Beaverton/S.W. Denny Road		663,000	1,245,000	110,
8/17/94	Irwindale/Central Ave.		674,000	1,263,000	83,
8/17/94	Suitland/St. Barnabas Rd		1,530,000	2,913,000	231,
8/17/94	North Brunswick/How Lane		1,238,000	2,323,000	111,
8/17/94	Lombard/64th		847,000	1,583,000	122,
8/17/94	Alsip/27th		406,000	765,000	91,
9/15/94	Huntsville/Old Monrovia Road		613,000	1,157,000	232,
9/27/94	West Haven/Bull Hill Lane		455,000	873,000	5,274,
9/30/94	San Francisco/Marin St.		1,227,000	2,339,000	1,212,
9/30/94	Baltimore/Hillen Street		580,000	1,095,000	241,
9/30/94	San Francisco/10th & Howard		1,423,000	2,668,000	236,
9/30/94	Montebello/E. Whittier		383,000	732,000	116,
9/30/94	Arlington/Collins		228,000	435,000	217,
9/30/94	Miami/S.W. 119th Ave		656,000	1,221,000	58,
9/30/94	Blackwood/Erial Road		774,000	1,437,000	98,
9/30/94	Concord/Monument		1,092,000	2,027,000	351,
9/30/94	Rochester/Lee Road		469,000	871,000	207,
9/30/94	Houston/Bellaire		623,000	1,157,000	145,
9/30/94	Austin/Lamar Blvd		781,000	1,452,000	125,
9/30/94	Milwaukee/Lovers Lane Rd		469,000	871,000	116,

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9/30/94	Monterey/Del Rey Oaks	1,093,000	1,897,000	92,
9/30/94	St. Petersburg/66Th St.	427,000	793,000	163,
9/30/94	Dayton Bch/N. Nova Road	396,000	735,000	125,
9/30/94	Maple Shade/Route 38	994,000	1,846,000	156,
9/30/94	Marlton/Route 73 N.	938,000	1,742,000	75,
9/30/94	Naperville/E. Ogden Ave	683,000	1,268,000	103,
9/30/94	Long Beach/South Street	1,778,000	3,307,000	224,
9/30/94	Aloha/S.W. Shaw	805,000	1,495,000	123,
9/30/94	Alexandria/S. Pickett	1,550,000	2,879,000	193,
9/30/94	Houston/Highway 6 North	1,120,000	2,083,000	216,
9/30/94	San Antonio/Nacogdoches Rd	571,000	1,060,000	163,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Land	Building	Total	Acc Depr
3/25/94	Tinton Falls/Shrewsbury Ave	920,000	2,399,000	3,319,000	8
3/25/94	East Brunswick/Milltown Road	1,098,000	2,888,000	3,986,000	9
3/25/94	Mercerville/Quakerbridge Road	950,000	2,508,000	3,458,000	8
3/31/94	Hypoluxo	630,000	3,346,000	3,976,000	2,1
4/26/94	No. Highlands/Roseville Road	839,000	2,272,000	3,111,000	7
5/12/94	Fort Pierce/Okeechobee Road	375,000	1,113,000	1,488,000	4
5/24/94	Hempstead/Peninsula Blvd.	1,761,000	4,411,000	6,172,000	1,3
5/24/94	La/Huntington	414,000	1,102,000	1,516,000	3
6/18/94	Las Vegas/S. Valley View Blvd	717,000	1,826,000	2,543,000	6
6/23/94	Las Vegas/Tropicana	642,000	1,699,000	2,341,000	5
6/23/94	Henderson/Green Valley Pkwy	897,000	2,263,000	3,160,000	7
6/30/94	Birmingham/W. Oxmoor Road	461,000	1,446,000	1,907,000	6
7/20/94	Milpitas/Dempsey Road	1,079,000	2,697,000	3,776,000	8
8/17/94	New Orleans/I-10	671,000	1,774,000	2,445,000	5
8/17/94	Beaverton/S.W. Denny Road	568,000	1,450,000	2,018,000	4
8/17/94	Irwindale/Central Ave.	578,000	1,442,000	2,020,000	4
8/17/94	Suitland/St. Barnabas Rd	1,311,000	3,363,000	4,674,000	1,0
8/17/94	North Brunswick/How Lane	1,061,000	2,611,000	3,672,000	7
8/17/94	Lombard/64th	725,000	1,827,000	2,552,000	5
8/17/94	Alsip/27th	348,000	914,000	1,262,000	3
9/15/94	Huntsville/Old Monrovia Road	525,000	1,477,000	2,002,000	4
9/27/94	West Haven/Bull Hill Lane	1,963,000	4,639,000	6,602,000	6
9/30/94	San Francisco/Marin St.	1,370,000	3,408,000	4,778,000	1,0
9/30/94	Baltimore/Hillen Street	497,000	1,419,000	1,916,000	4
9/30/94	San Francisco/10th & Howard	1,221,000	3,106,000	4,327,000	9
9/30/94	Montebello/E. Whittier	328,000	903,000	1,231,000	3
9/30/94	Arlington/Collins	195,000	685,000	880,000	3
9/30/94	Miami/S.W. 119th Ave	562,000	1,373,000	1,935,000	4
9/30/94	Blackwood/Erial Road	663,000	1,646,000	2,309,000	5
9/30/94	Concord/Monument	935,000	2,535,000	3,470,000	8
9/30/94	Rochester/Lee Road	402,000	1,145,000	1,547,000	3
9/30/94	Houston/Bellaire	534,000	1,391,000	1,925,000	4
9/30/94	Austin/Lamar Blvd	668,000	1,690,000	2,358,000	5
9/30/94	Milwaukee/Lovers Lane Rd	402,000	1,054,000	1,456,000	3
9/30/94	Monterey/Del Rey Oaks	903,000	2,179,000	3,082,000	7
9/30/94	St. Petersburg/66Th St.	366,000	1,017,000	1,383,000	3
9/30/94	Dayton Bch/N. Nova Road	339,000	917,000	1,256,000	3
9/30/94	Maple Shade/Route 38	851,000	2,145,000	2,996,000	6
9/30/94	Marlton/Route 73 N.	804,000	1,951,000	2,755,000	6
9/30/94	Naperville/E. Ogden Ave	585,000	1,469,000	2,054,000	4
9/30/94	Long Beach/South Street	1,523,000	3,786,000	5,309,000	1,1

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9/30/94	Aloha/S.W. Shaw	689,000	1,734,000	2,423,000	5
9/30/94	Alexandria/S. Pickett	1,328,000	3,294,000	4,622,000	1,0
9/30/94	Houston/Highway 6 North	959,000	2,460,000	3,419,000	8
9/30/94	San Antonio/Nacogdoches Rd	489,000	1,305,000	1,794,000	4

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Date Acquired	Description	Encum- brances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
9/30/94	San Ramon/San Ramon Valley		1,530,000	2,840,000	356,
9/30/94	San Rafael/Merrydale Rd		1,705,000	3,165,000	187,
9/30/94	San Antonio/Austin Hwy		592,000	1,098,000	178,
9/30/94	Sharonville/E. Kemper		574,000	1,070,000	182,
10/13/94	Davie/State Road 84		744,000	1,467,000	850,
10/13/94	Carrollton/Marsh Lane		770,000	1,437,000	1,383,
10/31/94	Sherman Oaks/Van Nuys Blvd		1,278,000	2,461,000	906,
12/28/94	Milpitas/Watson		1,575,000	2,925,000	187,
12/28/94	Las Vegas/Jones Blvd		1,208,000	2,243,000	150,
12/28/94	Venice/Guthrie		578,000	1,073,000	115,
12/30/94	Apple Valley/Foliage Ave		910,000	1,695,000	167,
1/4/95	Chula Vista/Main Street		735,000	1,802,000	159,
1/5/95	Pantego/West Park		315,000	735,000	141,
1/12/95	Roswell/Alpharetta		423,000	993,000	298,
1/23/95	North Bergen/Tonne		1,564,000	3,772,000	333,
1/23/95	San Leandro/Hesperian		734,000	1,726,000	114,
2/3/95	Reno/S. Mccarron Blvd		1,080,000	2,537,000	161,
2/15/95	Schiller Park		1,688,000	3,939,000	232,
2/15/95	Lansing		1,514,000	3,534,000	124,
2/15/95	Pleasanton		1,257,000	2,932,000	61,
2/15/95	LA/Sepulveda		1,453,000	3,390,000	105,
2/28/95	Decatur/Flat Shoal		970,000	2,288,000	398,
2/28/95	Smyrna/S. Cobb		663,000	1,559,000	231,
2/28/95	Downey/Bellflower		916,000	2,158,000	102,
2/28/95	Vallejo/Lincoln		445,000	1,052,000	160,
2/28/95	Lynnwood/180th St		516,000	1,205,000	178,
2/28/95	Kent/Pacific Hwy		728,000	1,711,000	123,
2/28/95	Kirkland		1,254,000	2,932,000	189,
2/28/95	Federal Way/Pacific		785,000	1,832,000	264,
2/28/95	Tampa/S. Dale		791,000	1,852,000	213,
2/28/95	Burlingame/Adrian Rd		2,280,000	5,349,000	316,
2/28/95	Miami/Cloverleaf		606,000	1,426,000	201,
2/28/95	Pinole/San Pablo		639,000	1,502,000	209,
2/28/95	South Gate/Firesto		1,442,000	3,449,000	277,
2/28/95	San Jose/Mabury		892,000	2,088,000	98,
2/28/95	La Puente/Valley Blvd		591,000	1,390,000	218,
2/28/95	San Jose/Capitol E		1,215,000	2,852,000	142,
2/28/95	Milwaukie/40th Street		576,000	1,388,000	104,
2/28/95	Portland/N. Lombard		812,000	1,900,000	190,
2/28/95	Miami/Biscayne		1,313,000	3,076,000	118,
2/28/95	Chicago/Clark Street		442,000	1,031,000	317,
2/28/95	Palatine/Dundee		698,000	1,643,000	163,
2/28/95	Williamsville/Transit		284,000	670,000	139,
2/28/95	Amherst/Sheridan		484,000	1,151,000	127,

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3/2/95      Everett/Highway 99      859,000      2,022,000      218,

Date Acquired	Description	Gross Carrying Amount At December 31, 2001			Acc Depr
		Land	Building	Total	
9/30/94	San Ramon/San Ramon Valley	1,310,000	3,416,000	4,726,000	1,1
9/30/94	San Rafael/Merrydale Rd	1,460,000	3,597,000	5,057,000	1,1
9/30/94	San Antonio/Austin Hwy	506,000	1,362,000	1,868,000	4
9/30/94	Sharonville/E. Kemper	492,000	1,334,000	1,826,000	4
10/13/94	Davie/State Road 84	637,000	2,424,000	3,061,000	7
10/13/94	Carrollton/Marsh Lane	1,021,000	2,569,000	3,590,000	7
10/31/94	Sherman Oaks/Van Nuys Blvd	1,422,000	3,223,000	4,645,000	1,0
12/28/94	Milpitas/Watson	1,349,000	3,338,000	4,687,000	1,0
12/28/94	Las Vegas/Jones Blvd	1,034,000	2,567,000	3,601,000	7
12/28/94	Venice/Guthrie	495,000	1,271,000	1,766,000	3
12/30/94	Apple Valley/Foliage Ave	780,000	1,992,000	2,772,000	6
1/4/95	Chula Vista/Main Street	735,000	1,961,000	2,696,000	6
1/5/95	Pantego/West Park	315,000	876,000	1,191,000	3
1/12/95	Roswell/Alpharetta	423,000	1,291,000	1,714,000	3
1/23/95	North Bergen/Tonne	1,563,000	4,106,000	5,669,000	1,1
1/23/95	San Leandro/Hesperian	733,000	1,841,000	2,574,000	5
2/3/95	Reno/S. Mccarron Blvd	1,079,000	2,699,000	3,778,000	8
2/15/95	Schiller Park	1,687,000	4,172,000	5,859,000	1,0
2/15/95	Lansing	1,513,000	3,659,000	5,172,000	8
2/15/95	Pleasanton	1,256,000	2,994,000	4,250,000	7
2/15/95	LA/Sepulveda	1,452,000	3,496,000	4,948,000	8
2/28/95	Decatur/Flat Shoal	969,000	2,687,000	3,656,000	8
2/28/95	Smyrna/S. Cobb	662,000	1,791,000	2,453,000	5
2/28/95	Downey/Bellflower	916,000	2,260,000	3,176,000	6
2/28/95	Vallejo/Lincoln	444,000	1,213,000	1,657,000	3
2/28/95	Lynnwood/180th St	516,000	1,383,000	1,899,000	4
2/28/95	Kent/Pacific Hwy	728,000	1,834,000	2,562,000	5
2/28/95	Kirkland	1,253,000	3,122,000	4,375,000	9
2/28/95	Federal Way/Pacific	785,000	2,096,000	2,881,000	6
2/28/95	Tampa/S. Dale	791,000	2,065,000	2,856,000	6
2/28/95	Burlingame/Adrian Rd	2,279,000	5,666,000	7,945,000	1,6
2/28/95	Miami/Cloverleaf	606,000	1,627,000	2,233,000	4
2/28/95	Pinole/San Pablo	638,000	1,712,000	2,350,000	5
2/28/95	South Gate/Firesto	1,441,000	3,727,000	5,168,000	1,1
2/28/95	San Jose/Mabury	892,000	2,186,000	3,078,000	6
2/28/95	La Puente/Valley Blvd	591,000	1,608,000	2,199,000	5
2/28/95	San Jose/Capitol E	1,214,000	2,995,000	4,209,000	8
2/28/95	Milwaukie/40th Street	579,000	1,489,000	2,068,000	4
2/28/95	Portland/N. Lombard	811,000	2,091,000	2,902,000	6
2/28/95	Miami/Biscayne	1,313,000	3,194,000	4,507,000	9
2/28/95	Chicago/Clark Street	441,000	1,349,000	1,790,000	4
2/28/95	Palatine/Dundee	698,000	1,806,000	2,504,000	5
2/28/95	Williamsville/Transit	283,000	810,000	1,093,000	2
2/28/95	Amherst/Sheridan	483,000	1,279,000	1,762,000	4
3/2/95	Everett/Highway 99	858,000	2,241,000	3,099,000	7

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Date Acquired	Description	Encum- brances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
3/2/95	Burien/1st Ave South		763,000	1,783,000	245,
3/2/95	Kent/South 238th Street		763,000	1,783,000	260,
3/31/95	Cheverly/Central Ave		911,000	2,164,000	138,
5/3/95	Largo/Ulmerton Roa		263,000	654,000	111,
5/8/95	Fairfield/Western Street		439,000	1,030,000	75,
5/8/95	Dallas/W. Mockingbird		1,440,000	3,371,000	144,
5/8/95	East Point/Lakewood		884,000	2,071,000	299,
5/25/95	Falls Church/Gallo		350,000	835,000	192,
6/12/95	Baltimore/Old Waterloo		769,000	1,850,000	109,
6/12/95	Pleasant Hill/Hookston		766,000	1,848,000	96,
6/12/95	Mountain View/Old Middlefield		2,095,000	4,913,000	97,
6/30/95	San Jose/Blossom Hill		1,467,000	3,444,000	172,
6/30/95	Fairfield/Kings Highway		1,811,000	4,273,000	200,
6/30/95	Pacoima/Paxton Street	1,116,000	840,000	1,976,000	89,
6/30/95	Portland/Prescott		647,000	1,509,000	158,
6/30/95	St. Petersburg		352,000	827,000	160,
6/30/95	Dallas/Audelia Road		1,166,000	2,725,000	775,
6/30/95	Miami Gardens		823,000	1,929,000	151,
6/30/95	Grand Prairie/19th		566,000	1,329,000	126,
6/30/95	Joliet/Jefferson Street		501,000	1,181,000	142,
6/30/95	Bridgeton/Pennridge		283,000	661,000	151,
6/30/95	Portland/S.E. 92nd		638,000	1,497,000	154,
6/30/95	Houston/S.W. Freeway		537,000	1,254,000	4,782,
6/30/95	Milwaukee/Brown		358,000	849,000	142,
6/30/95	Orlando/W. Oak Ridge		698,000	1,642,000	192,
6/30/95	Lauderhill/State Road		644,000	1,508,000	119,
6/30/95	Orange Park/Blanding Blvd		394,000	918,000	184,
6/30/95	St. Petersburg/Joe'S Creek		704,000	1,642,000	174,
6/30/95	St. Louis/Page Service Drive		531,000	1,241,000	141,
6/30/95	Independence/E. 42nd		438,000	1,023,000	148,
6/30/95	Cherry Hill/Dobbs Lane		716,000	1,676,000	95,
6/30/95	Edgewater Park/Route 130		683,000	1,593,000	91,
6/30/95	Beaverton/S.W. 110		572,000	1,342,000	140,
6/30/95	Markham/W. 159Th Place		230,000	539,000	108,
6/30/95	Houston/N.W. Freeway		447,000	1,066,000	116,
6/30/95	Portland/Gantenbein		537,000	1,262,000	118,
6/30/95	Upper Chichester/Market St.		569,000	1,329,000	104,
6/30/95	Fort Worth/Hwy 80		379,000	891,000	110,
6/30/95	Greenfield/S. 108th		728,000	1,707,000	185,
6/30/95	Altamonte Springs		566,000	1,326,000	103,
6/30/95	East Hazel Crest/Halsted		483,000	1,127,000	153,
6/30/95	Seattle/Delridge Way		760,000	1,779,000	152,
6/30/95	Elmhurst/Lake Frontage Rd		748,000	1,758,000	144,
6/30/95	Los Angeles/Beverly Blvd		787,000	1,886,000	297,
6/30/95	Lawrenceville/Brunswick		841,000	1,961,000	89,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Land	Building	Total	Acc Depr
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3/2/95	Burien/1st Ave South	763,000	2,028,000	2,791,000	6
3/2/95	Kent/South 238th Street	763,000	2,043,000	2,806,000	6
3/31/95	Cheverly/Central Ave	910,000	2,303,000	3,213,000	6
5/3/95	Largo/Ulmerton Roa	262,000	766,000	1,028,000	2
5/8/95	Fairfield/Western Street	439,000	1,105,000	1,544,000	3
5/8/95	Dallas/W. Mockingbird	1,439,000	3,516,000	4,955,000	9
5/8/95	East Point/Lakewood	884,000	2,370,000	3,254,000	7
5/25/95	Falls Church/Gallo	349,000	1,028,000	1,377,000	3
6/12/95	Baltimore/Old Waterloo	768,000	1,960,000	2,728,000	5
6/12/95	Pleasant Hill/Hookston	766,000	1,944,000	2,710,000	5
6/12/95	Mountain View/Old Middlefield	2,094,000	5,011,000	7,105,000	1,3
6/30/95	San Jose/Blossom Hill	1,466,000	3,617,000	5,083,000	9
6/30/95	Fairfield/Kings Highway	1,809,000	4,475,000	6,284,000	1,2
6/30/95	Pacoima/Paxton Street	839,000	2,066,000	2,905,000	5
6/30/95	Portland/Prescott	646,000	1,668,000	2,314,000	4
6/30/95	St. Petersburg	352,000	987,000	1,339,000	3
6/30/95	Dallas/Audelia Road	1,165,000	3,501,000	4,666,000	1,1
6/30/95	Miami Gardens	822,000	2,081,000	2,903,000	5
6/30/95	Grand Prairie/19th	566,000	1,455,000	2,021,000	4
6/30/95	Joliet/Jefferson Street	500,000	1,324,000	1,824,000	4
6/30/95	Bridgeton/Pennridge	283,000	812,000	1,095,000	2
6/30/95	Portland/S.E. 92nd	637,000	1,652,000	2,289,000	4
6/30/95	Houston/S.W. Freeway	1,605,000	4,968,000	6,573,000	4
6/30/95	Milwaukee/Brown	357,000	992,000	1,349,000	3
6/30/95	Orlando/W. Oak Ridge	697,000	1,835,000	2,532,000	5
6/30/95	Lauderhill/State Road	643,000	1,628,000	2,271,000	4
6/30/95	Orange Park/Blanding Blvd	393,000	1,103,000	1,496,000	3
6/30/95	St. Petersburg/Joe'S Creek	703,000	1,817,000	2,520,000	5
6/30/95	St. Louis/Page Service Drive	530,000	1,383,000	1,913,000	4
6/30/95	Independence/E. 42nd	438,000	1,171,000	1,609,000	3
6/30/95	Cherry Hill/Dobbs Lane	715,000	1,772,000	2,487,000	4
6/30/95	Edgewater Park/Route 130	682,000	1,685,000	2,367,000	4
6/30/95	Beaverton/S.W. 110	572,000	1,482,000	2,054,000	4
6/30/95	Markham/W. 159Th Place	229,000	648,000	877,000	2
6/30/95	Houston/N.W. Freeway	447,000	1,182,000	1,629,000	3
6/30/95	Portland/Gantenbein	536,000	1,381,000	1,917,000	3
6/30/95	Upper Chichester/Market St.	569,000	1,433,000	2,002,000	4
6/30/95	Fort Worth/Hwy 80	378,000	1,002,000	1,380,000	3
6/30/95	Greenfield/S. 108th	727,000	1,893,000	2,620,000	5
6/30/95	Altamonte Springs	566,000	1,429,000	1,995,000	4
6/30/95	East Hazel Crest/Halsted	483,000	1,280,000	1,763,000	3
6/30/95	Seattle/Delridge Way	760,000	1,931,000	2,691,000	5
6/30/95	Elmhurst/Lake Frontage Rd	748,000	1,902,000	2,650,000	5
6/30/95	Los Angeles/Beverly Blvd	786,000	2,184,000	2,970,000	7
6/30/95	Lawrenceville/Brunswick	840,000	2,051,000	2,891,000	5

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Date Acquired	Description	Encum- brances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
6/30/95	Richmond/Carlson		865,000	2,025,000	243,
6/30/95	Liverpool/Oswego Road		545,000	1,279,000	209,

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6/30/95	Rochester/East Ave		578,000	1,375,000	123,
6/30/95	Pasadena/E. Beltway		757,000	1,767,000	109,
7/13/95	Tarzana/Burbank Blvd		2,895,000	6,823,000	389,
7/31/95	Orlando/Lakehurst	953,000	450,000	1,063,000	131,
7/31/95	Livermore/Portola	1,280,000	921,000	2,157,000	157,
7/31/95	San Jose/Tully	1,583,000	912,000	2,137,000	238,
7/31/95	Mission Bay	3,928,000	1,617,000	3,785,000	413,
7/31/95	Las Vegas/Decatur		1,147,000	2,697,000	211,
7/31/95	Pleasanton/Stanley		1,624,000	3,811,000	191,
7/31/95	Castro Valley/Grove		757,000	1,772,000	78,
7/31/95	Honolulu/Kaneohe		1,215,000	2,846,000	2,016,
7/31/95	Chicago/Wabash Ave		645,000	1,535,000	572,
7/31/95	Springfield/Parker		765,000	1,834,000	137,
7/31/95	Huntington Bch/Gotham		765,000	1,808,000	165,
7/31/95	Tucker/Lawrenceville		630,000	1,480,000	164,
7/31/95	Marietta/Canton Road		600,000	1,423,000	206,
7/31/95	Wheeling/Hintz		450,000	1,054,000	116,
8/1/95	Gresham/Division		607,000	1,428,000	90,
8/1/95	Tucker/Lawrenceville		600,000	1,405,000	245,
8/1/95	Decatur/Covington		720,000	1,694,000	175,
8/11/95	Studio City/Ventura		1,285,000	3,015,000	138,
8/12/95	Smyrna/Hargrove Road		1,020,000	3,038,000	331,
9/1/95	Hayward/Mission Blvd		1,020,000	2,383,000	130,
9/1/95	Park City/Belvider		600,000	1,405,000	81,
9/1/95	New Castle/Dupont Parkway		990,000	2,369,000	140,
9/1/95	Las Vegas/Rainbow		1,050,000	2,459,000	103,
9/1/95	Mountain View/Reng		945,000	2,216,000	113,
9/1/95	Venice/Cadillac		930,000	2,182,000	204,
9/1/95	Simi Valley/Los Angeles		1,590,000	3,724,000	181,
9/1/95	Spring Valley/Foreman		1,095,000	2,572,000	145,
9/6/95	Darien/Frontage Road		975,000	2,321,000	100,
9/30/95	Van Nuys/Balboa Blvd		1,920,000	4,504,000	313,
10/31/95	San Lorenzo/Hesperian		1,590,000	3,716,000	355,
10/31/95	Chicago/W. 47th Street		300,000	708,000	170,
10/31/95	Los Angeles/Eastern		455,000	1,070,000	127,
11/15/95	Costa Mesa - B		522,000	1,218,000	64,
11/15/95	Plano/E. 14th		705,000	1,646,000	82,
11/15/95	Citrus Heights/Sunrise		520,000	1,213,000	116,
11/15/95	Modesto/Briggsmore Ave		470,000	1,097,000	86,
11/15/95	So San Francisco/Spruce		1,905,000	4,444,000	305,
11/15/95	Pacheco/Buchanan Circle		1,681,000	3,951,000	168,
11/16/95	Palm Beach Gardens		657,000	1,540,000	114,
11/16/95	Delray Beach		600,000	1,407,000	149,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Land	Building	Total	Acc Depn
6/30/95	Richmond/Carlson	864,000	2,269,000	3,133,000	6
6/30/95	Liverpool/Oswego Road	545,000	1,488,000	2,033,000	4
6/30/95	Rochester/East Ave	578,000	1,498,000	2,076,000	4
6/30/95	Pasadena/E. Beltway	757,000	1,876,000	2,633,000	5
7/13/95	Tarzana/Burbank Blvd	2,893,000	7,214,000	10,107,000	2,0
7/31/95	Orlando/Lakehurst	450,000	1,194,000	1,644,000	3
7/31/95	Livermore/Portola	920,000	2,315,000	3,235,000	6
7/31/95	San Jose/Tully	911,000	2,376,000	3,287,000	6
7/31/95	Mission Bay	1,616,000	4,199,000	5,815,000	1,2

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7/31/95	Las Vegas/Decatur	1,146,000	2,909,000	4,055,000	8
7/31/95	Pleasanton/Stanley	1,623,000	4,003,000	5,626,000	1,0
7/31/95	Castro Valley/Grove	756,000	1,851,000	2,607,000	5
7/31/95	Honolulu/Kaneohe	2,132,000	3,945,000	6,077,000	9
7/31/95	Chicago/Wabash Ave	645,000	2,107,000	2,752,000	7
7/31/95	Springfield/Parker	765,000	1,971,000	2,736,000	5
7/31/95	Huntington Bch/Gotham	765,000	1,973,000	2,738,000	5
7/31/95	Tucker/Lawrenceville	630,000	1,644,000	2,274,000	5
7/31/95	Marietta/Canton Road	600,000	1,629,000	2,229,000	4
7/31/95	Wheeling/Hintz	450,000	1,170,000	1,620,000	3
8/1/95	Gresham/Division	607,000	1,518,000	2,125,000	4
8/1/95	Tucker/Lawrenceville	600,000	1,650,000	2,250,000	5
8/1/95	Decatur/Covington	720,000	1,869,000	2,589,000	5
8/11/95	Studio City/Ventura	1,284,000	3,154,000	4,438,000	8
8/12/95	Smyrna/Hargrove Road	1,020,000	3,369,000	4,389,000	8
9/1/95	Hayward/Mission Blvd	1,019,000	2,514,000	3,533,000	6
9/1/95	Park City/Belvider	600,000	1,486,000	2,086,000	4
9/1/95	New Castle/Dupont Parkway	989,000	2,510,000	3,499,000	6
9/1/95	Las Vegas/Rainbow	1,049,000	2,563,000	3,612,000	6
9/1/95	Mountain View/Reng	944,000	2,330,000	3,274,000	6
9/1/95	Venice/Cadillac	929,000	2,387,000	3,316,000	6
9/1/95	Simi Valley/Los Angeles	1,589,000	3,906,000	5,495,000	1,0
9/1/95	Spring Valley/Foreman	1,094,000	2,718,000	3,812,000	7
9/6/95	Darien/Frontage Road	974,000	2,422,000	3,396,000	6
9/30/95	Van Nuys/Balboa Blvd	1,919,000	4,818,000	6,737,000	1,1
10/31/95	San Lorenzo/Hesperian	1,589,000	4,072,000	5,661,000	8
10/31/95	Chicago/W. 47th Street	300,000	878,000	1,178,000	2
10/31/95	Los Angeles/Eastern	454,000	1,198,000	1,652,000	2
11/15/95	Costa Mesa - B	522,000	1,282,000	1,804,000	3
11/15/95	Plano/E. 14th	705,000	1,728,000	2,433,000	4
11/15/95	Citrus Heights/Sunrise	519,000	1,330,000	1,849,000	3
11/15/95	Modesto/Briggsmore Ave	470,000	1,183,000	1,653,000	3
11/15/95	So San Francisco/Spruce	1,903,000	4,751,000	6,654,000	1,1
11/15/95	Pacheco/Buchanan Circle	1,680,000	4,120,000	5,800,000	1,0
11/16/95	Palm Beach Gardens	657,000	1,654,000	2,311,000	4
11/16/95	Delray Beach	600,000	1,556,000	2,156,000	4

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Date Acquired	Description	Encum- brances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
1/3/96	San Gabriel		1,005,000	2,345,000	219,
1/5/96	San Francisco, Second St.		2,880,000	6,814,000	203,
1/12/96	San Antonio, TX		912,000	2,170,000	68,
2/29/96	Naples, FL/Old US 41		849,000	2,016,000	136,
2/29/96	Lake Worth, FL/S. Military Tr.		1,782,000	4,723,000	168,
2/29/96	Brandon, FL/W Brandon Blvd.		1,928,000	4,523,000	888,
2/29/96	Coral Springs FL/W Sample Rd.		3,480,000	8,148,000	176,
2/29/96	Delray Beach FL/S Military Tr		941,000	2,222,000	155,
2/29/96	Jupiter FL/Military Trail		2,280,000	5,347,000	214,
2/29/96	Lakeworth FL/Lake Worth Rd		737,000	1,742,000	138,
2/29/96	New Port Richey FL/State rd 54		857,000	2,025,000	124,
2/29/96	Pompano Beach FL/W Copans		1,601,000	3,756,000	189,



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2/29/96	Sanford FL/S Orlando Dr	734,000	1,749,000	1,858,
3/8/96	Atlanta/Roswell	898,000	3,649,000	94,
3/31/96	Oakland, CA	1,065,000	2,764,000	203,
3/31/96	Saratoga, CA	2,339,000	6,081,000	123,
3/31/96	Randallstown, MD	1,359,000	3,527,000	207,
3/31/96	Plano, TX	650,000	1,682,000	114,
3/31/96	Houston, TX	543,000	1,402,000	91,
3/31/96	Irvine, CA	1,920,000	4,975,000	433,
3/31/96	Milwaukee, WI	542,000	1,402,000	100,
3/31/96	Carrollton, TX	578,000	1,495,000	97,
3/31/96	Torrance, CA	1,415,000	3,675,000	123,
3/31/96	Jacksonville, FL	713,000	1,845,000	167,
3/31/96	Dallas, TX	315,000	810,000	1,684,
3/31/96	Houston, TX	669,000	1,724,000	281,
3/31/96	Baltimore, MD	842,000	2,180,000	143,
3/31/96	New Haven, CT	740,000	1,907,000	(263,0
4/1/96	Chicago/Pulaski	764,000	1,869,000	144,
4/1/96	Las Vegas/Desert Inn	1,115,000	2,729,000	110,
4/1/96	Torrance/Crenshaw	916,000	2,243,000	80,
4/1/96	Weymouth, WA state	485,000	1,187,000	134,
4/1/96	St. Louis/Barrett Station Road	630,000	1,542,000	102,
4/1/96	Rockville/Randolph	1,153,000	2,823,000	137,
4/1/96	Simi Valley/East Street	970,000	2,374,000	61,
4/1/96	Houston/Westheimer	1,390,000	3,402,000	4,175,
4/3/96	Naples, FL	1,187,000	2,809,000	199,
6/26/96	Boca Raton FL	3,180,000	7,468,000	846,
6/28/96	Venice FL	669,000	1,575,000	154,
6/30/96	Las Vegas, NV	921,000	2,155,000	157,
6/30/96	Bedford Park, IL	606,000	1,419,000	167,
6/30/96	Los Angeles, CA	692,000	1,616,000	91,
6/30/96	Silver Spring, MD	1,513,000	3,535,000	221,
6/30/96	Newark, CA	1,051,000	2,458,000	85,
6/30/96	Brooklyn, NY	783,000	1,830,000	343,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Land	Building	Total	Acc Depr
1/3/96	San Gabriel	1,004,000	2,565,000	3,569,000	7
1/5/96	San Francisco, Second St.	2,878,000	7,019,000	9,897,000	1,7
1/12/96	San Antonio, TX	911,000	2,239,000	3,150,000	5
2/29/96	Naples, FL/Old US 41	848,000	2,153,000	3,001,000	5
2/29/96	Lake Worth, FL/S. Military Tr.	1,781,000	4,892,000	6,673,000	1,1
2/29/96	Brandon, FL/W Brandon Blvd.	1,927,000	5,412,000	7,339,000	1,7
2/29/96	Coral Springs FL/W Sample Rd.	3,478,000	8,326,000	11,804,000	1,9
2/29/96	Delray Beach FL/S Military Tr	940,000	2,378,000	3,318,000	6
2/29/96	Jupiter FL/Military Trail	2,279,000	5,562,000	7,841,000	1,3
2/29/96	Lakeworth FL/Lake Worth Rd	736,000	1,881,000	2,617,000	5
2/29/96	New Port Richey FL/State rd 54	856,000	2,150,000	3,006,000	5
2/29/96	Pompano Beach FL/W Copans	1,600,000	3,946,000	5,546,000	9
2/29/96	Sanford FL/S Orlando Dr	974,000	3,367,000	4,341,000	8
3/8/96	Atlanta/Roswell	898,000	3,743,000	4,641,000	8
3/31/96	Oakland, CA	1,064,000	2,968,000	4,032,000	7
3/31/96	Saratoga, CA	2,338,000	6,205,000	8,543,000	1,4
3/31/96	Randallstown, MD	1,358,000	3,735,000	5,093,000	8
3/31/96	Plano, TX	649,000	1,797,000	2,446,000	4
3/31/96	Houston, TX	543,000	1,493,000	2,036,000	3

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3/31/96	Irvine, CA	1,919,000	5,409,000	7,328,000	1,3
3/31/96	Milwaukee, WI	542,000	1,502,000	2,044,000	3
3/31/96	Carrollton, TX	578,000	1,592,000	2,170,000	3
3/31/96	Torrance, CA	1,414,000	3,799,000	5,213,000	9
3/31/96	Jacksonville, FL	712,000	2,013,000	2,725,000	5
3/31/96	Dallas, TX	315,000	2,494,000	2,809,000	2
3/31/96	Houston, TX	669,000	2,005,000	2,674,000	5
3/31/96	Baltimore, MD	842,000	2,323,000	3,165,000	5
3/31/96	New Haven, CT	667,000	1,717,000	2,384,000	4
4/1/96	Chicago/Pulaski	763,000	2,014,000	2,777,000	4
4/1/96	Las Vegas/Desert Inn	1,114,000	2,840,000	3,954,000	6
4/1/96	Torrance/Crenshaw	916,000	2,323,000	3,239,000	4
4/1/96	Weymouth, WA state	485,000	1,321,000	1,806,000	2
4/1/96	St. Louis/Barrett Station Road	630,000	1,644,000	2,274,000	3
4/1/96	Rockville/Randolph	1,152,000	2,961,000	4,113,000	5
4/1/96	Simi Valley/East Street	969,000	2,436,000	3,405,000	4
4/1/96	Houston/Westheimer	1,389,000	7,578,000	8,967,000	1,4
4/3/96	Naples, FL	1,186,000	3,009,000	4,195,000	7
6/26/96	Boca Raton FL	3,178,000	8,316,000	11,494,000	1,9
6/28/96	Venice FL	669,000	1,729,000	2,398,000	4
6/30/96	Las Vegas, NV	921,000	2,312,000	3,233,000	5
6/30/96	Bedford Park, IL	605,000	1,587,000	2,192,000	4
6/30/96	Los Angeles, CA	691,000	1,708,000	2,399,000	4
6/30/96	Silver Spring, MD	1,512,000	3,757,000	5,269,000	8
6/30/96	Newark, CA	1,050,000	2,544,000	3,594,000	5
6/30/96	Brooklyn, NY	782,000	2,174,000	2,956,000	5

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Date Acquired	Description	Encum- brances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
7/2/96	Glen Burnie/Furnace Br Rd		1,755,000	4,150,000	135,
7/22/96	Lakewood/W Hampton		717,000	2,092,000	67,
8/13/96	Norcross/Holcomb Bridge Rd		955,000	3,117,000	120,
9/5/96	Spring Valley/S Pascack rd		1,260,000	2,966,000	243,
9/16/96	Dallas/Royal Lane		1,008,000	2,426,000	182,
9/16/96	Colorado Springs/Tomah Drive		731,000	1,759,000	98,
9/16/96	Lewisville/S. Stemmons		603,000	1,451,000	129,
9/16/96	Las Vegas/Boulder Hwy.		947,000	2,279,000	168,
9/16/96	Sarasota/S. Tamiami Trail		584,000	1,407,000	88,
9/16/96	Willow Grove/Maryland Road		673,000	1,620,000	65,
9/16/96	Houston/W. Montgomery Rd.		524,000	1,261,000	128,
9/16/96	Denver/W. Hampden		1,084,000	2,609,000	103,
9/16/96	Littleton/Southpark Way		922,000	2,221,000	186,
9/16/96	Petaluma/Baywood Drive		861,000	2,074,000	112,
9/16/96	Canoga Park/Sherman Way		1,543,000	3,716,000	130,
9/16/96	Jacksonville/South Lane Ave.		554,000	1,334,000	155,
9/16/96	Newport News/Warwick Blvd.		575,000	1,385,000	131,
9/16/96	Greenbrook/Route 22		1,227,000	2,954,000	213,
9/16/96	Monsey/Route 59		1,068,000	2,572,000	104,
9/16/96	Santa Rosa/Santa Rosa Ave.		575,000	1,385,000	84,
9/16/96	Fort Worth/Brentwood Stair		823,000	2,016,000	117,
9/16/96	Glendale/San Fernando Road		2,500,000	6,124,000	100,

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9/16/96	Houston/Harwin	549,000	1,344,000	121,
9/16/96	Irvine/Cowan Street	1,890,000	4,631,000	190,
9/16/96	Fairfield/Dixie Highway	427,000	1,046,000	80,
9/16/96	Mesa/Country Club Drive	701,000	1,718,000	129,
9/16/96	San Francisco/Geary Blvd.	2,957,000	7,244,000	173,
9/16/96	Houston/Gulf Freeway	701,000	1,718,000	3,298,
9/16/96	Las Vegas/S. Decatur Blvd.	1,037,000	2,539,000	113,
9/16/96	Tempe/McKellips Road	823,000	1,972,000	191,
9/16/96	Richland Hills/Airport Fwy.	473,000	1,158,000	122,
10/11/96	Virginia Beach/Southern Blvd	282,000	610,000	211,
10/11/96	Chesapeake/Military Hwy	912,000	1,974,000	335,
10/11/96	Richmond/Midlothian Park	762,000	1,588,000	407,
10/11/96	Roanoke/Peters Creek Road	819,000	1,776,000	210,
10/11/96	Orlando/E Oakridge Rd	927,000	2,020,000	161,
10/11/96	Orlando/South Hwy 17-92	1,170,000	2,549,000	166,
10/25/96	Austin/Renelli	1,710,000	3,990,000	186,
10/25/96	Austin/Santiago	900,000	2,100,000	170,
10/25/96	Dallas/East N.W. Highway	698,000	1,628,000	138,
10/25/96	Dallas/Denton Drive	900,000	2,100,000	124,
10/25/96	Houston/Hempstead	518,000	1,207,000	180,
10/25/96	Pasadena/So. Shaver	420,000	980,000	143,
10/31/96	Houston/Joel Wheaton Rd	465,000	1,085,000	151,
10/31/96	Mt Holly/541 Bypass	360,000	840,000	133,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Land	Building	Total	Acc Depr
7/2/96	Glen Burnie/Furnace Br Rd	1,754,000	4,286,000	6,040,000	9
7/22/96	Lakewood/W Hampton	715,000	2,161,000	2,876,000	4
8/13/96	Norcross/Holcomb Bridge Rd	954,000	3,238,000	4,192,000	7
9/5/96	Spring Valley/S Pascack rd	1,259,000	3,210,000	4,469,000	7
9/16/96	Dallas/Royal Lane	1,007,000	2,609,000	3,616,000	5
9/16/96	Colorado Springs/Tomah Drive	730,000	1,858,000	2,588,000	4
9/16/96	Lewisville/S. Stemmons	602,000	1,581,000	2,183,000	3
9/16/96	Las Vegas/Boulder Hwy.	946,000	2,448,000	3,394,000	5
9/16/96	Sarasota/S. Tamiami Trail	584,000	1,495,000	2,079,000	3
9/16/96	Willow Grove/Maryland Road	672,000	1,686,000	2,358,000	3
9/16/96	Houston/W. Montgomery Rd.	523,000	1,390,000	1,913,000	3
9/16/96	Denver/W. Hampden	1,083,000	2,713,000	3,796,000	5
9/16/96	Littleton/Southpark Way	922,000	2,407,000	3,329,000	5
9/16/96	Petaluma/Baywood Drive	861,000	2,186,000	3,047,000	4
9/16/96	Canoga Park/Sherman Way	1,542,000	3,847,000	5,389,000	8
9/16/96	Jacksonville/South Lane Ave.	554,000	1,489,000	2,043,000	3
9/16/96	Newport News/Warwick Blvd.	575,000	1,516,000	2,091,000	3
9/16/96	Greenbrook/Route 22	1,226,000	3,168,000	4,394,000	6
9/16/96	Monsey/Route 59	1,068,000	2,676,000	3,744,000	5
9/16/96	Santa Rosa/Santa Rosa Ave.	575,000	1,469,000	2,044,000	3
9/16/96	Fort Worth/Brentwood Stair	823,000	2,133,000	2,956,000	4
9/16/96	Glendale/San Fernando Road	2,498,000	6,226,000	8,724,000	1,2
9/16/96	Houston/Harwin	548,000	1,466,000	2,014,000	3
9/16/96	Irvine/Cowan Street	1,889,000	4,822,000	6,711,000	1,0
9/16/96	Fairfield/Dixie Highway	427,000	1,126,000	1,553,000	2
9/16/96	Mesa/Country Club Drive	701,000	1,847,000	2,548,000	4
9/16/96	San Francisco/Geary Blvd.	2,956,000	7,418,000	10,374,000	1,5

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9/16/96	Houston/Gulf Freeway	701,000	5,016,000	5,717,000	4
9/16/96	Las Vegas/S. Decatur Blvd.	1,036,000	2,653,000	3,689,000	5
9/16/96	Tempe/McKellips Road	823,000	2,163,000	2,986,000	4
9/16/96	Richland Hills/Airport Fwy.	472,000	1,281,000	1,753,000	3
10/11/96	Virginia Beach/Southern Blvd	282,000	821,000	1,103,000	2
10/11/96	Chesapeake/Military Hwy	911,000	2,310,000	3,221,000	6
10/11/96	Richmond/Midlothian Park	762,000	1,995,000	2,757,000	6
10/11/96	Roanoke/Peters Creek Road	819,000	1,986,000	2,805,000	4
10/11/96	Orlando/E Oakridge Rd	926,000	2,182,000	3,108,000	5
10/11/96	Orlando/South Hwy 17-92	1,169,000	2,716,000	3,885,000	6
10/25/96	Austin/Renelli	1,709,000	4,177,000	5,886,000	9
10/25/96	Austin/Santiago	899,000	2,271,000	3,170,000	5
10/25/96	Dallas/East N.W. Highway	697,000	1,767,000	2,464,000	4
10/25/96	Dallas/Denton Drive	899,000	2,225,000	3,124,000	5
10/25/96	Houston/Hempstead	517,000	1,388,000	1,905,000	3
10/25/96	Pasadena/So. Shaver	420,000	1,123,000	1,543,000	2
10/31/96	Houston/Joel Wheaton Rd	465,000	1,236,000	1,701,000	2
10/31/96	Mt Holly/541 Bypass	360,000	973,000	1,333,000	2

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Date Acquired	Description	Encum- brances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
11/13/96	Town East/Mesquite		330,000	770,000	106,
12/5/96	Lake Forest/Bake Parkway		971,000	2,173,000	567,
12/16/96	Cherry Hill/Old Cuthbert		645,000	1,505,000	243,
12/16/96	Oklahoma City/SW 74th Exprw.		375,000	875,000	102,
12/16/96	Oklahoma City/S Santa Fe		360,000	840,000	127,
12/16/96	Oklahoma City/S. May		360,000	840,000	120,
12/16/96	Arlington/S. Watson Rd.		930,000	2,170,000	379,
12/16/96	Richardson/E. Arapaho		1,290,000	3,010,000	209,
12/23/96	Upper Darby/Lansdowne		899,000	2,272,000	127,
12/23/96	Plymouth Meeting /Chemical		1,109,000	2,802,000	100,
12/23/96	Philadelphia/Byberry		1,019,000	2,575,000	129,
12/23/96	Ft. Lauderdale/State Road		1,199,000	3,030,000	122,
12/23/96	Englewood/Costilla		1,739,000	4,393,000	113,
12/23/96	Lilburn/Beaver Ruin Road		600,000	1,515,000	133,
12/23/96	Carmichael/Fair Oaks		809,000	2,045,000	144,
12/23/96	Portland/Division Street		989,000	2,499,000	118,
12/23/96	Napa/Industrial		660,000	1,666,000	125,
12/23/96	Wheatridge/W. 44th Avenue		1,439,000	3,636,000	131,
12/23/96	Las Vegas/Charleston		1,049,000	2,651,000	101,
12/23/96	Las Vegas/South Arvill		929,000	2,348,000	96,
12/23/96	Los Angeles/Santa Monica		3,328,000	8,407,000	157,
12/23/96	Warren/Schoenherr Rd.		749,000	1,894,000	131,
12/23/96	Portland/N.E. 71st Avenue		869,000	2,196,000	152,
12/23/96	Seattle/Pacific Hwy. South		689,000	1,742,000	167,
12/23/96	Broadview/S. 25th Avenue		1,289,000	3,257,000	165,
12/23/96	Winter Springs/W. St. Rte 434		689,000	1,742,000	96,
12/23/96	Tampa/15th Street		420,000	1,060,000	171,
12/23/96	Pompano Beach/S. Dixie Hwy.		930,000	2,292,000	203,
12/23/96	Overland Park/Mastin		990,000	2,440,000	2,696,
12/23/96	Auburn/R Street		690,000	1,700,000	131,

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12/23/96	Federal Heights/W. 48th Ave.	720,000	1,774,000	70,
12/23/96	Decatur/Covington	930,000	2,292,000	144,
12/23/96	Forest Park/Jonesboro Rd.	540,000	1,331,000	137,
12/23/96	Mangonia Park/Australian Ave.	840,000	2,070,000	114,
12/23/96	Whittier/Colima	540,000	1,331,000	77,
12/23/96	Kent/Pacific Hwy South	930,000	2,292,000	134,
12/23/96	Topeka/8th Street	150,000	370,000	111,
12/23/96	Denver East Evans	1,740,000	4,288,000	140,
12/23/96	Pittsburgh/California Ave.	630,000	1,552,000	100,
12/23/96	Ft. Lauderdale/Powerline	660,000	1,626,000	244,
12/23/96	Philadelphia/Oxford	900,000	2,218,000	104,
12/23/96	Dallas/Lemmon Ave.	1,710,000	4,214,000	128,
12/23/96	Alsip/115th Street	750,000	1,848,000	1,878,
12/23/96	Green Acres/Jog Road	600,000	1,479,000	121,
12/23/96	Pompano Beach/Sample Road	1,320,000	3,253,000	117,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Land	Building	Total	Acc Depr
11/13/96	Town East/Mesquite	330,000	876,000	1,206,000	2
12/5/96	Lake Forest/Bake Parkway	972,000	2,739,000	3,711,000	4
12/16/96	Cherry Hill/Old Cuthbert	645,000	1,748,000	2,393,000	4
12/16/96	Oklahoma City/SW 74th Exprw.	375,000	977,000	1,352,000	2
12/16/96	Oklahoma City/S Santa Fe	360,000	967,000	1,327,000	2
12/16/96	Oklahoma City/S. May	360,000	960,000	1,320,000	2
12/16/96	Arlington/S. Watson Rd.	929,000	2,550,000	3,479,000	6
12/16/96	Richardson/E. Arapaho	1,289,000	3,220,000	4,509,000	7
12/23/96	Upper Darby/Lansdowne	899,000	2,399,000	3,298,000	5
12/23/96	Plymouth Meeting /Chemical	1,109,000	2,902,000	4,011,000	2
12/23/96	Philadelphia/Byberry	1,019,000	2,704,000	3,723,000	5
12/23/96	Ft. Lauderdale/State Road	1,198,000	3,153,000	4,351,000	6
12/23/96	Englewood/Costilla	1,738,000	4,507,000	6,245,000	9
12/23/96	Lilburn/Beaver Ruin Road	599,000	1,649,000	2,248,000	3
12/23/96	Carmichael/Fair Oaks	809,000	2,189,000	2,998,000	4
12/23/96	Portland/Division Street	989,000	2,617,000	3,606,000	5
12/23/96	Napa/Industrial	659,000	1,792,000	2,451,000	4
12/23/96	Wheatridge/W. 44th Avenue	1,438,000	3,768,000	5,206,000	7
12/23/96	Las Vegas/Charleston	1,049,000	2,752,000	3,801,000	5
12/23/96	Las Vegas/South Arvill	929,000	2,444,000	3,373,000	5
12/23/96	Los Angeles/Santa Monica	3,326,000	8,566,000	11,892,000	1,7
12/23/96	Warren/Schoenherr Rd.	749,000	2,025,000	2,774,000	4
12/23/96	Portland/N.E. 71st Avenue	869,000	2,348,000	3,217,000	5
12/23/96	Seattle/Pacific Hwy. South	689,000	1,909,000	2,598,000	4
12/23/96	Broadview/S. 25th Avenue	1,288,000	3,423,000	4,711,000	7
12/23/96	Winter Springs/W. St. Rte 434	689,000	1,838,000	2,527,000	4
12/23/96	Tampa/15th Street	419,000	1,232,000	1,651,000	2
12/23/96	Pompano Beach/S. Dixie Hwy.	929,000	2,496,000	3,425,000	5
12/23/96	Overland Park/Mastin	1,305,000	4,821,000	6,126,000	5
12/23/96	Auburn/R Street	690,000	1,831,000	2,521,000	4
12/23/96	Federal Heights/W. 48th Ave.	720,000	1,844,000	2,564,000	3
12/23/96	Decatur/Covington	929,000	2,437,000	3,366,000	5
12/23/96	Forest Park/Jonesboro Rd.	540,000	1,468,000	2,008,000	3
12/23/96	Mangonia Park/Australian Ave.	839,000	2,185,000	3,024,000	4
12/23/96	Whittier/Colima	540,000	1,408,000	1,948,000	3
12/23/96	Kent/Pacific Hwy South	929,000	2,427,000	3,356,000	5
12/23/96	Topeka/8th Street	150,000	481,000	631,000	1

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12/23/96	Denver East Evans	1,739,000	4,429,000	6,168,000	9
12/23/96	Pittsburgh/California Ave.	630,000	1,652,000	2,282,000	3
12/23/96	Ft. Lauderdale/Powerline	660,000	1,870,000	2,530,000	4
12/23/96	Philadelphia/Oxford	899,000	2,323,000	3,222,000	4
12/23/96	Dallas/Lemmon Ave.	1,709,000	4,343,000	6,052,000	9
12/23/96	Alsip/115th Street	750,000	3,726,000	4,476,000	5
12/23/96	Green Acres/Jog Road	600,000	1,600,000	2,200,000	3
12/23/96	Pompano Beach/Sample Road	1,319,000	3,371,000	4,690,000	7

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Date Acquired	Description	Encum- brances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
12/23/96	Wyndmoor/Ivy Hill		2,160,000	5,323,000	165,
12/23/96	W. Palm Beach/Belvedere		960,000	2,366,000	129,
12/23/96	Renton 174th St.		960,000	2,366,000	189,
12/23/96	Sacramento/Northgate		1,021,000	2,647,000	126,
12/23/96	Phoenix/19th Avenue		991,000	2,569,000	150,
12/23/96	Bedford Park/Cicero		1,321,000	3,426,000	194,
12/23/96	Lake Worth/Lk Worth		1,111,000	2,880,000	157,
12/23/96	Arlington/Algonquin		991,000	2,569,000	235,
12/23/96	Seattle/15th Avenue NE		781,000	2,024,000	137,
12/23/96	Southington/Spring		811,000	2,102,000	119,
12/23/96	Clifton/Broad Street		1,411,000	3,659,000	123,
12/23/96	Hillside/Glenwood		563,000	4,051,000	212,
12/30/96	Concorde/Treat		1,396,000	3,258,000	109,
12/30/96	Virginia Beach		535,000	1,248,000	100,
12/30/96	San Mateo		2,408,000	5,619,000	132,
1/22/97	Austin, 1033 E. 41 Street		257,000	3,633,000	48,
4/12/97	Annandale/Backlick		955,000	2,229,000	302,
4/12/97	Ft. Worth/West Freeway		667,000	1,556,000	239,
4/12/97	Campbell/S. Curtner		2,550,000	5,950,000	682,
4/12/97	Aurora/S. Idalia		1,002,000	2,338,000	331,
4/12/97	Santa Cruz/Capitola		1,037,000	2,420,000	298,
4/12/97	Indianapolis/Lafayette Road		682,000	1,590,000	264,
4/12/97	Indianapolis/Route 31		619,000	1,444,000	239,
4/12/97	Farmingdale/Broad Hollow Rd.		1,568,000	3,658,000	538,
4/12/97	Tyson's Corner/Springhill Rd.		3,861,000	9,010,000	1,185,
4/12/97	Fountain Valley/Newhope		1,137,000	2,653,000	305,
4/12/97	Dallas/Winsted		1,375,000	3,209,000	451,
4/12/97	Columbia/Broad River Rd.		121,000	282,000	134,
4/12/97	Livermore/S. Front Road		876,000	2,044,000	183,
4/12/97	Garland/Plano		889,000	2,073,000	211,
4/12/97	San Jose/Story Road		1,352,000	3,156,000	327,
4/12/97	Aurora/Abilene		1,406,000	3,280,000	323,
4/12/97	Antioch/Sunset Drive		1,035,000	2,416,000	211,
4/12/97	Rancho Cordova/Sunrise		1,048,000	2,445,000	318,
4/12/97	Berlin/Wilbur Cross		756,000	1,764,000	222,
4/12/97	Whittier/Whittier Blvd.		648,000	1,513,000	131,
4/12/97	Peabody/Newbury Street		1,159,000	2,704,000	289,
4/12/97	Denver/Blake		602,000	1,405,000	147,
4/12/97	Evansville/Green River Road		470,000	1,096,000	142,
4/12/97	Burien/First Ave. So.		792,000	1,847,000	204,

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4/12/97	Rancho Cordova/Mather Field	494,000	1,153,000	149,
4/12/97	Sugar Land/Eldridge	705,000	1,644,000	191,
4/12/97	Columbus/Eastland Drive	602,000	1,405,000	194,
4/12/97	Slickerville/Black Horse Pike	539,000	1,258,000	182,
4/12/97	Seattle/Aurora	1,145,000	2,671,000	243,

Date Acquired	Description	Gross Carrying Amount At December 31, 2001			Acc Depr
		Land	Building	Total	
12/23/96	Wyndmoor/Ivy Hill	2,159,000	5,489,000	7,648,000	1,1
12/23/96	W. Palm Beach/Belvedere	959,000	2,496,000	3,455,000	5
12/23/96	Renton 174th St.	959,000	2,556,000	3,515,000	5
12/23/96	Sacramento/Northgate	1,020,000	2,774,000	3,794,000	5
12/23/96	Phoenix/19th Avenue	990,000	2,720,000	3,710,000	5
12/23/96	Bedford Park/Cicero	1,320,000	3,621,000	4,941,000	7
12/23/96	Lake Worth/Lk Worth	1,110,000	3,038,000	4,148,000	6
12/23/96	Arlington/Algonquin	990,000	2,805,000	3,795,000	6
12/23/96	Seattle/15th Avenue NE	780,000	2,162,000	2,942,000	4
12/23/96	Southington/Spring	810,000	2,222,000	3,032,000	4
12/23/96	Clifton/Broad Street	1,410,000	3,783,000	5,193,000	7
12/23/96	Hillside/Glenwood	563,000	4,263,000	4,826,000	9
12/30/96	Concorde/Treat	1,395,000	3,368,000	4,763,000	7
12/30/96	Virginia Beach	535,000	1,348,000	1,883,000	3
12/30/96	San Mateo	2,407,000	5,752,000	8,159,000	1,1
1/22/97	Austin, 1033 E. 41 Street	257,000	3,681,000	3,938,000	7
4/12/97	Annandale/Backlick	955,000	2,531,000	3,486,000	4
4/12/97	Ft. Worth/West Freeway	667,000	1,795,000	2,462,000	3
4/12/97	Campbell/S. Curtner	2,548,000	6,634,000	9,182,000	1,2
4/12/97	Aurora/S. Idalia	1,001,000	2,670,000	3,671,000	5
4/12/97	Santa Cruz/Capitola	1,037,000	2,718,000	3,755,000	5
4/12/97	Indianapolis/Lafayette Road	681,000	1,855,000	2,536,000	3
4/12/97	Indianapolis/Route 31	618,000	1,684,000	2,302,000	3
4/12/97	Farmingdale/Broad Hollow Rd.	1,567,000	4,197,000	5,764,000	8
4/12/97	Tyson's Corner/Springhill Rd.	3,859,000	10,197,000	14,056,000	1,9
4/12/97	Fountain Valley/Newhope	1,136,000	2,959,000	4,095,000	5
4/12/97	Dallas/Winsted	1,374,000	3,661,000	5,035,000	7
4/12/97	Columbia/Broad River Rd.	121,000	416,000	537,000	1
4/12/97	Livermore/S. Front Road	876,000	2,227,000	3,103,000	4
4/12/97	Garland/Plano	888,000	2,285,000	3,173,000	4
4/12/97	San Jose/Story Road	1,352,000	3,483,000	4,835,000	6
4/12/97	Aurora/Abilene	1,405,000	3,604,000	5,009,000	7
4/12/97	Antioch/Sunset Drive	1,035,000	2,627,000	3,662,000	5
4/12/97	Rancho Cordova/Sunrise	1,047,000	2,764,000	3,811,000	5
4/12/97	Berlin/Wilbur Cross	755,000	1,987,000	2,742,000	4
4/12/97	Whittier/Whittier Blvd.	648,000	1,644,000	2,292,000	3
4/12/97	Peabody/Newbury Street	1,158,000	2,994,000	4,152,000	5
4/12/97	Denver/Blake	602,000	1,552,000	2,154,000	3
4/12/97	Evansville/Green River Road	469,000	1,239,000	1,708,000	2
4/12/97	Burien/First Ave. So.	791,000	2,052,000	2,843,000	4
4/12/97	Rancho Cordova/Mather Field	494,000	1,302,000	1,796,000	2
4/12/97	Sugar Land/Eldridge	704,000	1,836,000	2,540,000	3
4/12/97	Columbus/Eastland Drive	602,000	1,599,000	2,201,000	3
4/12/97	Slickerville/Black Horse Pike	539,000	1,440,000	1,979,000	3
4/12/97	Seattle/Aurora	1,144,000	2,915,000	4,059,000	5

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Date Acquired	Description	Encum- brances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
4/12/97	Gaithersburg/Christopher Ave.		972,000	2,268,000	252,
4/12/97	Manchester/Tolland Turnpike		807,000	1,883,000	200,
6/25/97	Kirkland-Totem		2,131,000	4,972,000	153,
6/25/97	Idianapolis		471,000	1,098,000	61,
6/25/97	Dallas		699,000	1,631,000	50,
6/25/97	Atlanta		1,183,000	2,761,000	74,
6/25/97	Bensalem		1,159,000	2,705,000	42,
6/25/97	Evansville		429,000	1,000,000	48,
6/25/97	Austin		813,000	1,897,000	39,
6/25/97	Harbor City		1,244,000	2,904,000	121,
6/25/97	Birmingham		539,000	1,258,000	64,
6/25/97	Sacramento		489,000	1,396,000	(210,0
6/25/97	Carrollton		441,000	1,029,000	29,
6/25/97	La Habra		822,000	1,918,000	42,
6/25/97	Lombard		1,527,000	3,564,000	1,719,
6/25/97	Fairfield		740,000	1,727,000	14,
6/25/97	Seattle		1,498,000	3,494,000	232,
6/25/97	Bellevue		1,653,000	3,858,000	68,
6/25/97	Citrus Heights		642,000	1,244,000	473,
6/25/97	San Jose		1,273,000	2,971,000	9,
6/25/97	Stanton		948,000	2,212,000	39,
6/25/97	Garland		486,000	1,135,000	47,
6/25/97	Westford		857,000	1,999,000	56,
6/25/97	Dallas		1,627,000	3,797,000	599,
6/25/97	Wheat Ridge		1,054,000	2,459,000	298,
6/25/97	Berlin		825,000	1,925,000	235,
6/25/97	Gretna		1,069,000	2,494,000	391,
6/25/97	Spring		461,000	1,077,000	168,
6/25/97	Sacramento		592,000	1,380,000	868,
6/25/97	Houston/South Dairyashford		856,000	1,997,000	269,
6/25/97	Naperville		1,108,000	2,585,000	328,
6/25/97	Carrollton		1,158,000	2,702,000	424,
6/25/97	Waipahu		1,620,000	3,780,000	515,
6/25/97	Davis		628,000	1,465,000	210,
6/25/97	Decatur		951,000	2,220,000	347,
6/25/97	Jacksonville		653,000	1,525,000	270,
6/25/97	Chicoppe		663,000	1,546,000	291,
6/25/97	Alexandria		1,533,000	3,576,000	444,
6/25/97	Houston/Veterans Memorial Dr.		458,000	1,070,000	166,
6/25/97	Los Angeles/Olympic		4,392,000	10,247,000	1,233,
6/25/97	Littleton		1,340,000	3,126,000	416,
6/25/97	Metairie		1,229,000	2,868,000	408,
6/25/97	Louisville		717,000	1,672,000	263,
6/25/97	East Hazel Crest		753,000	1,757,000	266,
6/25/97	Edmonds		1,187,000	2,770,000	392,

Gross Carrying Amount



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At December 31, 2001

Date Acquired	Description	Land	Building	Total	Acc Depn
4/12/97	Gaithersburg/Christopher Ave.	972,000	2,520,000	3,492,000	5
4/12/97	Manchester/Tolland Turnpike	807,000	2,083,000	2,890,000	4
6/25/97	Kirkland-Totem	2,129,000	5,127,000	7,256,000	9
6/25/97	Idianapolis	470,000	1,160,000	1,630,000	2
6/25/97	Dallas	699,000	1,681,000	2,380,000	3
6/25/97	Atlanta	1,182,000	2,836,000	4,018,000	5
6/25/97	Bensalem	1,159,000	2,747,000	3,906,000	5
6/25/97	Evansville	428,000	1,049,000	1,477,000	2
6/25/97	Austin	812,000	1,937,000	2,749,000	3
6/25/97	Harbor City	1,244,000	3,025,000	4,269,000	6
6/25/97	Birmingham	539,000	1,322,000	1,861,000	2
6/25/97	Sacramento	489,000	1,186,000	1,675,000	2
6/25/97	Carrollton	441,000	1,058,000	1,499,000	2
6/25/97	La Habra	822,000	1,960,000	2,782,000	3
6/25/97	Lombard	2,046,000	4,764,000	6,810,000	8
6/25/97	Fairfield	740,000	1,741,000	2,481,000	3
6/25/97	Seattle	1,497,000	3,727,000	5,224,000	8
6/25/97	Bellevue	1,652,000	3,927,000	5,579,000	7
6/25/97	Citrus Heights	642,000	1,717,000	2,359,000	3
6/25/97	San Jose	1,272,000	2,981,000	4,253,000	5
6/25/97	Stanton	947,000	2,252,000	3,199,000	4
6/25/97	Garland	486,000	1,182,000	1,668,000	2
6/25/97	Westford	856,000	2,056,000	2,912,000	4
6/25/97	Dallas	1,626,000	4,397,000	6,023,000	8
6/25/97	Wheat Ridge	1,053,000	2,758,000	3,811,000	5
6/25/97	Berlin	825,000	2,160,000	2,985,000	3
6/25/97	Gretna	1,068,000	2,886,000	3,954,000	5
6/25/97	Spring	461,000	1,245,000	1,706,000	2
6/25/97	Sacramento	720,000	2,120,000	2,840,000	3
6/25/97	Houston/South Dairyashford	855,000	2,267,000	3,122,000	4
6/25/97	Naperville	1,107,000	2,914,000	4,021,000	5
6/25/97	Carrollton	1,157,000	3,127,000	4,284,000	6
6/25/97	Waipahu	1,619,000	4,296,000	5,915,000	8
6/25/97	Davis	627,000	1,676,000	2,303,000	3
6/25/97	Decatur	951,000	2,567,000	3,518,000	4
6/25/97	Jacksonville	653,000	1,795,000	2,448,000	3
6/25/97	Chicoppe	662,000	1,838,000	2,500,000	3
6/25/97	Alexandria	1,532,000	4,021,000	5,553,000	7
6/25/97	Houston/Veterans Memorial Dr.	458,000	1,236,000	1,694,000	2
6/25/97	Los Angeles/Olympic	4,389,000	11,483,000	15,872,000	2,1
6/25/97	Littleton	1,339,000	3,543,000	4,882,000	6
6/25/97	Metairie	1,229,000	3,276,000	4,505,000	6
6/25/97	Louisville	716,000	1,936,000	2,652,000	3
6/25/97	East Hazel Crest	752,000	2,024,000	2,776,000	3
6/25/97	Edmonds	1,186,000	3,163,000	4,349,000	6

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Date Acquired	Description	Encumbrances	Initial Cost Land	Buildings & Improvements	Cost Subseq to Acquis
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6/25/97	Foster City	1,064,000	2,483,000	316,
6/25/97	Chicago	1,160,000	2,708,000	417,
6/25/97	Philadelphia	924,000	2,155,000	308,
6/25/97	Dallas/Vilbig Rd.	508,000	1,184,000	202,
6/25/97	Staten Island	1,676,000	3,910,000	541,
6/25/97	Pelham Manor	1,209,000	2,820,000	483,
6/25/97	Irving	469,000	1,093,000	187,
6/25/97	Elk Grove	642,000	1,497,000	235,
6/25/97	LAX	1,312,000	3,062,000	474,
6/25/97	Denver	1,316,000	3,071,000	452,
6/25/97	Plano	1,369,000	3,193,000	401,
6/25/97	Lynnwood	839,000	1,959,000	334,
6/25/97	Lilburn	507,000	1,182,000	315,
6/25/97	Parma	881,000	2,055,000	441,
6/25/97	Davie	1,086,000	2,533,000	572,
6/25/97	Allen Park	953,000	2,223,000	486,
6/25/97	Aurora	808,000	1,886,000	385,
6/25/97	San Diego/16th Street	932,000	2,175,000	569,
6/25/97	Sterling Heights	766,000	1,787,000	405,
6/25/97	East L.A./Boyle Heights	957,000	2,232,000	472,
6/25/97	Springfield/Alban Station	1,317,000	3,074,000	630,
6/25/97	Littleton	868,000	2,026,000	421,
6/25/97	Sacramento/57th Street	869,000	2,029,000	458,
6/25/97	Miami	1,762,000	4,111,000	811,
8/13/97	Santa Monica/Wilshire Blvd.	2,040,000	4,760,000	254,
11/2/97	Lansing, IL	758,000	1,768,000	114,
11/7/97	Phoenix, AZ	1,197,000	2,793,000	104,
11/13/97	Tinley Park, IL	1,422,000	3,319,000	40,
3/17/98	Houston/De Soto Dr.	659,000	1,537,000	55,
3/17/98	Houston/East Freeway	593,000	1,384,000	119,
3/17/98	Austin/Ben White Bl	692,000	1,614,000	69,
3/17/98	Arlington/E.Pioneer	922,000	2,152,000	74,
3/17/98	Las Vegas/Tropicana	1,285,000	2,998,000	100,
3/17/98	Branford/Summit Place	728,000	1,698,000	84,
3/17/98	Las Vegas/Charleston	791,000	1,845,000	66,
3/17/98	So. San Francisco	1,550,000	3,617,000	71,
3/17/98	Pasadena/Arroyo Prkwy	3,005,000	7,012,000	118,
3/17/98	Tempe/E. Broadway	633,000	1,476,000	96,
3/17/98	Phoenix/N. 43rd Ave	443,000	1,033,000	114,
3/17/98	Phoenix/No. 43rd	380,000	886,000	137,
3/17/98	Phoenix/Black Canyon	380,000	886,000	109,
3/17/98	Phoenix/Black Canyon	136,000	317,000	140,
3/17/98	Nesconset/Southern	1,423,000	3,321,000	76,
5/1/98	Berkeley/2nd St.	1,914,000	4,466,000	(160,0
5/20/98	Boynton Beach/S. C.	1,299,000	3,034,000	109,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Encumbrances	Land	Building	T
6/25/97	Foster City		1,064,000	2,799,000	3,86
6/25/97	Chicago		1,160,000	3,125,000	4,28
6/25/97	Philadelphia		923,000	2,464,000	3,38
6/25/97	Dallas/Vilbig Rd.		507,000	1,387,000	1,89
6/25/97	Staten Island		1,675,000	4,452,000	6,12

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6/25/97	Pelham Manor	1,208,000	3,304,000	4,512,000
6/25/97	Irving	468,000	1,281,000	1,749,000
6/25/97	Elk Grove	641,000	1,733,000	2,374,000
6/25/97	LAX	1,311,000	3,537,000	4,848,000
6/25/97	Denver	1,315,000	3,524,000	4,839,000
6/25/97	Plano	1,368,000	3,595,000	4,963,000
6/25/97	Lynnwood	839,000	2,293,000	3,132,000
6/25/97	Lilburn	506,000	1,498,000	2,004,000
6/25/97	Parma	880,000	2,497,000	3,377,000
6/25/97	Davie	1,085,000	3,106,000	4,191,000
6/25/97	Allen Park	952,000	2,710,000	3,662,000
6/25/97	Aurora	808,000	2,271,000	3,079,000
6/25/97	San Diego/16th Street	932,000	2,744,000	3,676,000
6/25/97	Sterling Heights	765,000	2,193,000	2,958,000
6/25/97	East L.A./Boyle Heights	956,000	2,705,000	3,661,000
6/25/97	Springfield/Alban Station	1,317,000	3,704,000	5,021,000
6/25/97	Littleton	868,000	2,447,000	3,315,000
6/25/97	Sacramento/57th Street	869,000	2,487,000	3,356,000
6/25/97	Miami	1,761,000	4,923,000	6,684,000
8/13/97	Santa Monica/Wilshire Blvd.	2,039,000	5,015,000	7,054,000
11/2/97	Lansing, IL	757,000	1,883,000	2,640,000
11/7/97	Phoenix, AZ	1,196,000	2,898,000	4,094,000
11/13/97	Tinley Park, IL	1,421,000	3,360,000	4,781,000
3/17/98	Houston/De Soto Dr.	659,000	1,592,000	2,251,000
3/17/98	Houston/East Freeway	593,000	1,503,000	2,096,000
3/17/98	Austin/Ben White Bl	691,000	1,684,000	2,375,000
3/17/98	Arlington/E.Pioneer	922,000	2,226,000	3,148,000
3/17/98	Las Vegas/Tropicana	1,284,000	3,099,000	4,383,000
3/17/98	Branford/Summit Place	727,000	1,783,000	2,510,000
3/17/98	Las Vegas/Charleston	790,000	1,912,000	2,702,000
3/17/98	So. San Francisco	1,549,000	3,689,000	5,238,000
3/17/98	Pasadena/Arroyo Prkwy	3,003,000	7,132,000	10,135,000
3/17/98	Tempe/E. Broadway	632,000	1,573,000	2,205,000
3/17/98	Phoenix/N. 43rd Ave	443,000	1,147,000	1,590,000
3/17/98	Phoenix/No. 43rd	379,000	1,024,000	1,403,000
3/17/98	Phoenix/Black Canyon	379,000	996,000	1,375,000
3/17/98	Phoenix/Black Canyon	136,000	457,000	593,000
3/17/98	Nesconset/Southern	1,423,000	3,397,000	4,820,000
5/1/98	Berkeley/2nd St.	1,836,000	4,384,000	6,220,000
5/20/98	Boynton Beach/S. C.	1,298,000	3,144,000	4,442,000

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Date Acquired	Description	Encumbrances	Initial Cost		Subsequent to Acquisition
			Land	Buildings & Improvements	
5/8/98	Cleveland/W. 117th		930,000	2,277,000	152,000
5/8/98	La/Venice Blvd		1,470,000	3,599,000	65,000
5/8/98	Aurora/Farnsworth		960,000	2,350,000	67,000
5/8/98	Santa Rosa/Hopper		1,020,000	2,497,000	70,000
5/8/98	Golden Valley/Winn		630,000	1,542,000	65,000
5/8/98	St. Louis/Benham		810,000	1,983,000	117,000
5/8/98	Chicago/S. Chicago		840,000	2,057,000	32,000
4/1/98	Patchogue/W. Sunrise		936,000	2,184,000	85,000

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4/1/98	Havertown/West Chester	1,254,000	2,926,000	59,
4/1/98	Schiller Park/River	568,000	1,390,000	41,
4/1/98	Chicago/Cuyler	1,400,000	2,695,000	70,
4/1/98	Chicago Heights/West	468,000	1,804,000	49,
4/1/98	Arlington Hts/University	670,000	3,004,000	76,
4/1/98	Cicero/Ogden	1,678,000	2,266,000	264,
4/1/98	Chicago/W. Howard St.	974,000	2,875,000	111,
4/1/98	Chicago/N. Western Ave	1,453,000	3,205,000	104,
4/1/98	Chicago/Northwest Hwy	925,000	2,412,000	54,
4/1/98	Chicago/N. Wells St.	1,446,000	2,828,000	79,
4/1/98	Chicago/Pulaski Rd.	1,276,000	2,858,000	45,
4/1/98	Artesia/Artesia	625,000	1,419,000	78,
4/1/98	Arcadia/Lower Azusa	821,000	1,369,000	50,
4/1/98	Manassas/Centreville	405,000	2,137,000	148,
4/1/98	La Downtwn/10 Fwy	1,608,000	3,358,000	121,
4/1/98	Bellevue/Northup	1,232,000	3,306,000	214,
4/1/98	Hollywood/Cole & Wilshire	1,590,000	1,785,000	57,
4/1/98	Atlanta/John Wesley	1,233,000	1,665,000	152,
4/1/98	Montebello/S. Maple	1,274,000	2,299,000	55,
4/1/98	Lake City/Forest Park	248,000	1,445,000	74,
4/1/98	Baltimore/W. Patap	403,000	2,650,000	108,
4/1/98	Fraser/Groesbeck Hwy	368,000	1,796,000	48,
4/1/98	Vallejo/Mini Drive	560,000	1,803,000	50,
4/1/98	San Diego/54th & Euclid	952,000	2,550,000	70,
4/1/98	Miami/5th Street	2,327,000	3,234,000	94,
4/1/98	Silver Spring/Hill	922,000	2,080,000	114,
4/1/98	Chicago/E. 95th St.	397,000	2,357,000	69,
4/1/98	Chicago/S. Harlem	791,000	1,424,000	61,
4/1/98	St. Charles /Highway	623,000	1,501,000	80,
4/1/98	Chicago/Burr Ridge Rd.	421,000	2,165,000	53,
4/1/98	St. Louis/Hwy. 141	0	0	
4/1/98	Island Park/Austin	0	0	
4/1/98	Yonkers/Route 9a	1,722,000	3,823,000	106,
4/1/98	Silverlake/Glendale	2,314,000	5,481,000	106,
4/1/98	Chicago/Harlem Ave	1,430,000	3,038,000	91,
4/1/98	Bethesda/Butler Rd	1,146,000	2,509,000	61,
4/1/98	Dundalk/Wise Ave	447,000	2,005,000	59,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Gross Carrying Amount At December 31, 2001			Acc Depr
		Land	Building	Total	
5/8/98	Cleveland/W. 117th	929,000	2,430,000	3,359,000	3
5/8/98	La/Venice Blvd	1,469,000	3,665,000	5,134,000	5
5/8/98	Aurora/Farnsworth	959,000	2,418,000	3,377,000	3
5/8/98	Santa Rosa/Hopper	1,019,000	2,568,000	3,587,000	3
5/8/98	Golden Valley/Winn	630,000	1,607,000	2,237,000	2
5/8/98	St. Louis/Benham	810,000	2,100,000	2,910,000	3
5/8/98	Chicago/S. Chicago	839,000	2,090,000	2,929,000	3
4/1/98	Patchogue/W. Sunrise	936,000	2,269,000	3,205,000	3
4/1/98	Havertown/West Chester	1,248,000	2,991,000	4,239,000	4
4/1/98	Schiller Park/River	568,000	1,431,000	1,999,000	2
4/1/98	Chicago/Cuyler	1,399,000	2,766,000	4,165,000	4
4/1/98	Chicago Heights/West	467,000	1,854,000	2,321,000	3
4/1/98	Arlington Hts/University	670,000	3,080,000	3,750,000	5

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4/1/98	Cicero/Ogden	1,677,000	2,531,000	4,208,000	4
4/1/98	Chicago/W. Howard St.	973,000	2,987,000	3,960,000	5
4/1/98	Chicago/N. Western Ave	1,452,000	3,310,000	4,762,000	5
4/1/98	Chicago/Northwest Hwy	925,000	2,466,000	3,391,000	4
4/1/98	Chicago/N. Wells St.	1,445,000	2,908,000	4,353,000	5
4/1/98	Chicago/Pulaski Rd.	1,275,000	2,904,000	4,179,000	4
4/1/98	Artesia/Artesia	625,000	1,497,000	2,122,000	3
4/1/98	Arcadia/Lower Azusa	821,000	1,419,000	2,240,000	3
4/1/98	Manassas/Centreville	404,000	2,286,000	2,690,000	5
4/1/98	La Downtwn/10 Fwy	1,607,000	3,480,000	5,087,000	8
4/1/98	Bellevue/Northup	1,231,000	3,521,000	4,752,000	8
4/1/98	Hollywood/Cole & Wilshire	1,589,000	1,843,000	3,432,000	4
4/1/98	Atlanta/John Wesley	1,232,000	1,818,000	3,050,000	4
4/1/98	Montebello/S. Maple	1,273,000	2,355,000	3,628,000	5
4/1/98	Lake City/Forest Park	248,000	1,519,000	1,767,000	3
4/1/98	Baltimore/W. Patap	402,000	2,759,000	3,161,000	6
4/1/98	Fraser/Groesbeck Hwy	368,000	1,844,000	2,212,000	4
4/1/98	Vallejo/Mini Drive	560,000	1,853,000	2,413,000	4
4/1/98	San Diego/54th & Euclid	952,000	2,620,000	3,572,000	7
4/1/98	Miami/5th Street	2,326,000	3,329,000	5,655,000	8
4/1/98	Silver Spring/Hill	921,000	2,195,000	3,116,000	5
4/1/98	Chicago/E. 95th St.	397,000	2,426,000	2,823,000	6
4/1/98	Chicago/S. Harlem	790,000	1,486,000	2,276,000	4
4/1/98	St. Charles /Highway	622,000	1,582,000	2,204,000	4
4/1/98	Chicago/Burr Ridge Rd.	421,000	2,218,000	2,639,000	6
4/1/98	St. Louis/Hwy. 141	0	0	0	
4/1/98	Island Park/Austin	0	0	0	
4/1/98	Yonkers/Route 9a	1,721,000	3,930,000	5,651,000	1,0
4/1/98	Silverlake/Glendale	2,312,000	5,589,000	7,901,000	1,4
4/1/98	Chicago/Harlem Ave	1,430,000	3,129,000	4,559,000	8
4/1/98	Bethesda/Butler Rd	1,146,000	2,570,000	3,716,000	6
4/1/98	Dundalk/Wise Ave	447,000	2,064,000	2,511,000	4

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Date Acquired	Description	Encumbrances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
10/1/98	El Segundo/Sepulveda		6,586,000	5,795,000	95,
10/1/98	Atlanta/Memorial Dr.		414,000	2,239,000	129,
10/1/98	Chicago/W. 79th St		861,000	2,789,000	215,
10/1/98	Chicago/N. Broadway		1,918,000	3,824,000	120,
10/1/98	Tacoma/Orchard		358,000	1,987,000	69,
10/1/98	St. Louis/Gravois		312,000	2,327,000	101,
10/1/98	White Bear Lake		578,000	2,079,000	55,
10/1/98	Santa Cruz/Soquel		832,000	2,385,000	69,
10/1/98	Coon Rapids/Hwy 10		330,000	1,646,000	66,
10/1/98	Oxnard/Hueneme Rd		923,000	3,925,000	88,
10/1/98	Vancouver/Millplain		343,000	2,000,000	68,
10/1/98	Tigard/Mc Ewan		597,000	1,652,000	71,
10/1/98	Griffith/Cline		299,000	2,118,000	37,
10/1/98	Miami/Sunset Drive		1,656,000	2,321,000	1,926,
10/1/98	Farmington/9 Mile		580,000	2,526,000	55,
10/1/98	Los Gatos/University		2,234,000	3,890,000	(277,0

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10/1/98	N. Hollywood	1,484,000	3,143,000	40,
10/1/98	Petaluma/Transport	460,000	1,840,000	74,
10/1/98	Chicago/111th	341,000	2,898,000	46,
10/1/98	Upper Darby/Market	808,000	5,011,000	105,
10/1/98	San Jose/Santa	966,000	3,870,000	79,
10/1/98	San Diego/Morena	3,173,000	5,469,000	83,
10/1/98	Brooklyn/Rockaway Ave	6,272,000	9,691,000	191,
10/1/98	Revere/Charger St	1,997,000	3,727,000	165,
10/1/98	Las Vegas/E. Charles	602,000	2,545,000	84,
10/1/98	Laurel/Baltimore Ave	1,899,000	4,498,000	118,
10/1/98	East La/Figueroa & 4th	1,213,000	2,689,000	48,
10/1/98	Oldsmar/Tampa Road	760,000	2,154,000	2,713,
10/1/98	Ft. Lauderdale/S.W.	1,046,000	2,928,000	38,
10/1/98	Miami/NW 73rd St	1,050,000	3,064,000	69,
4/1/98	Dallas/Kingsly	1,095,000	1,712,000	81,
10/1/98	Dallas/Greenville	1,933,000	2,892,000	66,
1/6/99	Brandon/E. Brandon Blvd	1,560,000	3,695,000	61,
1/1/99	New Orleans/St.Charles	1,463,000	2,634,000	50,
7/1/99	Pantego/W. Pioneer Pkwy	432,000	1,228,000	41,
3/12/99	St. Louis/N. Lindbergh Blvd.	1,688,000	3,939,000	91,
3/12/99	St. Louis/Vandeventer Midtown	699,000	1,631,000	58,
3/12/99	St. Ann/Maryland Heights	1,035,000	2,414,000	56,
3/12/99	Florissant/N. Hwy 67	971,000	2,265,000	56,
3/12/99	Ferguson Area-W.Florissant	1,194,000	2,732,000	176,
3/12/99	Florissant/New Halls Ferry Rd	1,144,000	2,670,000	129,
3/12/99	St. Louis/Airport	785,000	1,833,000	27,
3/12/99	St. Louis/S.Third St	1,096,000	2,557,000	49,
3/12/99	Kansas City/E. 47th St.	610,000	1,424,000	46,
3/12/99	Kansas City/E. 67th Terrace	1,136,000	2,643,000	55,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Gross Carrying Amount At December 31, 2001			Acc Depr
		Land	Building	Total	
10/1/98	El Segundo/Sepulveda	6,582,000	5,894,000	12,476,000	8
10/1/98	Atlanta/Memorial Dr.	414,000	2,368,000	2,782,000	3
10/1/98	Chicago/W. 79th St	860,000	3,005,000	3,865,000	4
10/1/98	Chicago/N. Broadway	1,916,000	3,946,000	5,862,000	5
10/1/98	Tacoma/Orchard	358,000	2,056,000	2,414,000	3
10/1/98	St. Louis/Gravois	312,000	2,428,000	2,740,000	3
10/1/98	White Bear Lake	578,000	2,134,000	2,712,000	3
10/1/98	Santa Cruz/Soquel	832,000	2,454,000	3,286,000	3
10/1/98	Coon Rapids/Hwy 10	329,000	1,713,000	2,042,000	2
10/1/98	Oxnard/Hueneme Rd	922,000	4,014,000	4,936,000	5
10/1/98	Vancouver/Millplain	342,000	2,069,000	2,411,000	3
10/1/98	Tigard/Mc Ewan	597,000	1,723,000	2,320,000	2
10/1/98	Griffith/Cline	299,000	2,155,000	2,454,000	3
10/1/98	Miami/Sunset Drive	2,265,000	3,638,000	5,903,000	3
10/1/98	Farmington/9 Mile	580,000	2,581,000	3,161,000	3
10/1/98	Los Gatos/University	2,233,000	3,614,000	5,847,000	5
10/1/98	N. Hollywood	1,483,000	3,184,000	4,667,000	4
10/1/98	Petaluma/Transport	460,000	1,914,000	2,374,000	2
10/1/98	Chicago/111th	341,000	2,944,000	3,285,000	4
10/1/98	Upper Darby/Market	807,000	5,117,000	5,924,000	7
10/1/98	San Jose/Santa	965,000	3,950,000	4,915,000	5
10/1/98	San Diego/Morena	3,172,000	5,553,000	8,725,000	7
10/1/98	Brooklyn/Rockaway Ave	6,269,000	9,885,000	16,154,000	1,4

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10/1/98	Revere/Charger St	1,996,000	3,893,000	5,889,000	5
10/1/98	Las Vegas/E. Charles	602,000	2,629,000	3,231,000	3
10/1/98	Laurel/Baltimore Ave	1,898,000	4,617,000	6,515,000	6
10/1/98	East La/Figueroa & 4th	1,212,000	2,738,000	3,950,000	3
10/1/98	Oldsmar/Tampa Road	1,049,000	4,578,000	5,627,000	4
10/1/98	Ft. Lauderdale/S.W.	1,045,000	2,967,000	4,012,000	4
10/1/98	Miami/NW 73rd St	1,049,000	3,134,000	4,183,000	4
4/1/98	Dallas/Kingsly	1,095,000	1,793,000	2,888,000	4
10/1/98	Dallas/Greenville	1,932,000	2,959,000	4,891,000	4
1/6/99	Brandon/E. Brandon Blvd	1,559,000	3,757,000	5,316,000	3
1/1/99	New Orleans/St.Charles	1,462,000	2,685,000	4,147,000	3
7/1/99	Pantego/W. Pioneer Pkwy	432,000	1,269,000	1,701,000	1
3/12/99	St. Louis/N. Lindbergh Blvd.	1,687,000	4,031,000	5,718,000	4
3/12/99	St. Louis/Vandeventer Midtown	699,000	1,689,000	2,388,000	2
3/12/99	St. Ann/Maryland Heights	1,034,000	2,471,000	3,505,000	2
3/12/99	Florissant/N. Hwy 67	970,000	2,322,000	3,292,000	2
3/12/99	Ferguson Area-W.Florissant	1,193,000	2,909,000	4,102,000	3
3/12/99	Florissant/New Halls Ferry Rd	1,143,000	2,800,000	3,943,000	3
3/12/99	St. Louis/Airport	785,000	1,860,000	2,645,000	2
3/12/99	St. Louis/S.Third St	1,095,000	2,607,000	3,702,000	3
3/12/99	Kansas City/E. 47th St.	610,000	1,470,000	2,080,000	1
3/12/99	Kansas City/E. 67th Terrace	1,136,000	2,698,000	3,834,000	3

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Date Acquired	Description	Encum- brances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
3/12/99	Kansas City/James A. Reed Rd		749,000	1,748,000	69,
3/12/99	Independence/291		871,000	2,032,000	42,
3/12/99	Raytown/Woodson Rd		915,000	2,134,000	63,
3/12/99	Kansas City/34th Main Street		114,000	2,599,000	473,
3/12/99	Columbia/River Dr		671,000	1,566,000	134,
3/12/99	Columbia/Buckner Rd		714,000	1,665,000	227,
3/12/99	Columbia/Decker Park Rd		605,000	1,412,000	96,
3/12/99	Columbia/Rosewood Dr		777,000	1,814,000	74,
3/12/99	W. Columbia/Orchard Dr.		272,000	634,000	104,
3/12/99	W. Columbia/Airport Blvd		493,000	1,151,000	77,
3/12/99	Greenville/Whitehorse Rd		882,000	2,058,000	70,
3/12/99	Greenville/Woods Lake Rd		364,000	849,000	89,
3/12/99	Mauldin/N. Main Street		571,000	1,333,000	98,
3/12/99	Simpsonville/Grand View Dr		582,000	1,358,000	94,
3/12/99	Taylors/Wade Hampton Blvd		650,000	1,517,000	104,
3/12/99	Charleston/Ashley Phosphate B		839,000	1,950,000	168,
3/12/99	N. Charleston/Dorchester Rd		380,000	886,000	71,
3/12/99	N. Charleston/Dorchester		487,000	1,137,000	103,
3/12/99	Charleston/Sam Rittenberg Blvd		555,000	1,296,000	90,
3/12/99	Hilton Head/Office Park Rd		1,279,000	2,985,000	78,
3/12/99	Columbia/Plumbers Rd		368,000	858,000	90,
3/12/99	Greenville/Pineknoll Rd		927,000	2,163,000	123,
3/12/99	Hilton Head/Yacht Cove Dr		1,182,000	2,753,000	116,
3/12/99	Spartanburg/Chesnee Hwy		533,000	1,244,000	144,
3/12/99	Charleston/Ashley River Rd		1,114,000	2,581,000	104,
3/12/99	Columbia/Broad River		1,463,000	3,413,000	135,

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3/12/99	Charlotte/East Wt Harris Blvd	736,000	1,718,000	75,
3/12/99	Charlotte/North Tryon St.	708,000	1,653,000	150,
3/12/99	Charlotte/South Blvd	641,000	1,496,000	85,
3/12/99	Kannapoliz/Oregon St	463,000	1,081,000	76,
3/12/99	Durham/E. Club Blvd	947,000	2,209,000	76,
3/12/99	Durham/N. Duke St.	769,000	1,794,000	89,
3/12/99	Raleigh/Maitland Dr	679,000	1,585,000	90,
3/12/99	Greensboro/O'henry Blvd	577,000	1,345,000	153,
3/12/99	Gastonia/S. York Rd	467,000	1,089,000	102,
3/12/99	Durham/Kangaroo Dr.	1,102,000	2,572,000	165,
3/12/99	Pensacola/Brent Lane	402,000	938,000	78,
3/12/99	Pensacola/Creighton Road	454,000	1,060,000	99,
3/12/99	Jacksonville/Park Avenue	905,000	2,113,000	109,
3/12/99	Jacksonville/Phillips Hwy	665,000	1,545,000	138,
3/12/99	Clearwater/Highland Ave	724,000	1,690,000	92,
3/12/99	Tarpon Springs/US Highway 19	892,000	2,081,000	120,
3/12/99	Orlando/S. Orange Blossom Trail	1,229,000	2,867,000	115,
3/12/99	Casselberry II	1,160,000	2,708,000	79,
3/12/99	Miami/NW 14th Street	1,739,000	4,058,000	92,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Land	Building	Total	Acc Depr
3/12/99	Kansas City/James A. Reed Rd	749,000	1,817,000	2,566,000	2
3/12/99	Independence/291	870,000	2,075,000	2,945,000	2
3/12/99	Raytown/Woodson Rd	915,000	2,197,000	3,112,000	2
3/12/99	Kansas City/34th Main Street	114,000	3,072,000	3,186,000	3
3/12/99	Columbia/River Dr	671,000	1,700,000	2,371,000	2
3/12/99	Columbia/Buckner Rd	713,000	1,893,000	2,606,000	2
3/12/99	Columbia/Decker Park Rd	605,000	1,508,000	2,113,000	1
3/12/99	Columbia/Rosewood Dr	777,000	1,888,000	2,665,000	2
3/12/99	W. Columbia/Orchard Dr.	272,000	738,000	1,010,000	1
3/12/99	W. Columbia/Airport Blvd	493,000	1,228,000	1,721,000	1
3/12/99	Greenville/Whitehorse Rd	882,000	2,128,000	3,010,000	2
3/12/99	Greenville/Woods Lake Rd	364,000	938,000	1,302,000	1
3/12/99	Mauldin/N. Main Street	571,000	1,431,000	2,002,000	1
3/12/99	Simpsonville/Grand View Dr	582,000	1,452,000	2,034,000	1
3/12/99	Taylors/Wade Hampton Blvd	650,000	1,621,000	2,271,000	1
3/12/99	Charleston/Ashley Phosphate B	838,000	2,119,000	2,957,000	2
3/12/99	N. Charleston/Dorchester Rd	379,000	958,000	1,337,000	1
3/12/99	N. Charleston/Dorchester	487,000	1,240,000	1,727,000	1
3/12/99	Charleston/Sam Rittenberg Blvd	555,000	1,386,000	1,941,000	1
3/12/99	Hilton Head/Office Park Rd	1,278,000	3,064,000	4,342,000	3
3/12/99	Columbia/Plumbers Rd	368,000	948,000	1,316,000	1
3/12/99	Greenville/Pineknoll Rd	927,000	2,286,000	3,213,000	2
3/12/99	Hilton Head/Yacht Cove Dr	1,182,000	2,869,000	4,051,000	3
3/12/99	Spartanburg/Chesnee Hwy	533,000	1,388,000	1,921,000	1
3/12/99	Charleston/Ashley River Rd	1,113,000	2,686,000	3,799,000	3
3/12/99	Columbia/Broad River	1,462,000	3,549,000	5,011,000	4
3/12/99	Charlotte/East Wt Harris Blvd	736,000	1,793,000	2,529,000	2
3/12/99	Charlotte/North Tryon St.	708,000	1,803,000	2,511,000	2
3/12/99	Charlotte/South Blvd	641,000	1,581,000	2,222,000	1
3/12/99	Kannapoliz/Oregon St	463,000	1,157,000	1,620,000	1
3/12/99	Durham/E. Club Blvd	946,000	2,286,000	3,232,000	2
3/12/99	Durham/N. Duke St.	768,000	1,884,000	2,652,000	2
3/12/99	Raleigh/Maitland Dr	679,000	1,675,000	2,354,000	2



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3/12/99	Greensboro/O'Henry Blvd	576,000	1,499,000	2,075,000	1
3/12/99	Gastonia/S. York Rd	466,000	1,192,000	1,658,000	1
3/12/99	Durham/Kangaroo Dr.	1,102,000	2,737,000	3,839,000	3
3/12/99	Pensacola/Brent Lane	402,000	1,016,000	1,418,000	1
3/12/99	Pensacola/Creighton Road	454,000	1,159,000	1,613,000	1
3/12/99	Jacksonville/Park Avenue	905,000	2,222,000	3,127,000	2
3/12/99	Jacksonville/Phillips Hwy	665,000	1,683,000	2,348,000	2
3/12/99	Clearwater/Highland Ave	724,000	1,782,000	2,506,000	2
3/12/99	Tarpon Springs/US Highway 19	891,000	2,202,000	3,093,000	2
3/12/99	Orlando/S. Orange Blossom Trail	1,228,000	2,983,000	4,211,000	3
3/12/99	Casselberry II	1,160,000	2,787,000	3,947,000	3
3/12/99	Miami/NW 14th Street	1,738,000	4,151,000	5,889,000	4

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Date Acquired	Description	Encum- brances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
3/12/99	Tarpon Springs/Highway 19		1,179,000	2,751,000	84,
3/12/99	Ft. Myers/Tamiami Trail South		834,000	1,945,000	65,
3/12/99	Jacksonville/Ft. Caroline Rd.		1,037,000	2,420,000	112,
3/12/99	Orlando/South Semoran		565,000	1,319,000	42,
3/12/99	Jacksonville/Southside Blvd.		1,278,000	2,982,000	159,
3/12/99	Miami/NW 7th Ave		783,000	1,827,000	119,
3/12/99	Vero Beach/US Hwy 1		678,000	1,583,000	58,
3/12/99	Ponte Vedra/Palm Valley Rd.		745,000	2,749,000	398,
3/12/99	Miami Lakes/NW 153rd St.		425,000	992,000	58,
3/12/99	Deerfield Beach/SW 10th St.		1,844,000	4,302,000	61,
3/12/99	Apopka/S. Orange Blossom		307,000	717,000	78,
3/12/99	Davie/University		313,000	4,379,000	185,
3/12/99	Arlington/Division		998,000	2,328,000	66,
3/12/99	Duncanville/S.Cedar Ridge		1,477,000	3,447,000	128,
3/12/99	Carrollton/Trinity Mills West		530,000	1,237,000	71,
3/12/99	Houston/Wallisville Rd.		744,000	1,736,000	59,
3/12/99	Houston/Fondren South		647,000	1,510,000	45,
3/12/99	Houston/Addicks Satsuma		409,000	954,000	52,
3/12/99	Addison/Inwood Road		1,204,000	2,808,000	40,
3/12/99	Garland/Jackson Drive		755,000	1,761,000	58,
3/12/99	Garland/Buckingham Road		492,000	1,149,000	93,
3/12/99	Houston/South Main		1,461,000	3,409,000	70,
3/12/99	Plano/Parker Road-Avenue K		1,517,000	3,539,000	90,
3/12/99	Houston/Bingle Road		576,000	1,345,000	61,
3/12/99	Houston/Mangum Road		737,000	1,719,000	85,
3/12/99	Houston/Hayes Road		916,000	2,138,000	42,
3/12/99	Katy/Dominion Drive		995,000	2,321,000	38,
3/12/99	Houston/Fm 1960 West		513,000	1,198,000	69,
3/12/99	Webster/Fm 528 Road		756,000	1,764,000	55,
3/12/99	Houston/Loch Katrine Lane		580,000	1,352,000	61,
3/12/99	Houston/Milwee St.		779,000	1,815,000	76,
3/12/99	Lewisville/Highway 121		688,000	1,605,000	70,
3/12/99	Richardson/Central Expressway		465,000	1,085,000	43,
3/12/99	Houston/Hwy 6 South		569,000	1,328,000	39,
3/12/99	Houston/Westheimer West		1,075,000	2,508,000	40,
3/12/99	Ft. Worth/Granbury Road		763,000	1,781,000	46,

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3/12/99	Houston/New Castle	2,346,000	5,473,000	1,188,
3/12/99	Dallas/Inwood Road	1,478,000	3,448,000	36,
3/12/99	Fort Worth/Loop 820 North	729,000	1,702,000	62,
3/12/99	Carrollton/Marsh Lane South	1,353,000	3,156,000	35,
3/12/99	Dallas/Forest Central Dr	859,000	2,004,000	48,
3/12/99	Arlington/Cooper St	779,000	1,818,000	41,
3/12/99	Webster/Highway 3	677,000	1,580,000	52,
3/12/99	Augusta/Peach Orchard Rd	860,000	2,007,000	248,
3/12/99	Martinez/Old Petersburg Rd	407,000	950,000	83,

Date Acquired	Description	Encum- brances	Gross Carrying Amount At December 31, 2001		T
			Land	Building	
3/12/99	Tarpon Springs/Highway 19	1,178,000	2,836,000	4,01	
3/12/99	Ft. Myers/Tamiami Trail South	833,000	2,011,000	2,84	
3/12/99	Jacksonville/Ft. Caroline Rd.	1,037,000	2,532,000	3,56	
3/12/99	Orlando/South Semoran	565,000	1,361,000	1,92	
3/12/99	Jacksonville/Southside Blvd.	1,277,000	3,142,000	4,41	
3/12/99	Miami/NW 7th Ave	783,000	1,946,000	2,72	
3/12/99	Vero Beach/US Hwy 1	678,000	1,641,000	2,31	
3/12/99	Ponte Vedra/Palm Valley Rd.	745,000	3,147,000	3,89	
3/12/99	Miami Lakes/NW 153rd St.	425,000	1,050,000	1,47	
3/12/99	Deerfield Beach/SW 10th St.	1,842,000	4,365,000	6,20	
3/12/99	Apopka/S. Orange Blossom	307,000	795,000	1,10	
3/12/99	Davie/University	313,000	4,564,000	4,87	
3/12/99	Arlington/Division	997,000	2,395,000	3,39	
3/12/99	Duncanville/S.Cedar Ridge	1,477,000	3,575,000	5,05	
3/12/99	Carrollton/Trinity Mills West	530,000	1,308,000	1,83	
3/12/99	Houston/Wallisville Rd.	744,000	1,795,000	2,53	
3/12/99	Houston/Fondren South	647,000	1,555,000	2,20	
3/12/99	Houston/Addicks Satsuma	409,000	1,006,000	1,41	
3/12/99	Addison/Inwood Road	1,203,000	2,849,000	4,05	
3/12/99	Garland/Jackson Drive	754,000	1,820,000	2,57	
3/12/99	Garland/Buckingham Road	492,000	1,242,000	1,73	
3/12/99	Houston/South Main	1,460,000	3,480,000	4,94	
3/12/99	Plano/Parker Road-Avenue K	1,516,000	3,630,000	5,14	
3/12/99	Houston/Bingle Road	576,000	1,406,000	1,98	
3/12/99	Houston/Mangum Road	736,000	1,805,000	2,54	
3/12/99	Houston/Hayes Road	916,000	2,180,000	3,09	
3/12/99	Katy/Dominion Drive	994,000	2,360,000	3,35	
3/12/99	Houston/Fm 1960 West	513,000	1,267,000	1,78	
3/12/99	Webster/Fm 528 Road	756,000	1,819,000	2,57	
3/12/99	Houston/Loch Katrine Lane	579,000	1,414,000	1,99	
3/12/99	Houston/Milwee St.	778,000	1,892,000	2,67	
3/12/99	Lewisville/Highway 121	687,000	1,676,000	2,36	
3/12/99	Richardson/Central Expressway	465,000	1,128,000	1,59	
3/12/99	Houston/Hwy 6 South	569,000	1,367,000	1,93	
3/12/99	Houston/Westheimer West	1,074,000	2,549,000	3,62	
3/12/99	Ft. Worth/Granbury Road	763,000	1,827,000	2,59	
3/12/99	Houston/New Castle	2,237,000	6,770,000	9,00	
3/12/99	Dallas/Inwood Road	1,477,000	3,485,000	4,96	
3/12/99	Fort Worth/Loop 820 North	729,000	1,764,000	2,49	
3/12/99	Carrollton/Marsh Lane South	1,353,000	3,191,000	4,54	
3/12/99	Dallas/Forest Central Dr	859,000	2,052,000	2,91	
3/12/99	Arlington/Cooper St	779,000	1,859,000	2,63	
3/12/99	Webster/Highway 3	677,000	1,632,000	2,30	

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3/12/99	Augusta/Peach Orchard Rd	860,000	2,255,000	3,115,000
3/12/99	Martinez/Old Petersburg Rd	407,000	1,033,000	1,440,000

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Date Acquired	Description	Encum- brances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
3/12/99	Jonesboro/Tara Blvd		785,000	1,827,000	122,
3/12/99	Atlanta/Briarcliff Rd		2,171,000	5,066,000	148,
3/12/99	Decatur/N Decatur Rd		933,000	2,177,000	132,
3/12/99	Douglasville/Westmoreland		453,000	1,056,000	153,
3/12/99	Doraville/Mcelroy Rd		827,000	1,931,000	170,
3/12/99	Roswell/Alpharetta		1,772,000	4,135,000	82,
3/12/99	Douglasville/Duralee Lane		533,000	1,244,000	76,
3/12/99	Douglasville/Highway 5		804,000	1,875,000	342,
3/12/99	Forest Park/Jonesboro		659,000	1,537,000	121,
3/12/99	Marietta/Whitlock		1,016,000	2,370,000	100,
3/12/99	Marietta/Cobb Iv		727,000	1,696,000	176,
3/12/99	Norcross/Jones Mill Rd		1,142,000	2,670,000	120,
3/12/99	Norcross/Dawson Blvd		1,232,000	2,874,000	135,
3/12/99	Forest Park/Old Dixie Hwy		895,000	2,070,000	157,
3/12/99	Decatur/Covington		1,764,000	4,116,000	103,
3/12/99	Alpharetta/Maxwell Rd		1,075,000	2,509,000	63,
3/12/99	Alpharetta/N. Main St		1,240,000	2,893,000	52,
3/12/99	Atlanta/Bolton Rd		866,000	2,019,000	85,
3/12/99	Riverdale/Georgia Hwy 85		1,075,000	2,508,000	64,
3/12/99	Kennesaw/Rutledge Road		803,000	1,874,000	103,
3/12/99	Lawrenceville/Buford Dr.		256,000	597,000	66,
3/12/99	Hanover Park/W. Lake Street		1,320,000	3,081,000	93,
3/12/99	Chicago/W. Jarvis Ave		313,000	731,000	72,
3/12/99	Chicago/N. Broadway St		535,000	1,249,000	118,
3/12/99	Carol Stream/Phillips Court		829,000	1,780,000	31,
3/12/99	Winfield/Roosevelt Road		1,109,000	2,587,000	83,
3/12/99	Schaumburg/S. Roselle Road		659,000	1,537,000	71,
3/12/99	Tinley Park/Brennan Hwy		771,000	1,799,000	96,
3/12/99	Schaumburg/Palmer Drive		1,333,000	3,111,000	90,
3/12/99	Geneva/Gary Ave		1,072,000	2,501,000	65,
3/12/99	Naperville/Lasalle Ave		1,501,000	3,502,000	87,
3/12/99	Mobile/Hillcrest Road		554,000	1,293,000	84,
3/12/99	Mobile/Azalea Road		517,000	1,206,000	100,
3/12/99	Mobile/Moffat Road		537,000	1,254,000	101,
3/12/99	Mobile/Grelot Road		804,000	1,877,000	97,
3/12/99	Mobile/Government Blvd		407,000	950,000	60,
3/12/99	New Orleans/Tchoupitoulas		1,092,000	2,548,000	177,
3/12/99	Louisville/Breckenridge Lane		581,000	1,356,000	68,
3/12/99	Louisville		554,000	1,292,000	85,
3/12/99	Louisville/Poplar Level		463,000	1,080,000	93,
3/12/99	Chesapeake/Western Branch		1,274,000	2,973,000	94,
3/12/99	Centreville/Lee Hwy		1,650,000	3,851,000	104,
3/12/99	Sterling/S. Sterling Blvd		1,282,000	2,992,000	91,
3/12/99	Manassas/Sudley Road		776,000	1,810,000	86,
3/12/99	Longmont/Wedgewood Ave		717,000	1,673,000	45,

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Date Acquired	Description	Gross Carrying Amount At December 31, 2001			Acc Depr
		Land	Building	Total	
3/12/99	Jonesboro/Tara Blvd	785,000	1,949,000	2,734,000	2
3/12/99	Atlanta/Briarcliff Rd	2,170,000	5,215,000	7,385,000	5
3/12/99	Decatur/N Decatur Rd	932,000	2,310,000	3,242,000	2
3/12/99	Douglasville/Westmoreland	452,000	1,210,000	1,662,000	1
3/12/99	Doraville/Mcelroy Rd	827,000	2,101,000	2,928,000	2
3/12/99	Roswell/Alpharetta	1,771,000	4,218,000	5,989,000	4
3/12/99	Douglasville/Duralee Lane	533,000	1,320,000	1,853,000	1
3/12/99	Douglasville/Highway 5	803,000	2,218,000	3,021,000	2
3/12/99	Forest Park/Jonesboro	658,000	1,659,000	2,317,000	2
3/12/99	Marietta/Whitlock	1,015,000	2,471,000	3,486,000	2
3/12/99	Marietta/Cobb Iv	726,000	1,873,000	2,599,000	2
3/12/99	Norcross/Jones Mill Rd	1,141,000	2,791,000	3,932,000	3
3/12/99	Norcross/Dawson Blvd	1,231,000	3,010,000	4,241,000	3
3/12/99	Forest Park/Old Dixie Hwy	894,000	2,228,000	3,122,000	2
3/12/99	Decatur/Covington	1,763,000	4,220,000	5,983,000	4
3/12/99	Alpharetta/Maxwell Rd	1,075,000	2,572,000	3,647,000	2
3/12/99	Alpharetta/N. Main St	1,239,000	2,946,000	4,185,000	3
3/12/99	Atlanta/Bolton Rd	866,000	2,104,000	2,970,000	2
3/12/99	Riverdale/Georgia Hwy 85	1,074,000	2,573,000	3,647,000	3
3/12/99	Kennesaw/Rutledge Road	802,000	1,978,000	2,780,000	2
3/12/99	Lawrenceville/Buford Dr.	256,000	663,000	919,000	
3/12/99	Hanover Park/W. Lake Street	1,320,000	3,174,000	4,494,000	3
3/12/99	Chicago/W. Jarvis Ave	313,000	803,000	1,116,000	1
3/12/99	Chicago/N. Broadway St	535,000	1,367,000	1,902,000	1
3/12/99	Carol Stream/Phillips Court	828,000	1,812,000	2,640,000	2
3/12/99	Winfield/Roosevelt Road	1,108,000	2,671,000	3,779,000	3
3/12/99	Schaumburg/S. Roselle Road	659,000	1,608,000	2,267,000	1
3/12/99	Tinley Park/Brennan Hwy	771,000	1,895,000	2,666,000	2
3/12/99	Schaumburg/Palmer Drive	1,333,000	3,201,000	4,534,000	3
3/12/99	Geneva/Gary Ave	1,071,000	2,567,000	3,638,000	2
3/12/99	Naperville/Lasalle Ave	1,500,000	3,590,000	5,090,000	4
3/12/99	Mobile/Hillcrest Road	554,000	1,377,000	1,931,000	1
3/12/99	Mobile/Azalea Road	516,000	1,307,000	1,823,000	1
3/12/99	Mobile/Moffat Road	537,000	1,355,000	1,892,000	1
3/12/99	Mobile/Grelot Road	804,000	1,974,000	2,778,000	2
3/12/99	Mobile/Government Blvd	407,000	1,010,000	1,417,000	1
3/12/99	New Orleans/Tchoupitoulas	1,091,000	2,726,000	3,817,000	3
3/12/99	Louisville/Breckenridge Lane	581,000	1,424,000	2,005,000	1
3/12/99	Louisville	553,000	1,378,000	1,931,000	1
3/12/99	Louisville/Poplar Level	463,000	1,173,000	1,636,000	1
3/12/99	Chesapeake/Western Branch	1,273,000	3,068,000	4,341,000	3
3/12/99	Centreville/Lee Hwy	1,649,000	3,956,000	5,605,000	4
3/12/99	Sterling/S. Sterling Blvd	1,281,000	3,084,000	4,365,000	3
3/12/99	Manassas/Sudley Road	775,000	1,897,000	2,672,000	2
3/12/99	Longmont/Wedgewood Ave	717,000	1,718,000	2,435,000	2

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Date Acquired	Description	Encum- brances	Initial Cost		Subseq to Acquis
			Land	Buildings & Improvements	
3/12/99	Fort Collins/So.College Ave		745,000	1,739,000	70,
3/12/99	Colo Sprngs/Parkmoor Village		620,000	1,446,000	49,
3/12/99	Colo Sprngs/Van Teylingen		1,216,000	2,837,000	90,
3/12/99	Denver/So. Clinton St.		462,000	1,609,000	62,
3/12/99	Denver/Washington St.		795,000	1,846,000	248,
3/12/99	Colo Sprngs/Centennial Blvd		1,352,000	3,155,000	34,
3/12/99	Colo Sprngs/Astrozon Court		810,000	1,889,000	108,
3/12/99	Arvada/64th Ave		671,000	1,566,000	68,
3/12/99	Golden/Simms Street		918,000	2,143,000	145,
3/12/99	Lawrence/Haskell Ave		636,000	1,484,000	48,
3/12/99	Overland Park/Hemlock St		1,168,000	2,725,000	62,
3/12/99	Lenexa/Long St.		720,000	1,644,000	28,
3/12/99	Shawnee/Hedge Lane Terrace		570,000	1,331,000	74,
3/12/99	Mission/Foxridge Dr		1,657,000	3,864,000	84,
3/12/99	Milwaukee/W. Dean Road		1,362,000	3,163,000	249,
3/12/99	Columbus/Morse Road		1,415,000	3,302,000	183,
3/12/99	Milford/Branch Hill		527,000	1,229,000	2,181,
3/12/99	Fairfield/Dixie		519,000	1,211,000	50,
3/12/99	Cincinnati/Western Hills		758,000	1,769,000	120,
3/12/99	Austin/N. Mopac Expressway		865,000	2,791,000	51,
3/12/99	Atlanta/Dunwoody Place		1,410,000	3,296,000	193,
3/12/99	Kennedale/Bowman Sprgs		425,000	991,000	43,
3/12/99	Colo Sprngs/N.Powers		1,124,000	2,622,000	110,
3/12/99	St. Louis/S. Third St		206,000	480,000	15,
3/12/99	Orlando/L.B. Mcleod Road		521,000	1,217,000	44,
3/12/99	Jacksonville/Roosevelt Blvd.		851,000	1,986,000	201,
3/12/99	Miami-Kendall/SW 84th Street		935,000	2,180,000	122,
3/12/99	North Miami Beach/69th St		1,594,000	3,720,000	118,
3/12/99	Miami Beach/Dade Blvd		962,000	2,245,000	69,
3/12/99	Chicago/N. Natchez Ave		1,684,000	3,930,000	105,
3/12/99	Chicago/W. Cermak Road		1,294,000	3,019,000	396,
3/12/99	Kansas City/State Ave		645,000	1,505,000	103,
3/12/99	Lenexa/Santa Fe Trail Road		713,000	1,663,000	61,
3/12/99	Waukesha/Foster Court		765,000	1,785,000	42,
3/12/99	Chicago/West 47th St.		705,000	1,645,000	36,
3/12/99	Carol Stream/S. Main Place		1,320,000	3,079,000	146,
3/12/99	Carpentersville/N. Western Ave		911,000	2,120,000	72,
3/12/99	Elgin/E. Chicago St.		570,000	2,163,000	62,
3/12/99	Elgin/Big Timber Road		1,347,000	3,253,000	211,
3/12/99	Chicago/S. Pulaski Road		458,000	2,118,000	245,
3/12/99	Aurora/Business 30		900,000	2,097,000	95,
3/12/99	Streamwood/Old Church Road		855,000	1,991,000	38,
3/12/99	Mt. Prospect/Central Road		802,000	1,847,000	123,
6/1/98	Renton/SW 39th St.		725,000	2,196,000	1,009,
6/29/98	Pompano Bch/Center Port Circle		795,000	2,312,000	1,342,

Date Acquired	Description	Gross Carrying Amount At December 31, 2001			Acc Depr
		Land	Building	Total	
3/12/99	Fort Collins/So.College Ave	745,000	1,809,000	2,554,000	2

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3/12/99	Colo Sprngs/Parkmoor Village	619,000	1,496,000	2,115,000	1
3/12/99	Colo Sprngs/Van Teylingen	1,215,000	2,928,000	4,143,000	3
3/12/99	Denver/So. Clinton St.	462,000	1,671,000	2,133,000	1
3/12/99	Denver/Washington St.	795,000	2,094,000	2,889,000	2
3/12/99	Colo Sprngs/Centennial Blvd	1,351,000	3,190,000	4,541,000	3
3/12/99	Colo Sprngs/Astrozon Court	809,000	1,998,000	2,807,000	2
3/12/99	Arvada/64th Ave	671,000	1,634,000	2,305,000	1
3/12/99	Golden/Simms Street	918,000	2,288,000	3,206,000	2
3/12/99	Lawrence/Haskell Ave	636,000	1,532,000	2,168,000	1
3/12/99	Overland Park/Hemlock St	1,168,000	2,787,000	3,955,000	3
3/12/99	Lenexa/Long St.	720,000	1,672,000	2,392,000	1
3/12/99	Shawnee/Hedge Lane Terrace	570,000	1,405,000	1,975,000	1
3/12/99	Mission/Foxridge Dr	1,656,000	3,949,000	5,605,000	4
3/12/99	Milwaukee/W. Dean Road	1,361,000	3,413,000	4,774,000	4
3/12/99	Columbus/Morse Road	1,414,000	3,486,000	4,900,000	4
3/12/99	Milford/Branch Hill	526,000	3,411,000	3,937,000	1
3/12/99	Fairfield/Dixie	519,000	1,261,000	1,780,000	1
3/12/99	Cincinnati/Western Hills	758,000	1,889,000	2,647,000	2
3/12/99	Austin/N. Mopac Expressway	865,000	2,842,000	3,707,000	2
3/12/99	Atlanta/Dunwoody Place	1,409,000	3,490,000	4,899,000	3
3/12/99	Kennedale/Bowman Sprgs	425,000	1,034,000	1,459,000	1
3/12/99	Colo Sprngs/N.Powers	1,123,000	2,733,000	3,856,000	3
3/12/99	St. Louis/S. Third St	206,000	495,000	701,000	
3/12/99	Orlando/L.B. Mcleod Road	521,000	1,261,000	1,782,000	1
3/12/99	Jacksonville/Roosevelt Blvd.	851,000	2,187,000	3,038,000	2
3/12/99	Miami-Kendall/SW 84th Street	935,000	2,302,000	3,237,000	2
3/12/99	North Miami Beach/69th St	1,593,000	3,839,000	5,432,000	4
3/12/99	Miami Beach/Dade Blvd	962,000	2,314,000	3,276,000	2
3/12/99	Chicago/N. Natchez Ave	1,683,000	4,036,000	5,719,000	4
3/12/99	Chicago/W. Cermak Road	1,293,000	3,416,000	4,709,000	4
3/12/99	Kansas City/State Ave	645,000	1,608,000	2,253,000	1
3/12/99	Lenexa/Santa Fe Trail Road	712,000	1,725,000	2,437,000	2
3/12/99	Waukesha/Foster Court	765,000	1,827,000	2,592,000	2
3/12/99	Chicago/West 47th St.	705,000	1,681,000	2,386,000	1
3/12/99	Carol Stream/S. Main Place	1,319,000	3,226,000	4,545,000	3
3/12/99	Carpentersville/N. Western Ave	910,000	2,193,000	3,103,000	2
3/12/99	Elgin/E. Chicago St.	569,000	2,226,000	2,795,000	2
3/12/99	Elgin/Big Timber Road	1,346,000	3,465,000	4,811,000	4
3/12/99	Chicago/S. Pulaski Road	458,000	2,363,000	2,821,000	2
3/12/99	Aurora/Business 30	900,000	2,192,000	3,092,000	2
3/12/99	Streamwood/Old Church Road	854,000	2,030,000	2,884,000	2
3/12/99	Mt. Prospect/Central Road	802,000	1,970,000	2,772,000	2
6/1/98	Renton/SW 39th St.	725,000	3,205,000	3,930,000	7
6/29/98	Pompano Bch/Center Port Circle	794,000	3,655,000	4,449,000	7

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Date Acquired	Description	Encumbrances	Initial Cost		Cost Subseq to Acquis
			Land	Buildings & Improvements	
12/9/98	Miami/NW 115th Ave		1,095,000	2,349,000	1,434,
12/30/99	Tamarac Parkway - Denver, CO		1,902,000	4,467,000	1,862,
3/31/99	Forest Park		270,000	3,378,000	981,
4/1/00	Hyattsville (Edmonson)		1,036,000	2,653,000	28,

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6/30/00	San Antonio/Broadway St	1,131,000	4,558,000	24,
12/29/00	Chicago, IL	1,946,000	4,580,000	1,442,
12/30/00	Frazier, PA	800,000	2,933,000	404,
9/15/00	Tampa/Gunn Hwy	1,843,000	4,300,000	42,
12/21/00	Houston, TX (7715 Katy Frwy)	2,274,000	5,307,000	102,
12/21/00	Houston, TX (10801 Katy Frwy)	1,664,000	3,883,000	81,
12/21/00	Houston, TX (Main St)	1,681,000	3,923,000	71,
12/21/00	Houston, TX (W. Loop/S. Frwy)	2,036,000	4,750,000	86,
5/2/00	Mill Valley	1,412,000	3,294,000	22,
5/2/00	Culver City	2,439,000	5,689,000	36,
6/9/94	Chattanooga/Brainerd Road	613,000	1,170,000	215,
6/9/94	Chattanooga/Ringgold Road	761,000	1,433,000	381,
10/7/94	Alcoa/Airport Plaza Drive	543,000	1,017,000	165,
1/24/95	Nashville/Elm Hill	338,000	791,000	345,
12/27/94	Knoxville/Chapman Highway	753,000	1,411,000	355,
12/23/96	Nashville/Dickerson Pike	990,000	2,440,000	177,
12/23/96	Madison/Gallatin Road	780,000	1,922,000	177,
7/1/99	Nashville/Lafayette St	486,000	1,135,000	140,
7/1/99	Nashville/Metroplex Dr	380,000	886,000	103,
7/1/99	Madison/Myatt Dr	441,000	1,028,000	77,
7/1/99	Hixson/Highway 153	488,000	1,138,000	144,
7/1/99	Hixson/Gadd Rd	207,000	484,000	190,
7/1/99	Red Bank/Harding Rd	452,000	1,056,000	121,
7/1/99	Nashville/Welshwood Dr	934,000	2,179,000	127,
7/1/99	Madison/Williams Ave	1,318,000	3,076,000	202,
7/1/99	Nashville/Mcnally Dr	884,000	2,062,000	312,
7/1/99	Hermitage/Central Ct	646,000	1,508,000	115,
7/1/99	Antioch/Cane Ridge Rd	353,000	823,000	106,
12/29/00	Gardena	1,737,000	5,456,000	14,
9/86	Lakewood/Wadsworth - 6th	1,070,000	3,155,000	581,
10/86	Houston/South Loop West	1,299,000	3,491,000	1,046,
10/86	Houston/Plainfield Road	904,000	2,319,000	686,
10/86	Houston/North Freeway II	719,000	1,987,000	31,
10/86	Houston/Old Katy Road	1,365,000	3,431,000	952,
10/86	Houston/Long Piont	451,000	1,187,000	582,
10/86	Austin/Research Blvd.	1,390,000	1,710,000	503,
12/86	Lynnwood/196th Street SW	1,063,000	1,602,000	5,669,
12/86	N. Auburn/Auburn Way N.	606,000	1,144,000	356,
12/86	Gresham/Burnside & 202nd	351,000	1,056,000	380,
12/86	Denver/Sheridan Blvd	1,033,000	2,792,000	738,
12/86	Marietta/Cobb Parkway II	536,000	2,764,000	711,

Gross Carrying Amount  
At December 31, 2001

Date Acquired	Description	Gross Carrying Amount At December 31, 2001			Acc Depr
		Land	Building	Total	
12/9/98	Miami/NW 115th Ave	1,101,000	3,777,000	4,878,000	8
12/30/99	Tamarac Parkway - Denver, CO	1,889,000	6,342,000	8,231,000	4
3/31/99	Forest Park	270,000	4,359,000	4,629,000	1,1
4/1/00	Hyattsville(Edmonson)	1,035,000	2,682,000	3,717,000	2
6/30/00	San Antonio/Broadway St	1,130,000	4,583,000	5,713,000	3
12/29/00	Chicago, IL	1,937,000	6,031,000	7,968,000	2
12/30/00	Frazier, PA	800,000	3,337,000	4,137,000	
9/15/00	Tampa/Gunn Hwy	1,842,000	4,343,000	6,185,000	2
12/21/00	Houston, TX (7715 Katy Frwy)	2,275,000	5,408,000	7,683,000	
12/21/00	Houston, TX (10801 Katy Frwy)	1,666,000	3,962,000	5,628,000	
12/21/00	Houston, TX (Main St)	1,683,000	3,992,000	5,675,000	

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12/21/00	Houston, TX (W. Loop/S. Frwy)	2,037,000	4,835,000	6,872,000	
5/2/00	Mill Valley	1,410,000	3,318,000	4,728,000	2
5/2/00	Culver City	2,437,000	5,727,000	8,164,000	3
6/9/94	Chattanooga/Brainerd Road	525,000	1,473,000	1,998,000	5
6/9/94	Chattanooga/Ringgold Road	652,000	1,923,000	2,575,000	6
10/7/94	Alcoa/Airport Plaza Drive	465,000	1,260,000	1,725,000	4
1/24/95	Nashville/Elm Hill	337,000	1,137,000	1,474,000	4
12/27/94	Knoxville/Chapman Highway	645,000	1,874,000	2,519,000	6
12/23/96	Nashville/Dickerson Pike	989,000	2,618,000	3,607,000	5
12/23/96	Madison/Gallatin Road	780,000	2,099,000	2,879,000	4
7/1/99	Nashville/Lafayette St	486,000	1,275,000	1,761,000	1
7/1/99	Nashville/Metroplex Dr	379,000	990,000	1,369,000	1
7/1/99	Madison/Myatt Dr	440,000	1,106,000	1,546,000	1
7/1/99	Hixson/Highway 153	487,000	1,283,000	1,770,000	1
7/1/99	Hixson/Gadd Rd	207,000	674,000	881,000	
7/1/99	Red Bank/Harding Rd	452,000	1,177,000	1,629,000	1
7/1/99	Nashville/Welshwood Dr	933,000	2,307,000	3,240,000	2
7/1/99	Madison/Williams Ave	1,317,000	3,279,000	4,596,000	3
7/1/99	Nashville/Mcnally Dr	883,000	2,375,000	3,258,000	3
7/1/99	Hermitage/Central Ct	646,000	1,623,000	2,269,000	1
7/1/99	Antioch/Cane Ridge Rd	352,000	930,000	1,282,000	1
12/29/00	Gardena	1,736,000	5,471,000	7,207,000	8
9/86	Lakewood/Wadsworth - 6th	1,069,000	4,764,000	5,833,000	2,4
10/86	Houston/South Loop West	1,298,000	5,904,000	7,202,000	3,1
10/86	Houston/Plainfield Road	903,000	3,926,000	4,829,000	2,0
10/86	Houston/North Freeway II	661,000	2,685,000	3,346,000	1,4
10/86	Houston/Old Katy Road	1,364,000	5,658,000	7,022,000	3,0
10/86	Houston/Long Piont	451,000	2,332,000	2,783,000	1,2
10/86	Austin/Research Blvd.	1,389,000	2,886,000	4,275,000	1,4
12/86	Lynnwood/196th Street SW	1,303,000	7,602,000	8,905,000	1,4
12/86	N. Auburn/Auburn Way N.	605,000	2,034,000	2,639,000	1,0
12/86	Gresham/Burnside & 202nd	350,000	1,919,000	2,269,000	9
12/86	Denver/Sheridan Blvd	1,033,000	4,537,000	5,570,000	2,2
12/86	Marietta/Cobb Parkway II	535,000	4,492,000	5,027,000	2,2

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Date Acquired	Description	Encumbrances	Initial Cost		Cost Subsequent to Acquisition
			Land	Buildings & Improvements	
12/86	Hillsboro/T.V. Highway		461,000	574,000	249,
11/86	Arleta/Osborne Street		987,000	663,000	259,
4/87	City Of Industry/Amar		748,000	2,052,000	426,
3/87	Annandale/Ravensworth		679,000	1,621,000	246,
5/87	Oklahoma City/W. Hefner		459,000	941,000	232,
12/86	San Antonio/West Sunset Road		1,206,000	1,594,000	547,
8/86	Hammond/Calumet		97,000	751,000	491,
7/86	Portland/Johns Landing Area		663,000	1,637,000	(30,0
8/84	Kaplan (Irving)		677,000	1,592,000	3,306,
4/17/01	Philadelphia/Aramingo & Wheatsh		968,000	4,555,000	
6/18/01	Silver Springs/Prosperity		1,065,000	5,391,000	
4/18/01	Largo/Walsingham Road		1,000,000	3,554,000	
7/29/01	Miami/SW 85th Av(Dixie Hwy) US		2,755,000	4,964,000	
6/19/01	Tampa/W. Waters Ave & Wilsky		953,000	3,792,000	
12/29/01	Sacramento/Roseville		876,000	5,344,000	



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12/29/01	Old Bridge/Rte 9-N.Of Sprng Vl	1,243,000	4,718,000	
8/28/01	Hoover/John Hawkins Pkwy	1,050,000	2,455,000	7,

Other Properties

	Glendale/Western Avenue	1,622,000	3,771,000	12,107,
12/13/99	Burlingame	4,043,000	9,434,000	1,274,
12/30/99	West Palm Beach	984,000	2,358,000	47,
12/30/99	St. Petersburg	932,000	2,766,000	70,
04/28/00	San Diego/Sorrento	1,282,000	3,016,000	(84,0
05/04/00	Van Nuys/Oxnard	495,000	1,155,000	3,
01/00/00	Construction in Progress	0	0	151,182,

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 \$23,802,000 \$1,152,078,000 \$2,717,451,000 \$524,334,  
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Gross Carrying Amount  
 At December 31, 2001

Date Acquired	Description	Land	Building	Total	Acc Depr
12/86	Hillsboro/T.V. Highway	461,000	1,237,000	1,698,000	6
11/86	Arleta/Osborne Street	986,000	1,213,000	2,199,000	6
4/87	City Of Industry/Amar	748,000	3,180,000	3,928,000	8
3/87	Annandale/Ravensworth	679,000	2,463,000	3,142,000	1,2
5/87	Oklahoma City/W. Hefner	459,000	1,590,000	2,049,000	7
12/86	San Antonio/West Sunset Road	1,206,000	2,790,000	3,996,000	1,4
8/86	Hammond/Calumet	97,000	1,608,000	1,705,000	7
7/86	Portland/Johns Landing Area	663,000	2,145,000	2,808,000	1,0
8/84	Kaplan (Irving)	677,000	5,537,000	6,214,000	1,5
4/17/01	Philadelphia/Aramingo & Wheatsh	968,000	4,555,000	5,523,000	1
6/18/01	Silver Springs/Prosperity	1,065,000	5,391,000	6,456,000	1
4/18/01	Largo/Walsingham Road	1,000,000	3,554,000	4,554,000	
7/29/01	Miami/SW 85th Av(Dixie Hwy) US	2,755,000	4,964,000	7,719,000	
6/19/01	Tampa/W. Waters Ave & Wilsky	953,000	3,792,000	4,745,000	
12/29/01	Sacramento/Roseville	876,000	5,344,000	6,220,000	
12/29/01	Old Bridge/Rte 9-N.Of Sprng Vl	1,243,000	4,718,000	5,961,000	
8/28/01	Hoover/John Hawkins Pkwy	1,050,000	2,462,000	3,512,000	

Other Properties

	Glendale/Western Avenue	1,616,000	15,884,000	17,500,000	11,6
12/13/99	Burlingame	4,041,000	10,710,000	14,751,000	1,2
12/30/99	West Palm Beach	913,000	2,476,000	3,389,000	1
12/30/99	St. Petersburg	935,000	2,833,000	3,768,000	3
04/28/00	San Diego/Sorrento	1,023,000	3,191,000	4,214,000	2
05/04/00	Van Nuys/Oxnard	495,000	1,158,000	1,653,000	
01/00/00	Construction in Progress	30,001,000	121,181,000	151,182,000	

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 \$1,195,112,000 \$3,387,124,000 \$4,582,236,000 \$819,9  
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