

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

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

For the fiscal year ended December 31, 2020

OR

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

For the transition period from to

Commission file number: 001-37351

National Storage Affiliates Trust

(Exact name of Registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

46-5053858
(I.R.S. Employer
Identification No.)

**8400 East Prentice Avenue, 9th Floor
Greenwood Village, Colorado 80111**
(Address of principal executive offices) (Zip code)

(720) 630-2600

(Registrant's telephone number including area code)

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

Title of each class	Trading symbols	Name of each exchange on which registered
Common Shares of Beneficial Interest, \$0.01 par value per share	NSA	New York Stock Exchange
Series A Cumulative Redeemable Preferred Shares of Beneficial Interest, par value \$0.01 per share	NSA Pr A	New York Stock Exchange

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

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

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. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer,"

"accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

The aggregate market value of the voting and non-voting common shares of beneficial interest of National Storage Affiliates Trust held by non-affiliates of National Storage Affiliates Trust was approximately \$2.0 billion as of June 30, 2020. As of February 25, 2021, 71,359,211 common shares of beneficial interest, \$0.01 par value per share, were outstanding.

Documents Incorporated by Reference

Portions of the registrant's definitive proxy statement for its annual meeting of shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

NATIONAL STORAGE AFFILIATES TRUST

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For the Fiscal Year Ended December 31, 2020

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FORWARD-LOOKING STATEMENTS

National Storage Affiliates Trust and its consolidated subsidiaries (the "Company", "NSA," "we," "our", and "us") make forward-looking statements in this report that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. When we use the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may," or similar expressions, we intend to identify forward-looking statements.

The forward-looking statements contained in this report reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions, and changes in circumstances that may cause our actual results to differ significantly from those expressed in any forward-looking statement. One of the most significant factors is the ongoing and potential impact of the current outbreak of COVID-19 on the economy, the self storage industry and the broader financial markets, which may have a significant negative impact on the Company's financial condition, results of operations and cash flows. The Company is unable to predict whether the continuing effects of the COVID-19 pandemic will trigger a further economic slowdown or a recession and to what extent the Company will experience disruptions related to the COVID-19 pandemic. The current outbreak of COVID-19 has also impacted, and is likely to continue to impact, directly or indirectly, many of the other important factors below and the risks described under Item 1A below, and the Company's subsequent filings under the Exchange Act.

Statements regarding the following subjects, among others, may be forward-looking:

- market trends in our industry, interest rates, the debt and lending markets or the general economy;
- our business and investment strategy;
- the acquisition of properties, including those under contract, and the ability of our acquisitions to achieve underwritten capitalization rates and our ability to execute on our acquisition pipeline;
- the internalization of retiring participating regional operators ("PROs") into the Company;
- the timing of acquisitions;
- our relationships with, and our ability and timing to attract additional, PROs;
- our ability to effectively align the interests of our PROs with us and our shareholders;
- the integration of our PROs and their managed portfolios into the Company, including into our financial and operational reporting infrastructure and internal control framework;
- our operating performance and projected operating results, including our ability to achieve market rents and occupancy levels, reduce operating expenditures and increase the sale of ancillary products and services;
- our ability to access additional off-market acquisitions;
- actions and initiatives of the U.S. federal, state and local government and changes to U.S. federal, state and local government policies and the execution and impact of these actions, initiatives and policies;
- the state of the U.S. economy generally or in specific geographic regions, states, territories or municipalities;
- economic trends and economic recoveries;
- our ability to obtain and maintain financing arrangements on favorable terms;
- general volatility of the securities markets in which we participate;
- the negative impacts from the continued spread of COVID-19 on the economy, the self storage industry, the broader financial markets, the Company's financial condition, results of operations and cash flows and the ability of the Company's tenants to pay rent;
- changes in the value of our assets;
- projected capital expenditures;
- the impact of technology on our products, operations, and business;

- *the implementation of our technology and best practices programs (including our ability to effectively implement our integrated Internet marketing strategy);*
- *changes in interest rates and the degree to which our hedging strategies may or may not protect us from interest rate volatility;*
- *impact of and changes in governmental regulations, tax law and rates, accounting guidance and similar matters;*
- *our ability to continue to qualify and maintain our qualification as a real estate investment trust for U.S. federal income tax purposes ("REIT");*
- *availability of qualified personnel;*
- *the timing of conversions of each series of Class B common units of limited partner interest ("subordinated performance units") in NSA OP, LP (our "operating partnership") and subsidiaries of our operating partnership into Class A common units of limited partner interest ("OP units") in our operating partnership, the conversion ratio in effect at such time and the impact of such convertibility on our diluted earnings (loss) per share;*
- *the risks of investing through joint ventures, including whether the anticipated benefits from a joint venture are realized or may take longer to realize than expected;*
- *estimates relating to our ability to make distributions to our shareholders in the future; and*
- *our understanding of our competition.*

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Forward-looking statements are not predictions of future events. These beliefs, assumptions, and expectations can change as a result of many possible events or factors, not all of which are known to us. Readers should carefully review our financial statements and the notes thereto, as well as the sections entitled "Business," "Risk Factors," "Properties," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," described in Item 1, Item 1A, Item 2 and Item 7, respectively, of this Annual Report on Form 10-K and the other documents we file from time to time with the Securities and Exchange Commission. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I

Item 1. Business

General

National Storage Affiliates Trust is a fully integrated, self-administered and self-managed real estate investment trust organized in the state of Maryland on May 16, 2013. We have elected and we believe that we have qualified to be taxed as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2015. We serve as the sole general partner of our operating partnership subsidiary, NSA OP, LP (our "operating partnership"), a Delaware limited partnership formed on February 13, 2013 to conduct our business, which is focused on the ownership, operation, and acquisition of self storage properties located within the top 100 metropolitan statistical areas ("MSAs") throughout the United States. As of December 31, 2020, we held ownership interests in and operated a geographically diversified portfolio of 821 self storage properties, located in 36 states and Puerto Rico, comprising approximately 52.0 million rentable square feet, configured in approximately 413,000 storage units. According to the 2021 Self-Storage Almanac, we are the sixth largest owner and operator of self storage properties in the United States based on number of properties, self storage units, and rentable square footage. We completed our initial public offering in 2015 and our common shares of beneficial interest, \$0.01 par value per share ("common shares") are listed on the New York Stock Exchange under the symbol "NSA."

Our executive chairman of the board of trustees and former chief executive officer, Arlen D. Nordhagen, co-founded SecurCare Self Storage, Inc. in 1988 to invest in and manage self storage properties. While growing SecurCare to over 150 self storage properties, Mr. Nordhagen recognized a market opportunity for a differentiated public self storage REIT that would leverage the benefits of national scale by integrating multiple experienced regional self storage operators with local operational focus and expertise. We believe that his vision, which is the foundation of the Company, aligns the interests of our participating regional operators ("PROs"), with those of our public shareholders by allowing our PROs to participate alongside our shareholders in our financial performance and the performance of our PROs' "managed portfolios", which means, with respect to each PRO, the portfolio of properties that such PRO manages on our behalf. A key component of this strategy is to capitalize on the local market expertise and knowledge of regional self storage operators by maintaining the continuity of their roles as property managers.

We believe that our structure creates the right financial incentives to accomplish these objectives. We require our PROs to exchange the self storage properties they contribute to the Company for a combination of OP units and subordinated performance units in our operating partnership or subsidiaries of our operating partnership that issue units intended to be economically equivalent to the OP units and subordinated performance units issued by our operating partnership ("DownREIT partnerships"). OP units, which are economically equivalent to our common shares, create alignment with the performance of the Company as a whole. Subordinated performance units, which are linked to the performance of specific managed portfolios, incentivize our PROs to drive operating performance and support the sustainability of the operating cash flow generated by the self storage properties that they manage on our behalf. Because subordinated performance unit holders receive distributions only after portfolio-specific minimum performance thresholds are satisfied, subordinated performance units play a key role in aligning the interests of our PROs with us and our shareholders. Our structure thus offers PROs a unique opportunity to serve as regional property managers for their managed portfolios and directly participate in the potential upside of those properties while simultaneously diversifying their investment to include a broader portfolio of self storage properties. We believe our structure provides us with a competitive growth advantage over self storage companies that do not offer property owners the ability to participate in the performance and potential future growth of their managed portfolios.

We believe that our national platform has significant potential for continued external and internal growth. We seek to further expand our platform by continuing to recruit additional established self storage operators as well as opportunistically partnering with institutional funds and other institutional investors in strategic joint venture arrangements while integrating our operations through the implementation of centralized initiatives, including management information systems, revenue enhancement, and cost optimization programs. We are currently engaged in preliminary discussions with additional self storage operators and believe that we could add one to three more PROs in addition to the PROs we have currently, which will enhance our existing geographic footprint and allow us to enter regional markets in which we currently have limited or no market share.

On March 31, 2020, we closed on the merger and internalization of the management platform of SecurCare Self Storage, Inc. and its controlled affiliates ("SecurCare"), which prior to the merger and internalization was our largest PRO. As a result of the merger, we no longer pay any fees or reimbursements to SecurCare and distributions on the series of subordinated performance units related to SecurCare's managed portfolio were discontinued. Prior to the merger and internalization, SecurCare provided property management services to 217 of our properties located in California, Colorado, Florida, Georgia, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, Ohio, Oklahoma, South Carolina and Texas. As part of the internalization, we offered and provided employment to most of SecurCare's employees, including its president and chief executive officer, David Cramer, and its other key persons, to manage SecurCare's portfolio of properties as members of our existing property management platform. Effective March 31, 2020, Mr. Cramer replaced Steven B. Treadwell as our chief operating officer and executive vice president.

Our Property Management Platform

Through our property management platform, we direct, manage and control the day-to-day operations and affairs of certain consolidated properties and our unconsolidated real estate ventures under our iStorage and SecurCare brands. As of December 31, 2020, our property management platform managed and controlled 282 of our consolidated properties and 177 of our unconsolidated real estate venture properties.

We earn certain customary fees for managing and operating the properties in the unconsolidated real estate ventures and we facilitate tenant insurance and/or tenant warranty protection programs for tenants at these properties in exchange for half of all proceeds from such programs.

Our PROs

The Company had ten PROs as of December 31, 2020: Kevin Howard Real Estate Inc., d/b/a Northwest Self Storage and its controlled affiliates ("Northwest"), Optivest Properties LLC and its controlled affiliates ("Optivest"), Guardian Storage Centers LLC and its controlled affiliates ("Guardian"), Move It Self Storage and its controlled affiliates ("Move It"), Arizona Mini Storage Management Company d/b/a Storage Solutions and its controlled affiliates ("Storage Solutions"), Hide-Away Storage Services, Inc. and its controlled affiliates ("Hide-Away"), an affiliate of Shader Brothers Corporation d/b/a Personal Mini Storage ("Personal Mini"), Southern Storage Management Systems, Inc. d/b/a Southern Self Storage ("Southern"), affiliates of Investment Real Estate Management, LLC d/b/a Moove In Self Storage ("Moove In") and Blue Sky Self Storage, a strategic partnership between Argus Professional Storage Management and GYS Development LLC ("Blue Sky").

To capitalize on their recognized and established local brands, our PROs continue to function as property managers for their managed portfolios under their existing brands (which include various brands in addition to those discussed below). Over the long-run, we may seek to internalize our PROs and brand or co-brand each location as part of NSA.

- Northwest, which is headquartered in Portland, Oregon, is our PRO responsible for covering the northwest region. Northwest provided property management services to 84 of our properties located in Idaho, Oregon and Washington as of December 31, 2020. Northwest is led by Kevin Howard, a former member of our board of trustees, who founded Northwest over 30 years ago and is recognized in the industry for his successful track record as a self storage specialist in the areas of design and development, operations and property management, consultation, and brokerage.
- Optivest, which is based in Dana Point, California, is one of our PROs responsible for covering portions of the northeast and southwest regions. Optivest managed 69 of our properties located in Arizona, California, Massachusetts, Nevada, New Hampshire, New Mexico and Texas as of December 31, 2020. Optivest is run by its co-founder, Warren Allan, who has more than 25 years of financial and operational management experience in the self storage industry and is recognized as a self storage acquisition and development specialist.
- Guardian, which is based in Irvine, California, is one of our PROs responsible for covering portions of the southern California and southwest regions. Guardian managed 55 of our properties located in California, Arizona and Nevada as of December 31, 2020. Guardian is led by John Minar, who has nearly 40 years of self storage acquisition, rehabilitation, ownership, operations and development experience.
- Move It, which is based in Dallas, Texas, is one of our PROs responsible for covering portions of the Texas and southeast markets. Move It managed 45 of our properties located in Alabama, Florida, Louisiana, Mississippi, Tennessee and Texas as of December 31, 2020. Move It is led by its founder, Tracy Taylor, who has more than 40 years of experience in self storage development, acquisition and management, and is currently on the board of directors for the Large Owners Council of the Self Storage Association and is a former Chairman of the Self Storage Association.
- Storage Solutions, which is based in Chandler, Arizona, is our PRO responsible for covering portions of the Arizona and Nevada markets. Storage Solutions managed 10 of our properties in Arizona and Nevada as of December 31, 2020. Storage Solutions is led by its founder, Bill Bohannon, who is one of the largest operators in Phoenix and has more than 35 years of self storage acquisition, development and management experience. Mr. Bohannon is recognized in the industry as a self storage acquisition, development and management specialist.
- Hide-Away, which is based in Sarasota, Florida, is our PRO responsible for covering the western Florida market. Hide-Away managed 22 of our properties in western Florida as of December 31, 2020. Hide-Away is led by its founder, Steve Wilson, one of the early developers of the self storage business, who served for more than 35 years as the President of Hide-Away and its related entities, and is a former Chairman of the Self Storage Association.

- Personal Mini, which is based in Orlando, Florida, is our PRO responsible for covering portions of the central Florida market. Personal Mini managed eight of our properties in central Florida as of December 31, 2020. Personal Mini is led by Marc Smith, a self storage investor who has been involved in all facets of the self storage business. Mr. Smith is a past Chairman of the Self Storage Association, and also previously served as president of the Southeast Region of the Self Storage Association.
- Southern, which is based in Palm Beach Gardens, Florida, is one of our PROs responsible for covering portions of Arizona and the southeast region, including New Orleans, the Florida Panhandle, southern Georgia, and Puerto Rico. Southern managed 32 of our properties in Arizona, Louisiana, the Florida Panhandle, southern Georgia, and Puerto Rico as of December 31, 2020. Southern is led by Bob McIntosh and Peter Cowie, who are active real estate operators with more than 30 years of self storage experience.
- Moove In, which is based in York, Pennsylvania, is our PRO responsible for covering portions of the northeast region, including portions of Pennsylvania, Massachusetts, and New Jersey. Moove In managed 16 of our properties in Connecticut, Pennsylvania, Maryland, Massachusetts, and New Jersey as of December 31, 2020. Moove In is led by John Gilliland, a past Chairman of the Self Storage Association.
- Blue Sky, which is a strategic partnership between Argus Professional Storage Management and GYS Development LLC and is based in the mountain west, is our PRO responsible for covering portions of Kansas, Georgia and Texas. Blue Sky managed four of our properties in Kansas and Texas as of December 31, 2020. Blue Sky is led by Lee Fredrick, Ben Vestal and Michael Perry, who have extensive experience in acquisition, development and management of self storage properties.

We benefit from the local market knowledge and active presence of our PROs, allowing us to build and foster important customer and industry relationships. These local relationships provide attractive off-market acquisition opportunities that we believe will continue to fuel additional external growth.

We believe our structure allows our PROs to optimize their established property management platforms while addressing financial and operational hurdles. Before joining us, our PROs faced challenges in securing low cost capital and had to manage multiple investors and lending relationships, making it difficult to compete with larger competitors, including public REITs, for acquisition and investment opportunities. Our PROs were also limited in their ability to raise growth capital through the sale of assets, a portfolio refinancing, or capital contributions from new equity partners. Serving as our on-the-ground acquisition teams, our PROs now have access to our broader financing sources and lower cost of capital, while our national platform allows them to benefit from economies of scale to drive operating efficiencies in a rapidly evolving, technology-driven industry.

Our Consolidated Properties

We seek to own properties that are well located in high quality sub-markets with highly accessible street access and attractive supply and demand characteristics, providing our properties with strong and stable cash flows that are less sensitive to the fluctuations of the general economy. Many of these markets have multiple barriers to entry against increased supply, including zoning restrictions against new construction and new construction costs that we believe are higher than our properties' fair market value. As of December 31, 2020, we owned a geographically diversified portfolio of 644 self storage properties, located in 33 states and Puerto Rico, comprising approximately 39.3 million rentable square feet, configured in approximately 309,000 storage units. Of these properties, 276 were acquired by us from our PROs, 367 were acquired by us from third-party sellers and one was acquired by us from the 2016 Joint Venture (as defined in Note 5 to the consolidated financial statements in Item 8). A complete listing of, and additional information about, our self storage properties is included in Item 2 of this report.

During the year ended December 31, 2020, we acquired 77 consolidated self storage properties, of which 11 were acquired by us from our PROs and 66 were acquired by us from third-party sellers. The following is a summary of our 2020 consolidated acquisition activity (dollars in thousands):

State	Number of Properties	Number of Units	Rentable Square Feet	Fair Value
2020 Acquisitions:				
Texas	44	18,790	2,566,225	\$ 306,978
Colorado	5	1,690	224,820	24,746
Florida	3	2,166	256,365	35,702
Oklahoma	3	1,508	222,570	14,193
Georgia	2	764	109,125	8,698
Idaho	2	595	91,962	7,487
Kansas	2	299	102,961	4,941
Oregon	2	709	92,300	13,492
Pennsylvania	2	1,671	198,630	19,187
Washington	2	903	139,290	15,731
Other ⁽¹⁾	10	5,781	742,618	92,177
Total	77	34,876	4,746,866	\$ 543,332

(1) Self storage properties in other states acquired during the year ended December 31, 2020 include Arizona, Connecticut, Maryland, Massachusetts, Minnesota, Missouri, New Jersey, New York, North Carolina, and Tennessee.

During the year ended December 31, 2019, we acquired 69 consolidated self storage properties, of which 19 were acquired by us from our PROs, 49 were acquired by us from third-party sellers and one was acquired by us from the 2016 Joint Venture. The following is a summary of our 2019 consolidated acquisition activity (dollars in thousands):

State	Number of Properties	Number of Units	Rentable Square Feet	Fair Value
2019 Acquisitions:				
Florida	12	5,400	653,564	\$ 90,580
Louisiana	12	6,052	682,729	69,330
Texas	11	5,292	801,344	79,688
Georgia	10	5,113	658,636	70,134
Pennsylvania	6	2,665	299,125	33,162
Idaho	3	925	202,545	12,450
New Jersey	3	1,436	191,304	18,182
New Mexico	3	1,950	233,868	28,221
Arizona	2	801	97,320	11,475
Massachusetts	2	1,454	124,200	12,312
Missouri	2	861	103,726	9,066
Other ⁽¹⁾	3	1,011	128,937	13,230
Total	69	32,960	4,177,298	\$ 447,830

(1) Self storage properties in other states acquired during the year ended December 31, 2019 include Maryland, New Hampshire and Oregon.

During the year ended December 31, 2019, we sold one self storage property to an unrelated third party for \$6.5 million. The self storage property comprised less than 0.1 million rentable square feet configured in approximately 500 storage units.

Our Unconsolidated Real Estate Ventures

We seek to opportunistically partner with institutional funds and other institutional investors to acquire attractive portfolios utilizing a promoted return structure. We believe there is significant opportunity for continued external growth by partnering with institutional investors seeking to deploy capital in the self storage industry.

2018 Joint Venture

As of December 31, 2020, our 2018 Joint Venture (as defined in Note 5 to the consolidated financial statements in Item 8), in which we have a 25% ownership interest, owned and operated 103 self storage properties containing approximately 7.8 million rentable square feet, configured in over 64,000 storage units and located across 17 states. During the year ended December 31, 2020, our 2018 Joint Venture acquired one self storage property containing less than 0.1 million rentable square feet, configured in approximately 600 storage units, which was combined and is being operated together with one of the 2018 Joint Venture's existing properties.

2016 Joint Venture

As of December 31, 2020, our 2016 Joint Venture (as defined in Note 5 to the consolidated financial statements in Item 8), in which we have a 25% ownership interest, owned and operated a portfolio of 74 properties containing approximately 4.9 million rentable square feet, configured in approximately 40,000 storage units and located across 13 states. During the year ended December 31, 2020, our 2016 Joint Venture acquired two self storage properties containing less than 0.1 million rentable square feet, configured in approximately 500 storage units and located in one state.

Our Competitive Strengths

We believe our unique PRO structure combined with our property management platform allows us to differentiate ourselves from other self storage operators, and the following competitive strengths enable us to effectively compete against our industry peers:

High Quality Properties in Key Growth Markets. We held ownership interests in and operated a geographically diversified portfolio of 821 self storage properties, located in 36 states and Puerto Rico, comprising approximately 52.0 million rentable square feet, configured in approximately 413,000 storage units as of December 31, 2020. Over 75% of our consolidated portfolio is located in the top 100 MSAs, based on our 2020 net operating income ("NOI"). We believe that these properties are primarily located in high quality growth markets that have attractive supply and demand characteristics and are less sensitive to the fluctuations of the general economy. Many of these markets have multiple barriers to entry against increased supply, including zoning restrictions against new construction and new construction costs that we believe are higher than our properties' fair market value. Furthermore, we believe that our significant size and the overall geographic diversification of our portfolio reduces risks associated with specific local or regional economic downturns or natural disasters.

Differentiated, Growth-Oriented Strategy Focused on Established Operators. We are a self storage REIT with a unique structure that supports our differentiated external growth strategy. Our PRO structure appeals to operators who are looking for access to growth capital while maintaining an economic stake in the self storage properties that each manages on the Company's behalf. These attributes entice operators to join the Company rather than sell their properties for cash consideration. Through our PRO structure, we seek to attract operators who are confident in the future performance of their properties and desire to participate in the growth of the Company. We have successfully recruited established operators across the United States with a history of efficient property management and a track record of successful acquisitions. Our structure and differentiated strategy have enabled us to build a substantial captive pipeline from existing operators as well as potentially create external growth from the recruitment of additional PROs.

Integrated Platform Utilizing Advanced Technology for Enhanced Operational Performance and Best Practices. Our national platform allows us to capture cost savings through integration and centralization, thereby eliminating redundancies and utilizing economies of scale across the property management platforms of us and our PROs. As compared to a stand-alone operator, our national platform has greater access to lower-cost capital, reduced Internet marketing costs per customer lead, discounted property insurance expense, and reduced overhead costs. In addition, the Company has sufficient scale for various centralized functions, including financial reporting, the operation of call centers, expanding cell tower leasing, a national credit card processing program, marketing, information technology, legal support, and capital market functions, to achieve substantial cost savings over smaller, individual operators.

Our national platform utilizes advanced technology for our data warehouse program, Internet marketing, our centralized call centers, financial and property analytic dashboards, revenue optimization analytics and expense management tools to enhance operational performance. These centralized programs, which are run through our Technology and Best Practices Group, are positively impacting our business performance, and we believe that they

will continue to be a driver of organic growth going forward. We will continue to utilize our Technology and Best Practices Group to help us benefit from the collective sharing of key operating strategies among our PROs in areas like human resource management, local marketing and operating procedures and building tenant insurance-related arrangements.

Aligned Incentive Structure with Shareholder Downside Protection. Our structure promotes operator accountability as subordinated performance units issued to our PROs in exchange for the contribution of their properties are entitled to distributions only after those properties satisfy minimum performance thresholds. In the event of a material reduction in operating cash flow, distributions on our subordinated performance units will be reduced before or disproportionately to distributions on our common shares held by our common shareholders. In addition, we expect our PROs will generally co-invest subordinated equity in the form of subordinated performance units in each acquisition that they source from a third-party seller, and the value of these subordinated performance units will fluctuate with the performance of their managed portfolios. Therefore, our PROs are incentivized to select acquisitions that are expected to exceed minimum performance thresholds, thereby increasing the value of their subordinated equity stake. We expect that our shareholders will benefit from the higher levels of property performance that our PROs are incentivized to deliver.

Our Business and Growth Strategies

By capitalizing on our competitive strengths, we seek to increase scale, achieve optimal revenue-producing occupancy and rent levels, and increase long-term shareholder value by achieving sustainable long-term growth. Our business and growth strategies to achieve these objectives are as follows:

Maximize Property Level Cash Flow. We strive to maximize the cash flows at our properties by leveraging the economies of scale provided by our national platform, including through the implementation of new ideas derived from our Technology and Best Practices Group. We believe that our unique PRO structure, centralized infrastructure and efficient national platform will enable us to achieve optimal market rents and occupancy, reduce operating expenses and increase the sale by our PROs of ancillary products and services, including tenant insurance, of which we receive a portion of the proceeds, truck rentals and packing supplies.

Acquire Built-in Captive Pipeline of Target Properties from Existing PROs. We have an attractive, high quality potential acquisition pipeline (our "captive pipeline") of over 170 self storage properties valued at approximately \$1.8 billion that will continue to drive our future growth. We consider a property to be in our captive pipeline if it (i) is under a management service agreement with one of our PROs, (ii) meets our property quality criteria, and (iii) is either required to be offered to us under the applicable facilities portfolio management agreement or a PRO has a reasonable basis to believe that the controlling owner of the property intends to sell the property in the next seven years.

Our PROs have management service agreements with all of the properties in our captive pipeline and hold controlling and non-controlling ownership interests in some of these properties. With respect to each property in our captive pipeline in which a PRO holds a controlling ownership interest, such PRO has agreed that it will not transfer (or permit the transfer of, to the extent possible) any interest in such self storage property without first offering or causing to be offered (if permissible) such interest to us. In addition, upon maturity of the outstanding mortgage indebtedness encumbering such property, so long as occupancy is consistent with or exceeds average local market levels, which we determine in our sole discretion, such PRO has agreed to offer or cause to be offered (if permissible) such interest to us. With respect to captive pipeline properties in which our PROs have a non-controlling ownership interest or no ownership interest, each PRO has agreed to use commercially reasonable good faith efforts to facilitate our purchase of such property. We preserve the discretion to accept or reject any of the properties that our PROs are required to, or elect to, offer (or cause to be offered) to us.

Access Additional Off-Market Acquisition Opportunities. Our PROs and their "on-the-ground" personnel have established an extensive network of industry relationships and contacts in their respective markets. Through these local connections, our PROs are able to access acquisition opportunities that are not publicly marketed or sold through auctions. Our structure incentivizes our PROs to source acquisitions in their markets from third-party sellers and consolidate these properties into the Company. Other public self storage companies generally have acquisition teams located at their central offices, which in many instances are far removed from regional and local markets. We believe our operators' networks and close familiarity with the other operators in their markets provide us clear competitive advantages in identifying and selecting attractive acquisition opportunities.

Recruit Additional New PROs in Target Markets. We intend to continue to execute on our external growth strategy through additional acquisitions and contributions from future PROs in key markets. We believe there is significant opportunity for growth through consolidation of the highly fragmented composition of the market. We believe that future operators will be attracted to our unique structure, providing them with lower cost of capital, better economies of scale, and greater operational and overhead efficiencies while preserving their existing property management platforms. We intend to add one to three additional PROs to complement our existing geographic footprint and to achieve our goal of creating a highly diversified nationwide portfolio of properties focused in the top 100 MSAs. When considering a PRO candidate, we consider various factors, including the size of the potential PRO's portfolio, the quality and location of its properties, its market exposure, its operating expertise, its ability to grow its business, and its reputation with industry participants.

Strategic Joint Venture Arrangements. We intend to continue to opportunistically partner with institutional funds and other institutional investors to acquire attractive portfolios utilizing a promoted return structure. We believe there is significant opportunity for continued external growth by partnering with institutional investors seeking to deploy capital in the self storage industry. We intend to leverage our property management platform to provide property and asset management services for future strategic joint ventures, generating additional operating profits and third party fee income. In addition, we consider the 75% third-party interest in our unconsolidated real estate ventures, which currently own 177 properties, to present a potential acquisition opportunity. This 75% third-party share of gross real estate assets is approximately \$1.5 billion based on the historical book value of the joint ventures. Were we to pursue an acquisition of these interests, it could potentially drive our future growth.

Our Financing Strategy

We expect to maintain a flexible approach in financing new property acquisitions. In general, we expect to fund our property acquisitions through a combination of borrowings under bank credit facilities (including term loans and revolving facilities), property-level debt, issuances of OP equity and public and private equity and debt issuances.

As of December 31, 2020, our unsecured credit facility provided for total borrowings of \$1.275 billion (the "credit facility"). The credit facility consists of the following components: (i) a revolving line of credit (the "Revolver") which provides for a total borrowing commitment up to \$500.0 million, under which we may borrow, repay and re-borrow amounts, (ii) a \$125.0 million tranche A term loan facility (the "Term Loan A"), (iii) a \$250.0 million tranche B term loan facility (the "Term Loan B"), (iv) a \$225.0 million tranche C term loan facility (the "Term Loan C"), and (v) a \$175.0 million tranche D term loan facility (the "Term Loan D"). As of December 31, 2020, we had the entire amounts drawn on Term Loan A, Term Loan B, Term Loan C and Term Loan D and we had \$174.0 million of outstanding borrowings under the Revolver, and the capacity to borrow an additional \$320.3 million under the Revolver while remaining in compliance with the credit facility's financial covenants. As of December 31, 2020, we have an expansion option under the credit facility, which, if exercised in full, would provide for a total credit facility of \$1.750 billion.

We have a credit agreement with a syndicated group of lenders for a term loan facility that matures in June 2023 (the "2023 Term Loan Facility") and is separate from the credit facility in an aggregate amount of \$175.0 million. As of December 31, 2020 the entire amount was outstanding under the 2023 Term Loan Facility with an effective interest rate of 2.83%. We have an expansion option under the 2023 Term Loan Facility, which, if exercised in full, would provide for total borrowings in an aggregate amount of \$400.0 million.

We have a credit agreement with a lender for a term loan facility that matures in December 2028 (the "2028 Term Loan Facility") and is separate from the credit facility and 2023 Term Loan Facility in an aggregate amount of \$75.0 million. As of December 31, 2020 the entire amount was outstanding under the 2028 Term Loan Facility with an effective interest rate of 4.62%. We have an expansion option under the 2028 Term Loan Facility, which, if exercised in full, would provide for total borrowings in an aggregate amount up to \$125.0 million.

We have a credit agreement with a lender for a term loan facility that matures in April 2029 (the "2029 Term Loan Facility") and is separate from the credit facility, 2023 Term Loan Facility and 2028 Term Loan Facility in an aggregate amount of \$100.0 million. As of December 31, 2020 the entire amount was outstanding under the 2029 Term Loan Facility with an effective interest rate of 4.27%.

The credit facility, 2023 Term Loan Facility, 2028 Term Loan Facility, and 2029 Term Loan Facility each contain the same financial covenants and customary affirmative and negative covenants that, among other things, could limit the Company's ability to make distributions or certain investments, incur debt, incur liens and enter into certain transactions.

On August 30, 2019, our operating partnership issued \$100.0 million of 3.98% senior unsecured notes due August 30, 2029 (the "2029 Notes") and \$50.0 million of 4.08% senior unsecured notes due August 30, 2031 (the "2031 Notes") in a private placement to certain institutional investors.

On October 22, 2020, our operating partnership issued \$150.0 million of 2.99% senior unsecured notes due August 5, 2030 (the "2030 Notes") and \$100.0 million of 3.09% senior unsecured notes due August 5, 2032 (the "2032 Notes" and together with the 2029 Notes, 2030 Notes and 2031 Notes, the "Senior Unsecured Notes") in a private placement to certain institutional investors.

The Senior Unsecured Notes are subject to customary affirmative and negative covenants that, among other things, limit the Company's ability to make distributions or certain investments, incur debt, incur liens and enter into certain transactions.

We expect to employ leverage in our capital structure in amounts determined from time to time by our board of trustees. Although our board of trustees has not adopted a policy which limits the total amount of indebtedness that we may incur, it will consider a number of factors in evaluating our level of indebtedness from time to time, as well as the amount of such indebtedness that will be either fixed and variable-rate, and in making financial decisions, including, among others, the following:

- the interest rate of the proposed financing;
- the extent to which the financing impacts our flexibility in managing our properties;
- prepayment penalties and restrictions on refinancing;
- the purchase price of properties we acquire with debt financing;
- our long-term objectives with respect to the financing;
- our target investment returns;
- the ability of particular properties, and the Company as a whole, to generate cash flow sufficient to cover expected debt service payments;
- overall level of consolidated indebtedness;
- timing of debt maturities;
- provisions that require recourse and cross-collateralization;
- corporate credit ratios including debt service coverage, debt to total market capitalization and debt to undepreciated assets; and
- the overall ratio of fixed- and variable-rate debt.

Our indebtedness may be recourse, non-recourse or cross-collateralized. If the indebtedness is non-recourse, the collateral will be limited to the particular properties to which the indebtedness relates. In addition, we may invest in properties subject to existing loans secured by mortgages or similar liens on our properties, or may refinance properties acquired on a leveraged basis. We may use the proceeds from any borrowings to refinance existing indebtedness, to refinance investments, including the redevelopment of existing properties, for general working capital or for other purposes when we believe it is advisable.

Dividend Reinvestment Plan

In the future, we may adopt a dividend reinvestment plan that will permit shareholders who elect to participate in the plan to have their cash dividends reinvested in additional common shares.

Regulation

General

Generally, self storage properties are subject to various laws, ordinances and regulations, including those relating to lien sale rights and procedures, public accommodations, insurance, and the environment. Changes in any of these laws, ordinances or regulations could increase the potential liability existing or created by tenants or others on our properties. Laws, ordinances, or regulations affecting development, construction, operation, upkeep, safety

and taxation requirements may result in significant unanticipated expenditures, loss of self storage sites or other impairments to operations, which would adversely affect our cash flows from operating activities.

Under the Americans with Disabilities Act of 1990 (the "ADA"), all places of public accommodation are required to meet certain federal requirements related to access and use by disabled persons. A number of additional U.S. federal, state and local laws may also require modifications to our properties, or restrict certain further renovations of the properties, with respect to access thereto by disabled persons. The ADA or these other laws may also apply to our website. For additional information on the ADA, see "Item 1A. Risk Factors—Risks Related to Our Business—Costs associated with complying with the ADA may result in unanticipated expenses."

Insurance activities are subject to state insurance laws and regulations as determined by the particular insurance commissioner for each state in accordance with the McCarran-Ferguson Act, as well as subject to the Gramm-Leach-Bliley Act and the privacy regulations promulgated by the Federal Trade Commission pursuant thereto.

Under various U.S. federal, state and local laws, ordinances and regulations, owners and operators of real estate may be liable for the costs of investigating and remediating certain hazardous substances or other regulated materials on or in such property. The Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended ("CERCLA") and comparable state laws typically impose strict joint and several liabilities without regard to whether the owner or operator knew of, or was responsible for, the presence of such substances or materials. The presence of such substances or materials, or the failure to properly remediate such substances, may adversely affect the owner's or operator's ability to lease, sell or rent such property or to borrow using such property as collateral. Persons who arrange for the disposal or treatment of hazardous substances or other regulated materials may be liable for the costs of removal or remediation of such substances at a disposal or treatment facility, whether or not such facility is owned or operated by such person. Certain environmental laws impose liability for release of asbestos-containing materials into the air and third-parties may seek recovery from owners or operators of real properties for personal injury associated with asbestos-containing materials. Certain environmental laws also impose liability, without regard to knowledge or fault, for removal or remediation of hazardous substances or other regulated materials upon owners and operators of contaminated property. Moreover, the past or present owner or operator of a property from which a release emanates could be liable for any personal injuries or property damages that may result from such releases, as well as any damages to natural resources that may arise from such releases. Certain environmental laws impose compliance obligations on owners and operators of real property with respect to the management of hazardous materials and other regulated substances. For example, environmental laws govern the management of asbestos-containing materials and lead-based paint. Failure to comply with these laws can result in penalties or other sanctions. In connection with the ownership, operation and management of our current or past properties and any properties that we may acquire and/or manage in the future, we could be legally responsible for environmental liabilities or costs relating to a release of hazardous substances or other regulated materials at or emanating from such property. In order to assess the potential for such liability, we conduct an environmental assessment of each property prior to acquisition and manage our properties in accordance with environmental laws while we own or operate them. We have engaged qualified, reputable and adequately insured environmental consulting firms to perform environmental site assessments of all of our properties prior to acquisition and are not aware of any environmental issues that are expected to materially impact the operations of any property. For additional information on environmental matters and regulation, see "Item 1A. Risk Factors—Risks Related to Our Business—Environmental compliance costs and liabilities associated with operating our properties may affect our results of operations."

Property management activities are often subject to state real estate brokerage laws and regulations as determined by the particular real estate commission for each state.

REIT Qualification

We have elected and we believe that we have qualified to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, (the "Code"), commencing with our taxable year ended on December 31, 2015. We generally will not be subject to U.S. federal income tax on our net taxable income to the extent that we distribute annually all of our net taxable income to our shareholders and maintain our qualification as a REIT. We believe that we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and we expect that our intended manner of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT. To qualify, and maintain our qualification, as a REIT, we must meet on a continuing basis, through our organization and actual investment and operating results, various requirements under the Code relating to, among other things, the sources of our gross income, the composition and

values of our assets, our distribution levels and the diversity of ownership of our shares. If we fail to qualify as a REIT in any taxable year and do not qualify for certain statutory relief provisions, we will be subject to U.S. federal income tax at regular corporate rates and may be precluded from qualifying as a REIT for the subsequent four taxable years following the year during which we failed to qualify as a REIT. Even if we qualify for taxation as a REIT, we still may be subject to some U.S. federal, state and local taxes on our income or assets. In addition, subject to maintaining our qualification as a REIT, a portion of our business is conducted through, and a portion of our income is earned by, one or more taxable REIT subsidiaries ("TRSs"), which are subject to U.S. federal corporate income tax at regular rates. Distributions paid by us generally will not be eligible for taxation at the preferential U.S. federal income tax rates that currently apply to certain distributions received by individuals from taxable corporations, unless such distributions are attributable to dividends received by us from a TRS.

U.S. Federal Income Tax Legislation

On December 22, 2017, Congress enacted H.R. 1, also known as the Tax Cuts and Jobs Act of 2017 ("TCJA"). The TCJA made major changes to the Internal Revenue Code, including the reduction of the tax rates applicable to individuals and subchapter C corporations, a reduction or elimination of certain deductions (including new limitations on the deductibility of interest expense), permitting immediate expensing of capital expenditures and significant changes in the taxation of earnings from non-U.S. sources. The effect of the significant changes made by the TCJA remains uncertain, and additional administrative guidance is still required in order to fully evaluate the effect of many provisions. In addition, final regulations implementing certain of these new rules have not yet been issued and additional changes or corrections may still be forthcoming. While we do not currently expect this reform to have a significant impact to the Company's consolidated financial statements, stockholders are urged to consult with their tax advisors regarding the effects of the TCJA or other legislative, regulatory or administrative developments on an investment in the Company's common stock.

Competition

We compete with many other entities engaged in real estate investment activities for customers and acquisitions of self storage properties and other assets, including national, regional, and local owners, operators, and developers of self storage properties. We compete based on a number of factors including location, rental rates, security, suitability of the property's design to prospective tenants' needs, and the manner in which the property is operated and marketed. We believe that the primary competition for potential customers comes from other self storage properties within a three to five mile radius. We have positioned our properties within their respective markets as high-quality operations that emphasize tenant convenience, security, and professionalism.

We also may compete with numerous other potential buyers when pursuing a possible property for acquisition, which can increase the potential cost of a project. These competing bidders also may possess greater resources, or have a lower cost of capital, than us and therefore be in a better position to acquire a property. However, our use of OP units and subordinated performance units as transactional currency allows us to structure our acquisitions in tax-deferred transactions. As a result, potential targets who are tax-sensitive might favor us as a suitor.

Our primary national competitors in many of our markets for both tenants and acquisition opportunities include local and regional operators, institutional investors, private equity funds, as well as the other public self storage REITs, including Public Storage, CubeSmart, Extra Space Storage Inc. and Life Storage, Inc. These entities also seek financing through similar channels to the Company. Therefore, we will continue to compete for institutional investors in a market where funds for real estate investment may decrease.

Human Capital

We seek to foster a diverse and inclusive work environment that values each individual team member's talents and contributions, while channeling those efforts toward our common core values of integrity, accountability, humility and compassion. Our success relies on the the general professionalism of our and our PRO's site managers and staff which are contributing factors to a site's ability to successfully secure rentals, retain tenants and maintain clean and secure self storage properties. We seek to increase employee retention and well-being and our team members enjoy a robust benefit package that includes medical, dental, vision, life insurance, 401K with matching employer contribution and a performance-based bonus incentive plan. We also seek to promote diversity among our employees and management team. As of December 31, 2020, approximately 58% of our employees were women and 33% of our senior management team (Director level and above) were women, including Tamara Fischer, our President, Chief Executive Officer and member of our Board of Trustees.

As of December 31, 2020, we had 924 employees, which includes employees of our property management platform but does not include persons employed by our PROs. As of December 31, 2020, our PROs, collectively, had approximately 760 full-time and part-time employees involved in management, operations, and reporting with respect to our self storage property portfolio.

Available Information

We file registration statements, proxy statements, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those statements and reports with the Securities and Exchange Commission (the "SEC"). Investors may obtain copies of these statements and reports by accessing the SEC's website at www.sec.gov. Our statements and reports and any amendments to any of those statements and reports that we file with the Securities and Exchange Commission are available free of charge as soon as reasonably practicable on our website at www.nationalstorageaffiliates.com. The information contained on our website is not incorporated into this Annual Report on Form 10-K. Our common shares are listed on the New York Stock Exchange under the symbol "NSA."

Item 1A. Risk Factors

An investment in our common shares involves a high degree of risk. Before making an investment decision, you should carefully consider the following risk factors, together with the other information contained in this Annual Report on Form 10-K. If any of the risks discussed in this Annual Report on Form 10-K occurs, our business, financial condition, liquidity and results of operations could be materially and adversely affected.

Risks Related to our Business

Adverse economic or other conditions in the markets in which we do business and more broadly associated with the real estate industry could negatively affect our occupancy levels and rental rates and therefore our operating results and the value of our self storage properties.

Our operating results are dependent upon our ability to achieve optimal occupancy levels and rental rates at our self storage properties. Adverse economic or other conditions in the markets in which we do business, particularly in our markets in California, Texas, Florida, Oregon, Georgia, Arizona and North Carolina, which accounted for approximately 20%, 13%, 11%, 10%, 6%, 6% and 5%, respectively, of our total rental and other property-related revenues for the year ended December 31, 2020, may lower our occupancy levels and limit our ability to maintain or increase rents or require us to offer rental discounts. No single customer represented a significant concentration of our 2020 revenues. However, our property portfolio, consists solely of self storage properties and is therefore subject to risks inherent in investments in a single industry. The following adverse developments, among others, in the markets in which we do business may adversely affect the operating performance of our properties:

- business layoffs or downsizing, industry slowdowns, relocation of businesses and changing demographics;
- periods of economic slowdown or recession, declining demand for self storage generally or in a particular area or the public perception that any of these events may occur;
- local or regional real estate market conditions, such as competing properties or products, the oversupply of self storage, or vacancies or changes in self storage space market rents;
- perceptions by prospective tenants of the safety, convenience and attractiveness of our properties and the neighborhoods in which they are located; and
- other events affecting or shifting consumer discretionary spending.

Any of the above events may reduce our rental revenues, impair our operating results, and reduce our ability to satisfy our debt service obligations and make cash distributions to our shareholders, and the effect of the foregoing may be greater than it would be were our investments not limited to a single industry.

We may not be successful in identifying and consummating suitable acquisitions, adding additional suitable new PROs, or integrating and operating such acquisitions, including integrating them into our financial and operational reporting infrastructure and internal control framework in a timely manner, which may impede our growth.

Our ability to expand through acquisitions is integral to our business strategy and requires us to identify suitable acquisition candidates or investment opportunities that meet our criteria and are compatible with our growth strategy. We may not be successful in identifying suitable properties or other assets that meet our acquisition criteria or in consummating acquisitions on satisfactory terms or at all. Failure to identify or consummate acquisitions will slow our growth, which could in turn adversely affect our share price.

For the potential acquisitions in our captive pipeline, we have not entered into negotiations with the respective owners of these properties and there can be no assurance as to whether we will acquire any of these properties or the actual timing of any such acquisitions. Each captive pipeline property is subject to additional due diligence and the determination by us to pursue the acquisition of the property. In addition, with respect to the captive pipeline properties in which our PROs have a non-controlling ownership interest or no ownership interest, the current owner of each property is not required to offer such property to us and there can be no assurance that we will acquire these properties.

Our ability to acquire properties on favorable terms and successfully integrate and operate them, including integrating them into our financial and operational reporting infrastructure in a timely manner, may be constrained by the following significant risks:

- we face competition from national, regional and local owners, operators and developers of self storage properties, which may result in higher property acquisition prices and reduced yields;
- we may not be able to achieve satisfactory completion of due diligence investigations and other customary closing conditions;
- we may fail to finance an acquisition on favorable terms or at all;
- we may spend more time and incur more costs than budgeted to make necessary improvements or renovations to, and to integrate and operate, acquired properties; and
- we may acquire properties subject to liabilities without any recourse, or with only limited recourse, with respect to unknown liabilities such as liabilities for clean-up of undisclosed environmental contamination, tax liabilities, claims by persons dealing with the former owners of the properties and claims for indemnification by general partners, trustees, officers and others indemnified by the former owners of the properties.

The contributors of properties may make limited representations and warranties to us about the properties and may agree to indemnify us up to a specified amount for a certain period of time following the closing for breaches of those representations and warranties. However, any resulting liabilities identified may not fall within the scope or time frame covered by the indemnification, and we may be required to bear those liabilities, which may materially and adversely affect our operating results, financial condition and business.

We face competition for tenants.

We compete with many other entities engaged in real estate investment activities for tenants, including national, regional and local owners, operators and developers of self storage properties. Actions by our competitors may decrease or prevent increases in the occupancy and rental rates, while increasing the operating expenses of our properties.

Increases in taxes and regulatory compliance costs, including as a result of changes in law or property reassessments, may reduce our income and adversely impact our cash flows.

Increases in income or other taxes generally are not passed through to tenants under leases and may reduce our net income, funds from operations ("FFO"), cash flows, financial condition, ability to pay or refinance our debt obligations, ability to make cash distributions to shareholders, and the trading price of our securities.

In addition, the value of our properties may be reassessed for property tax purposes by taxing authorities including as a result of our acquisition activities. For example, our property taxes could increase due to changes in tax rates or removal of limitations on the amount by which our property taxes or property reassessments may

increase. For example, in November 2020, there was an initiative in California, which did not pass, to remove certain limits on annual real estate tax increases of assessed value of real property. To the extent a similar future initiative is successful, it would increase the assessed value and/or tax rates applicable to self storage properties in California. We currently have 83 consolidated properties and 12 unconsolidated properties in California. Accordingly, the amount of property taxes we pay in the future may increase substantially from what we have paid in the past or from what we expected in connection with our underwriting activities, which could adversely impact our operating results, cash flow, and our ability to pay any expected dividends to our shareholders.

Similarly, in response to facing severe budgetary problems, many states and jurisdictions are considering or implementing changes in laws such as increasing sales taxes, increasing the potential liability for environmental conditions existing on properties, increasing the restrictions on discharges or other conditions, or mandating paid family leave for employees, which may result in significant unanticipated expenditures, which could result in similar adverse effects.

Our storage leases are relatively short-term in nature, which exposes us to the risk that we may have to release our units and we may be unable to do so on attractive terms, on a timely basis or at all.

Our storage leases are relatively short-term in nature, typically month-to-month, which exposes us to the risk that we may have to re-lease our units frequently and we may be unable to do so on attractive terms, on a timely basis or at all. Because these leases generally permit the tenant to leave at the end of the month without penalty, our revenues and operating results may be impacted by declines in market rental rates more quickly than if our leases were for longer terms. In addition, any delay in re-leasing units as vacancies arise would reduce our revenues and harm our operating results.

Security breaches through cyber-attacks, cyber-intrusions, or other methods could disrupt our information technology networks and related systems.

We and our PROs are increasingly dependent upon automated information technology processes and Internet commerce, and many of our and their tenants come from the telephone or over the Internet. Moreover, the nature of our and our PROs' business involves the receipt and retention of certain personal information about such tenants. In many cases, we and our PROs also rely significantly on third-party vendors to retain data, process transactions and provide other systems services. Our networks and operations could be disrupted, and sensitive data could be compromised, by physical or electronic security breaches, targeted against us, our PROs, our vendors or other organizations, including financial markets or institutions, including by way of or through cyber-attacks or cyber-intrusions over the Internet, malware, computer viruses, attachments to e-mails, phishing, employee theft or misuse, or inadequate security controls. Although we make efforts to protect the security and integrity of our networks and systems, there can be no assurance that these efforts and measures will be effective or that attempted security breaches or disruptions would not be successful, as such attacks and breaches may be difficult to detect (or not detected at all) and are becoming more sophisticated. In such event, we may experience business interruptions; data loss, ransom, misappropriation, or corruption; theft or misuse of confidential or proprietary information; or litigation and investigation by tenants, governmental or regulatory agencies, or other third parties, which could result in the payment of fines, penalties and other damages. Such events could also have other adverse impacts on us, including breaches of debt covenants, other contractual or REIT compliance obligations, or late or misstated financial reports, and significant diversion of management attention and resources. As a result, such events could have a material adverse effect on our financial condition, results of operations and cash flows and harm our business reputation or have such effects on our PROs.

Costs associated with complying with the ADA may result in unanticipated expenses.

Under the ADA and other federal, state and local laws, we are required to meet certain requirements related to access and use by disabled persons. Noncompliance with the ADA could result in the imposition of fines or an award of damages to private litigants and also could result in an order to correct any non-complying feature, which could result in substantial capital expenditures. If one or more of our properties or website is not in compliance with the ADA or similar laws, then we would be required to incur additional costs to bring the property or website into compliance. If we incur such costs and they are substantial, our financial condition, results of operations, cash flow, per share trading price of our common shares and our ability to satisfy our debt service obligations and to make cash distributions to our shareholders could be adversely affected.

Environmental compliance costs and liabilities associated with operating our properties may affect our results of operations.

Under various U.S. federal, state and local environmental laws, ordinances and regulations, owners and operators of real estate may be liable for the costs of investigating and remediating certain hazardous substances or other regulated materials on or in such property. No assurances can be given that existing environmental studies with respect to any of our properties reveal all environmental liabilities, that any prior owner or operator of our properties did not create any material environmental condition not known to us, or that a material environmental condition does not otherwise exist as to any one or more of our properties. There also exists the risk that material environmental conditions, liabilities or compliance concerns may have arisen after the review was completed or may arise in the future. Finally, future laws, ordinances or regulations and future interpretations of existing laws, ordinances or regulations may impose additional material environmental liability.

We and certain of our PROs have tenant insurance- and/or tenant protection plan-related arrangements that are in some cases subject to state-specific governmental regulation, which may adversely affect our results.

We and certain of our PROs have tenant insurance- and/or tenant protection plan-related arrangements with regulated insurance companies and our tenants. Some of our PROs earn access fees in connection with these arrangements. We receive a portion of the fees from these PROs. The tenant insurance and tenant protection plan businesses, including the payments associated with these arrangements, are in some cases subject to state-specific governmental regulation. State regulatory authorities generally have broad discretion to grant, renew and revoke licenses and approvals, to promulgate, interpret and implement regulations, and to evaluate compliance with regulations through periodic examinations, audits and investigations of the affairs of insurance industry participants. Although these arrangements are managed by our property management platform and/or certain of our PROs who have developed marketing programs and management procedures to navigate the regulatory environment, as a result of regulatory or private action in any jurisdiction in which we operate, we may be temporarily or permanently suspended from continuing some or all of our tenant insurance- and/or tenant protection plan-related activities, or otherwise fined or penalized or suffer an adverse judgment, which could adversely affect our business and results of operations.

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

Personal privacy has become a significant issue in the jurisdictions in which we operate. Many jurisdictions in which we operate have imposed or in the future may impose restrictions and requirements on the use of personal information by those collecting such information. For example, the California Consumer Privacy Act of 2018, which became effective as of January 1, 2020, together with the recently enacted California Privacy Rights Act, provides consumers with expansive rights and control over personal information obtained by or shared with certain covered businesses. Changes to law or regulations or the passage of new laws affecting privacy, if applicable to our business, could impose additional costs and liability on us and could limit our use and disclosure of such information.

Uninsured losses or losses in excess of our insurance coverage could adversely affect our financial condition, operating results and cash flow.

We maintain comprehensive liability, fire, flood, earthquake, wind (as deemed necessary or as required by our lenders), extended coverage and rental loss insurance with respect to our properties. Certain types of losses, however, may be either uninsurable or not economically insurable either in total or in part (due to location or otherwise), such as losses due to earthquakes, hurricanes, tornadoes, floods, riots, acts of war or terrorism. Should an uninsured loss occur, we could lose both our investment in and anticipated profits and cash flow from a property. In addition, if any such loss is insured, we may be required to pay significant amounts on any claim for recovery of such a loss prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss. We currently self-insure a portion of our commercial insurance deductible risk through our captive insurance company. To the extent that our captive insurance company is unable to bear that risk, we may be required to fund additional capital to our captive insurance company or we may be required to bear that loss. As a result, our operating results may be adversely affected.

Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our properties.

Because real estate investments are relatively illiquid and we have agreed and may in the future agree to certain transfer restrictions with respect to our properties, our ability to promptly sell one or more properties in our portfolio

in response to changing economic, financial and investment conditions is limited. The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond our control. We cannot predict whether we will be able to sell any property for the price or on the terms set by us or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a willing purchaser and to close the sale of a property. In addition, we may be required to expend funds to correct defects or to make improvements before a property can be sold. We cannot assure you that we will have funds available to correct those defects or to make those improvements.

Our business could be harmed if key personnel terminate their employment with us.

Our success depends, to a significant extent, on the continued services of Arlen D. Nordhagen, Tamara D. Fischer, David Cramer and Brandon S. Togashi and the other members of our senior management team. We have entered into employment agreements with Mr. Nordhagen, Ms. Fischer, Mr. Cramer and Mr. Togashi and these employment agreements provide for an initial one-year term of employment and automatic one-year extensions thereafter unless either party provides at least 90 days' notice of non-renewal. Notwithstanding these agreements, there can be no assurance that any of them will remain employed by us. The loss of services of one or more members of our senior management team could harm our business and our prospects.

We invest in strategic joint ventures that subject us to additional risks.

Some of our investments are, and in the future may be, structured as strategic joint ventures. Part of our strategy is to opportunistically partner with institutional funds and other institutional investors to acquire attractive portfolios through a promoted return structure. These arrangements are driven by the magnitude of capital required to complete the acquisitions and maintain the acquired portfolios. Such arrangements involve risks not present where a third party is not involved, including the possibility that partners or co-venturers might become bankrupt or otherwise fail to fund their share of required capital contributions. Additionally, partners or co-venturers might at any time have economic or other business interests or goals different from us and or in competition with us.

Joint ventures generally provide for a reduced level of control over an acquired project because governance rights are shared with others. Accordingly, certain major decisions relating to joint ventures, including decisions relating to, among other things, the approval of annual budgets, sales and acquisitions of properties, financings, and certain actions relating to bankruptcy, are often made by a majority vote of the investors or by separate agreements that are reached with respect to individual decisions. In addition, such decisions may be subject to the risk that the partners or co-venturers may make business, financial or management decisions with which we do not agree or take risks or otherwise act in a manner that does not serve our best interests. Because we may not have the ability to exercise control over such operations, we may not be able to realize some or all of the benefits that we believe will be created from our involvement. At times, we and our partners or co-venturers may also each have the right to trigger a buy-sell arrangement, which could cause us to sell our interest, or acquire our partners' or co-venturers' interest, at a time when we otherwise would not have initiated such a transaction. If any of the foregoing were to occur, our business, financial condition and results of operations could suffer as a result.

The current outbreak of COVID-19 or the future outbreak of any other highly infectious or contagious diseases, could adversely impact or cause significant disruption to our financial condition, results of operations and cash flows.

We face various risks related to pandemics, epidemics and other outbreaks of highly infectious or contagious diseases, including the current global outbreak of COVID-19. As a result of the significant adverse impact of the COVID-19 pandemic to economic activity across the globe, the COVID-19 pandemic, and any future outbreak of another disease, could adversely impact our financial condition, results of operations and cash flows due to, among other factors, the following:

- our tenants may be unable to meet their obligations to us in full, or at all, or may seek modifications of such obligations, which could increase uncollectible receivables and cause subsequent reductions in revenue;
- reduced economic activity could result in a prolonged recession, which could negatively impact consumer discretionary spending, a reduction in move-ins at our stores or increase uncollectible receivables;
- governmental or health and safety requirements or recommendations could compel a complete or partial closure of, or other operational issues at, our properties or prohibit us from charging late fees, conducting auctions and increasing prices;

- a general decline in business activity and demand for property acquisitions, expansions, and the addition of new PROs and/or joint venture partners;
- interrupted availability of, including the potential for a negative health impact on, our or our PRO's personnel, could result in a deterioration in our ability to ensure business continuity;
- the inability of other third-party vendors we rely on to conduct our business to operate effectively and continue to support our business and operations;
- difficulty accessing debt and equity capital on attractive terms, or at all, and severe disruption or instability in the financial markets or a deterioration in credit and financing conditions may affect our access to capital necessary to fund our business; and
- the financial impact of the COVID-19 pandemic, including potential decreases in cash from operations resulting therefrom, could negatively impact our future compliance with the financial covenants in our debt agreements and result in a default and potential acceleration of indebtedness, which could negatively impact our ability to make additional borrowings under our revolving credit facility and pay dividends.

The factors described above, as well as additional factors that we may not currently be aware of, could materially negatively impact our ability to collect rent and could lead to termination of leases by tenants, tenant defaults, tenant bankruptcies, decreases in demand for storage space at our properties, difficulties in accessing capital, impairment of our tangible or intangible assets and other impacts that could materially and adversely affect our financial condition, results of operations and cash flows. In addition, to the extent the COVID-19 pandemic or a future outbreak of another disease adversely affects our business and financial results it may heighten other risks described in the Risk Factors section in the Annual Report.

Risks Related to Our Structure and Our Relationships with Our PROs

Some of our PROs have limited experience operating under our capital structure, and we may not be able to achieve the desired outcomes that the structure is intended to produce.

Some of our PROs have limited experience operating under our capital structure. As a means of incentivizing our PROs to drive operating performance and support the sustainability of the operating cash flow from the properties they manage on our behalf, we issued each PRO subordinated performance units aimed at aligning the interests of our PROs with our interests and those of our shareholders. The subordinated performance units are entitled to distributions exclusively tied to the performance of each PRO's managed portfolios but only after minimum performance thresholds are satisfied. Our issuance of such units, however, may have been and could be based on inaccurate valuations and thus misallocated, which would limit or eliminate the effectiveness of our intended incentive-based program.

We are restricted in making certain property sales on account of agreements with our PROs that may require us to keep certain properties that we would otherwise sell.

The partnership unit designations related to our subordinated performance units provide that, until March 31, 2023, our operating partnership may not sell, dispose or otherwise transfer any property that is a part of the applicable self storage property portfolio relating to a series of subordinated performance units without the consent of the partners (including us) holding at least 50% of the then outstanding OP units and the consent of partners holding at least 50% of the then outstanding series of subordinated performance units that relate to the applicable property, except for sales, dispositions or other transfers of a property to wholly owned subsidiaries of our operating partnership. This restriction may require us to keep certain properties that we would otherwise sell, which could have an adverse effect on our results of operations, financial condition, cash flow and ability to execute our business plan. In addition, we may enter into agreements with future PROs that contain the same or similar restrictions or that impose such restrictions for different periods.

Our ability to terminate our facilities portfolio management agreements ("FPMAs") and asset management agreements ("AMAs") with a PRO is limited, which may adversely affect our ability to execute our business plan.

We may elect to terminate our FPMAs and AMAs with a PRO and transfer property management responsibilities over the properties managed by such PRO to us (or our designee), (i) upon certain defaults by a PRO as set forth in these agreements, or (ii) if the PRO's properties, on a portfolio basis, fail to meet certain pre-determined performance thresholds for more than two consecutive calendar years or if the operating cash flow generated by the properties of the PRO for any calendar year falls below a level that will enable us to fund minimum

levels of distributions, debt service payments attributable to the properties, and fund the properties' allocable operating expenses. Consequently, to the extent a PRO complies with these covenants, standards, and minimum requirements, we may not be able to terminate the applicable FPMAs and AMAs and transfer property management responsibilities over such properties to us (or our designee) even if our board believes that such PRO is not properly executing our business plan and/or is failing to operate its properties to their full potential. Moreover, transferring the management responsibilities over the properties managed by a PRO may be costly or difficult to implement or may be delayed, even if we are able to and believe that such a change in portfolio and property management would be beneficial to us and our shareholders.

We may less vigorously pursue enforcement of terms of agreements entered into with our PROs because of conflicts of interest with our PROs.

Our PROs are entities that have contributed self storage properties to us in exchange for ownership interests in us. As part of each transaction, our PROs make limited representations to us regarding the entities, properties and other assets to be acquired by us in the contribution and generally agree to indemnify us for 12 months after the closing of the contribution for breaches of such representations. Such indemnification is limited, however, and we are not entitled to any other indemnification in connection with the contributions. In addition, following each contribution from a PRO, the day-to-day operations of each of the managed properties will be managed by the PRO who was the principal of the applicable property portfolios prior to the contribution. In addition, certain key persons of our PROs are members of our board or our PRO advisory committee. Consequently, we may choose not to enforce, or to enforce less vigorously, our rights under these agreements and any other agreements with our PROs due to our desire to maintain our ongoing relationship with our PROs, which could adversely affect our operating results and business.

We own self storage properties in some of the same geographic regions as our PROs and may compete for tenants with other properties managed by our PROs.

Pursuant to our FPMAs, each PRO has agreed that, without our consent, the PRO will not, and it will cause its affiliates (other than Blue Sky's sub-manager) not to, enter into any new arrangements for the management of additional self storage properties within any PRO's assigned territory. However, we have not and will not acquire all of the self storage properties of our PROs. We will therefore own self storage properties in some of the same geographic regions as our PROs, and, as a result, we and our PROs may compete for tenants. This competition may affect our ability to attract and retain tenants and may reduce the rental rates we are able to charge, which could adversely affect our operating results and business.

Our PROs may engage in other activities, diverting their attention from the management of our properties, which could adversely affect the execution of our business plan and our operating results.

Our PROs and their employees and personnel are in the business of managing self storage properties. We have agreed that our PROs may continue to manage properties not included in our portfolio, and our PROs are not obligated to dedicate any specific employees or personnel exclusively to the management of our properties. As a result, their time and efforts may be diverted from the management of our properties, which could adversely affect the execution of our business plan and our operating results.

When a PRO elects or is required to "retire" we may become exposed to new and additional costs and risks.

Under our FPMAs, after a two-year period following the initial contribution of their properties to us, a PRO may elect, or be required, to "retire" from the self storage business. Upon a retirement event, management of the properties will be transferred to us (or our designee) in exchange for OP units with a value equal to four times the average of the normalized annual EBITDA from the management contracts related to such PRO's managed portfolio over the immediately preceding 24-month period. As a result of this transfer, we may become exposed to new and additional costs and risks. Accordingly, the retirement of a PRO may adversely affect our financial condition and operating results. For example, in connection with our internalization of a retiring PRO, there can be no assurance that we will be able to retain such retiring PRO's employees, successfully hire new employees, or effectively integrate such employees and the retiring PRO's property management platform into our or another PRO's property management platform.

Our contribution transactions were generally not negotiated on an arm's-length basis and may not be as favorable to us as if they had been negotiated with unaffiliated third parties.

We did not conduct arm's-length negotiations with certain of the parties involved regarding the terms of our contribution transactions, including the contribution agreements, FPMAs, sales commission agreements, AMAs and registration rights agreements. In the course of structuring such transactions, certain members of our senior management team and other contributors had the ability to influence the type and level of benefits that they received from us. Accordingly, the terms of such transactions may not solely reflect the best interests of us or our shareholders and may be overly favorable to the other party to such transactions and agreements.

Conflicts of interest could arise with respect to certain transactions between the holders of OP units and subordinated performance units, which include our PROs, on the one hand, and us and our shareholders, on the other.

Conflicts of interest could arise with respect to the interests of holders of OP units and subordinated performance units, on the one hand, which include members of our senior management team, PROs, and trustees and us and our shareholders, on the other. Certain business combinations, the sale, disposition or transfer of certain of our assets or the repayment of certain indebtedness that may be desirable to us and our shareholders could have adverse tax consequences to such unit holders. In addition, under Maryland law, our trustees and officers have duties to the Company in connection with their management of the Company, however, under Delaware law, as a general partner, we have fiduciary duties to our operating partnership and to the limited partners in connection with the management of our operating partnership. Our duties as a general partner may come into conflict with the duties of our trustees and officers to the Company and our shareholders and we are not required to resolve such conflicts in favor of either the Company or the limited partners in our operating partnership. Further, there can be no assurance that any procedural protections we implement to address these or other conflicts of interest will result in optimal outcomes for us and our shareholders.

The partnership agreement of our operating partnership contains provisions that may delay, defer or prevent a change in control.

The partnership agreement of our operating partnership provides that subordinated performance unit holders holding more than 50% of the voting power of the subordinated performance units must approve certain change of control transactions involving us unless, as a result of such transactions, the holders of subordinated performance units are offered a choice (1) to allow their subordinated performance units to remain outstanding without the terms thereof being materially and adversely changed or the subordinated performance units are converted into or exchanged for equity securities of the surviving entity having terms and conditions that are substantially similar to those of the subordinated performance units (it being understood that we may not be the surviving entity and that the parent of the surviving entity or the surviving entity may not be publicly traded) or (2) to receive for each subordinated performance unit an amount of cash, securities or other property payable to a holder of OP units had such holder exercised its right to exchange its subordinated performance units for OP units without taking into consideration a specified conversion penalty associated with such an exchange. In addition, in the case of any such change of control transactions in which we have not received the consent of OP unit holders holding more than 50% of the OP units (other than those held by us or our subsidiaries) and of subordinated performance unit holders holding more than 50% of the voting power of the subordinated performance units (other than those held by us or our subsidiaries), such transaction is required to be approved by a companywide vote of limited partners holding more than 50% of our outstanding OP units in which OP units (including for this purpose OP units held by us and our subsidiaries) are voted and subordinated performance units (not held by us and our subsidiaries) are voted on an applicable as converted basis and in which we will be deemed to vote the OP units held by us and our subsidiaries in proportion to the manner in which all of our outstanding common shares were voted at a shareholders meeting relating to such transaction. These approval rights could delay, deter, or prevent a transaction or a change in control that might involve a premium price for our common shares or otherwise be in the best interests of our shareholders.

Certain provisions of the Maryland General Corporation Law (the "MGCL") and of our bylaws and our declaration of trust could inhibit a change in our control and have an adverse impact on the price of our shares.

The MGCL, our bylaws and our declaration of trust contain provisions that may discourage, delay or make more difficult a change in our control. We are subject to the Maryland Business Combination Act. Our board has adopted a resolution exempting from the Maryland Business Combination Act any business combinations between us and (1) any other person, provided that the business combination is first approved by our board (including a

majority of disinterested trustees), (2) Arlen D. Nordhagen and any of his affiliates and associates and (3) any person acting in concert with the foregoing. As a result, such persons may be able to enter into business combinations with us that may not be in the best interests of our shareholders without compliance by us with the moratorium supermajority vote requirements and other provisions of the statute. If this resolution is repealed or our board does not approve a business combination, the Maryland Business Combination Act may discourage third parties from trying to acquire control of us and increase the difficulty of consummating such an offer.

The Maryland Control Share Acquisition Act provides that holders of "control shares" of a Maryland real estate investment trust acquired in a "control share acquisition" have no voting rights with respect to such shares except to the extent approved by our shareholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding votes entitled to be cast by the acquirer of control shares, our officers and our trustees who are also our employees. Our bylaws exempt from the Maryland Control Share Acquisition Act acquisitions of our shares by any person. If we amend our bylaws to repeal the exemption from the Maryland Control Share Acquisition Act, the Maryland Control Share Acquisition Act also may make it more difficult for a third party to obtain control of us and increase the difficulty of consummating such an offer.

We have also adopted other measures that may make it difficult for a third party to obtain control of us, including provisions of our declaration of trust and bylaws limiting the liability of our present and former trustees and officers to us and our shareholders for money damages to the maximum extent permitted under Maryland law, requiring us to indemnify our present and former trustees and officers for actions taken in their official capacities, permitting (subject to the rights of holders of any class or series of preferred shares) removal of a trustee, with or without cause, only by the affirmative vote of at least two-thirds of the votes entitled to be cast generally in the election of trustees, and authorizing our board (without shareholder approval) to classify or reclassify our shares in one or more classes or series, to cause the issuance of additional shares and to amend our declaration of trust to increase or decrease the number of shares that we have authority to issue. These provisions, as well as other provisions of our declaration of trust and bylaws, may delay, defer or prevent a transaction or a change in control that might otherwise be in the best interests of our shareholders.

Restrictions on ownership and transfer of our shares may restrict change of control or business combination opportunities in which our shareholders might receive a premium for their shares.

In order for us to qualify as a REIT for each taxable year, no more than 50% in value of our outstanding shares may be owned, directly or constructively, by five or fewer individuals during the last half of any calendar year, and at least 100 persons must beneficially own our shares during at least 335 days of a taxable year of 12 months, or during a proportionate portion of a shorter taxable year. "Individuals" for this purpose include natural persons, private foundations, some employee benefit plans and trusts, and some charitable trusts. To assist us in preserving our REIT qualification, among other purposes, our declaration of trust generally prohibits, among other limitations, any person from beneficially or constructively owning more than 9.8% in value or in number of shares, whichever is more restrictive, of our aggregate outstanding shares of all classes and series, the outstanding shares of any class or series of our preferred shares or our outstanding common shares. These ownership limits and the other restrictions on ownership and transfer of our shares contained in our declaration of trust could have the effect of discouraging a takeover or other transaction in which holders of our common shares might receive a premium for their shares over the then prevailing market price or which holders might believe to be otherwise in their best interests. Our board of trustees has established exemptions from these ownership limits which permits certain of our institutional investors to hold up to 20% of our common shares and up to 25% of our preferred shares.

Risks Related to Our Debt Financings

There are risks associated with our indebtedness.

Our level of debt and the limitations imposed on us by our debt agreements could have significant adverse consequences, including the following:

- our cash flow may be insufficient to meet our required principal and interest payments;
- to satisfy our debt obligations, we may be forced to dispose of one or more of our properties, possibly on disadvantageous terms;
- our debt level could place us at a competitive disadvantage compared to our competitors with less debt; and

- we may violate our restrictive covenants or otherwise default on our obligations, which may entitle our creditors to accelerate our debt obligations, foreclose on our properties securing our debt, enforce our guarantees and/or trigger default on our other indebtedness.

Disruptions in the financial markets could affect our ability to obtain debt financing on reasonable terms or at all and have other adverse effects on us.

Uncertainty in the credit markets may negatively impact our ability to access additional debt financing or to refinance existing debt maturities on favorable terms (or at all), which may negatively affect our ability to make acquisitions or make distributions required to maintain our qualification as a REIT. A downturn in the credit markets may cause us to seek alternative sources of potentially less attractive financing, and may require us to adjust our business plans accordingly. In addition, these factors may make it more difficult for us to sell properties or may adversely affect the price we receive for properties that we do sell, as prospective buyers may experience increased costs of debt financing or difficulties in obtaining debt financing.

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

We depend on external sources of capital to acquire properties, to satisfy our debt obligations and to make distributions to our shareholders required to maintain our qualification as a REIT, and these sources of capital may not be available on favorable terms, or at all. Our access to external sources of capital depends on a number of factors, including the market's perception of our growth potential and our current and potential future earnings and our ability to continue to qualify as a REIT for U.S. federal income tax purposes. If we are unable to obtain external sources of capital, we may not be able to acquire properties when strategic opportunities exist, satisfy our debt obligations or make cash distributions to our shareholders that would permit us to qualify as a REIT or avoid paying tax on all of our net taxable income.

Increases in interest rates may increase our interest expense and adversely affect our cash flow and our ability to service our indebtedness and make cash distributions to our shareholders, and our decision to hedge against interest rate risk might not be effective.

As of December 31, 2020, we had approximately \$1.9 billion of debt outstanding, of which approximately \$174.0 million, or 9.1%, is subject to variable interest rates (excluding variable-rate debt subject to interest rate swaps). Although the credit markets have recently experienced historic lows in interest rates, if interest rates rise, the interest rates on variable-rate debt that we may incur in the future could be higher than current levels, which could increase our financing costs and decrease our cash flow and our ability to pay cash distributions to our shareholders.

Although we have historically sought, and may in the future seek, to manage our exposure to interest rate volatility by using interest rate hedging arrangements, these arrangements may not be effective. Developing an effective interest rate risk strategy is complex and no strategy can completely insulate us from risks associated with interest rate fluctuations. Failure to hedge effectively against interest rate changes may adversely affect our financial condition, results of operations and ability to make cash distributions to our shareholders.

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

Our credit facility, term loan facilities and senior unsecured notes contain (and any new or amended facility we may enter into from time to time will likely contain) customary affirmative and negative covenants, including financial covenants that, among other things, cap our total leverage and our unsecured debt. In the event that we fail to satisfy our covenants, we would be in default under our debt agreements and may be required to repay such debt with capital from other sources. Under such circumstances, other sources of debt or equity capital may not be available to us, or may be available only on unattractive terms. Moreover, the presence of such covenants could cause us to operate our business with a view toward compliance with such covenants, which might not produce optimal returns for shareholders.

The expected discontinuance of the London interbank offered rate ("LIBOR") and transition to alternative reference rates may adversely impact our borrowings and interest rate hedging.

In July 2017, the U.K. Financial Conduct Authority, which regulates the LIBOR administrator, ICE Benchmark Administration Limited ("IBA") announced that it would cease to compel banks to participate in setting LIBOR as a benchmark by the end of 2021 and that market participants cannot rely on LIBOR being published after 2021. On December 4, 2020, the IBA published a consultation on its intention to cease the publication of LIBOR for the most

commonly used U.S. dollar LIBOR tenors after June 30, 2023 and for all other tenors after December 31, 2021. U.S. bank regulators are, however, encouraging banks to cease entering into new financial contracts that use LIBOR as a reference rate as soon as practicable and in any event by December 31, 2021. Accordingly, it appears likely that LIBOR will be discontinued or modified by December 31, 2021 or June 30, 2023, depending on the currency and tenor.

The Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions convened by the U.S. Federal Reserve Board and the New York Federal Reserve, has recommended the Secured Overnight Financing Rate ("SOFR") as a more robust reference rate alternative to U.S. dollar LIBOR. SOFR is observed and backward looking, which stands in contrast with LIBOR under the current methodology, which is an estimated forward-looking rate and relies, to some degree, on the expert judgment of submitting panel members. Given that SOFR is a secured rate backed by government securities, it will be a rate that does not take into account bank credit risk (as is the case with LIBOR). SOFR is therefore likely to be lower than U.S. dollar LIBOR. To approximate economic equivalence to LIBOR, SOFR can be compounded over a relevant term and a spread adjustment may be added. Market practices related to SOFR calculation conventions continue to develop and may vary, and inconsistent calculation conventions may develop among financial products.

Many of our debt agreements and our interest rate swap agreements are linked to LIBOR, including our credit facility and term loan facilities. Before the transition dates described above, we may need to amend such agreements that utilize LIBOR as a factor in determining the interest rate based on SOFR or another new standard that is established, if any. However, these efforts may not be successful in mitigating the legal, tax and financial risk from changing the reference rate in our legacy agreements. Furthermore, the transition away from LIBOR may adversely impact our ability to manage and hedge exposures to fluctuations in interest rates using derivative instruments. There is no guarantee that a transition from LIBOR to an alternative will not result in financial market disruptions, significant increases in benchmark rates, or borrowing costs to borrowers, any of which could have an adverse effect on our business, results of operations, financial condition, and the market price of our common shares.

Risks Related to Our Qualification as a REIT

Our failure to remain qualified as a REIT would subject us to U.S. federal income tax and applicable state and local taxes, which would reduce the amount of operating cash flow to our shareholders.

We have elected and we believe that we have qualified to be taxed as a REIT commencing with our taxable year ended December 31, 2015. We have not requested, and do not intend to request a ruling from the Internal Revenue Service ("IRS"), that we qualify as a REIT. Qualification as a REIT involves the application of highly technical and complex Code provisions and Treasury Regulations promulgated thereunder for which there are limited judicial and administrative interpretations. To qualify as a REIT, we must meet, on an ongoing basis through actual operating results, various tests regarding the nature and diversification of our assets and our income, the ownership of our outstanding shares and the amount of our distributions. Our ability to satisfy these asset tests depends upon our analysis of the characterization and fair market values of our assets, some of which are not susceptible to a precise determination, and for which we will not obtain independent appraisals. Moreover, new legislation, court decisions or administrative guidance may, in each case possibly with retroactive effect, make it more difficult or impossible for us to qualify as a REIT. Thus, while we believe that we have been organized and operated and we intend to operate so that we will continue to qualify as a REIT, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations and the possibility of future changes in our circumstances, no assurance can be given that we have qualified or will so qualify for any particular year. These considerations also might restrict the types of assets that we can acquire or services that we can provide in the future.

We own and may in the future acquire direct or indirect interests in entities that have elected or will elect to be treated as REITs under the Code (each a "Subsidiary REIT"). If a Subsidiary REIT were to fail to qualify as a REIT, then (i) that Subsidiary REIT would become subject to U.S. federal income tax, (ii) shares in such Subsidiary REIT would cease to be qualifying assets for purposes of the asset tests applicable to REITs, and (iii) it is possible that we would fail certain of the tests applicable to REITs, in which event we would fail to qualify as a REIT unless we qualify for certain statutory relief provisions.

If we fail to qualify as a REIT in any taxable year, and we do not qualify for certain statutory relief provisions, we would be required to pay U.S. federal income tax on our taxable income at regular corporate rates, and distributions to our shareholders would not be deductible by us in determining our taxable income. In such a case, we might need to borrow money, sell assets, or reduce or even cease making distributions in order to pay our taxes.

Our payment of income tax would reduce significantly the amount of operating cash flow to our shareholders. Furthermore, if we fail to maintain our qualification as a REIT, we no longer would be required to make distributions to our shareholders. In addition, unless we were eligible for certain statutory relief provisions, we could not re-elect to be taxed as a REIT until the fifth calendar year following the year in which we failed to qualify.

Even if we qualify as a REIT, we may face other tax liabilities that reduce our cash flow.

Even if we qualify for taxation as a REIT, we may be subject to certain U.S. federal, state and local taxes on our income and assets, including taxes on any undistributed income, state or local income and property and transfer taxes, including real property transfer taxes. In addition, we could, in certain circumstances, be required to pay an excise or penalty tax (which could be significant in amount) in order to utilize one or more relief provisions under the Code to maintain our qualification as a REIT. Any of these taxes would decrease operating cash flow to our shareholders.

In order to qualify as a REIT, we must distribute to our shareholders each calendar year at least 90% of our net taxable income (excluding net capital gain). To the extent that we satisfy the 90% distribution requirement, but distribute less than 100% of our net taxable income (including net capital gain), we would be subject to U.S. federal corporate income tax on our undistributed net taxable income. In addition, we will incur a 4% non-deductible excise tax on the amount, if any, by which our distributions in any calendar year are less than a minimum amount specified under U.S. federal income tax laws. Although we intend to distribute our net taxable income to our shareholders in a manner that would avoid this 4% tax, there can be no assurance that we will be able to do so, due to timing differences between our actual receipt of cash and the inclusion of items in our income for U.S. federal income tax purposes, the effect of non-deductible capital expenditures, or the creation of reserves or required debt or amortization payments.

In addition, we will be subject to a 100% tax on any income from sales or other dispositions of property (other than property treated as foreclosure property under the Code) that is held as inventory or primarily for sale to customers in the ordinary course of a trade or business by a REIT, either directly or indirectly through certain pass-through subsidiaries (a "prohibited transaction"). In order to meet the REIT qualification requirements, or to avoid the imposition of the penalty tax on prohibited transactions, we may hold some of our assets or provide certain services to our tenants through one or more TRSs, which generally will be subject to U.S. federal, state and local corporate taxes. In addition, if a REIT lends money to a TRS, the TRS may be unable to deduct all or a portion of the interest paid to the REIT, which could increase the tax liability of the TRS. In addition, the Code imposes a 100% tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm's length basis. We intend to structure transactions with any TRS on terms that we believe are arm's length to avoid incurring the 100% excise tax described above. There can be no assurances, however, that we will be able to avoid application of the 100% tax. Furthermore, if we acquire appreciated assets from a corporation that is or has been a subchapter C corporation in a transaction in which the adjusted tax basis of such assets in our hands is less than the fair market value of the assets, determined at the time we acquired such assets, and if we subsequently dispose of any such assets during the 5-year period following the acquisition of the assets from the C corporation, we will be subject to tax at the highest corporate tax rates on any gain from the disposition of such assets to the extent of the excess of the fair market value of the assets on the date that we acquired such assets over the basis of such assets on such date, which we refer to as built-in gains. Payment of these taxes generally could materially and adversely affect our income, cash flow, results of operations, financial condition, liquidity and prospects, and could adversely affect the value of our common shares and our ability to make distributions to our shareholders.

Complying with the REIT requirements may cause us to forgo and/or liquidate otherwise attractive investments, and in some situations, to maintain our REIT qualification, we may be forced to borrow funds during unfavorable market conditions.

To qualify as a REIT, we must ensure that at least 75% of our gross income for each taxable year, excluding certain amounts, is derived from certain real property-related sources, and at least 95% of our gross income for each taxable year, excluding certain amounts, is derived from certain real property-related sources and passive income such as dividends and interest. In addition, we must ensure that, at the end of each calendar quarter, at least 75% of the value of our total assets consists of cash, cash items, U.S. government securities and qualified real estate assets. The remainder of our investment in securities generally cannot include more than 10% of the outstanding voting securities of any one issuer (other than U.S. government securities, securities of corporations that are treated as TRSs and qualified real estate assets) or more than 10% of the total value of the outstanding securities of any one issuer (other than government securities, securities of corporations that are treated as TRSs and qualified real estate

assets). In addition, in general, no more than 5% of the value of our assets can consist of the securities of any one issuer (other than U.S. government securities, securities of corporations that are treated as TRSs and qualified real estate assets), no more than 20% of the value of our total assets can be represented by securities of one or more TRSs and no more than 25% of the value of our assets can consist of debt instruments issued by publicly offered REITs that are not otherwise secured by real property. If we fail to comply with these asset requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences.

To meet these tests, we may be required to take or forgo taking actions that we would otherwise consider advantageous. For instance, in order to satisfy the gross income or asset tests applicable to REITs under the Code, we may be required to forgo investments that we otherwise would make, and we may be required to liquidate from our portfolio otherwise attractive investments. In addition, we may be required to make distributions to shareholders at disadvantageous times or when we do not have funds readily available for distribution. As a result, we may need to borrow funds to meet the REIT distribution requirements even if the then prevailing market conditions are not favorable for these borrowings. Our access to third-party sources of capital depends on a number of factors, including the market's perception of our growth potential, our current debt levels, the per share trading price of our common shares, and our current and potential future earnings. We cannot assure you that we will have access to such capital on favorable terms at the desired times, or at all, which may cause us to curtail our investment activities and/or to dispose of assets at inopportune times. These actions could reduce our income and amounts available for distribution to our shareholders. Thus, compliance with the REIT requirements may hinder our investment performance.

If our operating partnership is treated as a corporation for U.S. federal income tax purposes, we will cease to qualify as a REIT.

We believe our operating partnership qualifies as a partnership for U.S. federal income tax purposes, and accordingly generally will not be subject to U.S. federal income tax on its income. Instead, each of its partners, including us, will be required to pay tax on its allocable share of our operating partnership's income. No assurance can be provided, however, that the IRS will not challenge our operating partnership's status as a partnership for U.S. federal income tax purposes, or that a court would not sustain such a challenge. If the IRS were successful in treating our operating partnership as a corporation for U.S. federal income tax purposes, we would fail to meet the gross income tests and certain of the asset tests applicable to REITs, we would cease to qualify as a REIT, and both we and our operating partnership would become subject to U.S. federal, state and local income tax. The payment by our operating partnership of income tax would reduce significantly the amount of cash available to our operating partnership to satisfy obligations to make principal and interest payments on its debt and to make distribution to its partners, including us.

Complying with REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities.

The REIT provisions of the Code may limit our ability to hedge our assets and operations. Under these provisions, any income that we generate from transactions intended to hedge our interest rate risk will be excluded from gross income for purposes of the REIT 75% and 95% gross income tests if (i) the instrument (a) hedges interest rate risk on liabilities used to carry or acquire real estate assets or (b) hedges an instrument described in clause (a) for a period following the extinguishment of the liability or the disposition of the asset that was previously hedged by the hedged instrument, and (ii) the relevant instrument is properly identified under applicable Treasury regulations. Income from hedging transactions that does not meet these requirements will generally constitute non-qualifying income for purposes of both the REIT 75% and 95% gross income tests. As a result of these rules, we may have to limit our use of hedging techniques that might otherwise be advantageous or implement those hedges through a TRS. This could increase the cost of our hedging activities because our TRS would be subject to tax on gains or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear, and we generally would not benefit from losses in our TRS, although, subject to limitation, such losses may be carried forward to offset future taxable income of the TRS.

The ability of our board of trustees to revoke our REIT election without shareholder approval may cause adverse consequences to our shareholders.

Our declaration of trust provides that the board of trustees may revoke or otherwise terminate our REIT election, without the approval of our shareholders, if the board determines that it is no longer in our best interest to attempt to, or continue to, qualify as a REIT. If we cease to qualify as a REIT, we would become subject to U.S. federal income tax on our net taxable income and we generally would no longer be required to distribute any of our net taxable income to our shareholders, which may have adverse consequences on our total return to our shareholders.

Legislative or regulatory tax changes related to REITs could materially and adversely affect our business.

At any time, the U.S. federal income tax laws or regulations governing REITs or the administrative interpretations of those laws or regulations may be changed, possibly with retroactive effect. We cannot predict if or when any new U.S. federal income tax law, regulation or administrative interpretation, or any amendment to any existing U.S. federal income tax law, regulation or administrative interpretation, will be adopted, promulgated or become effective or whether any such law, regulation or interpretation may take effect retroactively. We and our shareholders could be adversely affected by any such change in, or any new, U.S. federal income tax law, regulation or administrative interpretation.

Risks Related to Our Common Shares and Preferred Shares

Common shares and preferred shares eligible for future sale may have adverse effects on our share price.

Subject to applicable law and the rules of any stock exchange on which our shares may be listed or traded, our board, without common shareholder approval, may authorize us to issue additional authorized and unissued common shares and preferred shares on the terms and for the consideration it deems appropriate and may amend our declaration of trust to increase the total number of shares, or the number of shares of any class or series, that we are authorized to issue. In addition, our operating partnership may issue OP units, which are redeemable for cash or, at our option exchangeable on a one-for-one basis into common shares after an agreed period of time and certain other conditions, preferred units of limited partnership interest, which are redeemable for cash or, at our option exchangeable on a one-for-one basis into our 6.000% Series A cumulative redeemable preferred shares of beneficial interest ("Series A Preferred Shares") and subordinated performance units, which are only convertible into OP units beginning two years following the initial issuance of the applicable series and then (i) at the holder's election only upon the achievement of certain performance thresholds relating to the properties to which such subordinated performance units relate or (ii) at our election upon a retirement event of a PRO that holds such subordinated performance units or upon certain qualifying terminations.

Notwithstanding the two-year lock out period on conversions of subordinated performance units into OP units, if such subordinated performance units were convertible into OP units as of December 31, 2020, each subordinated performance unit would on average hypothetically convert into 1.23 OP units, or into an aggregate of approximately 16.4 million OP units. These amounts are based on historical financial information for the trailing twelve months ended December 31, 2020. The hypothetical conversion is calculated by dividing the average cash available for distribution, or CAD, per subordinated performance unit by 110% of the CAD per OP unit over the same period. We anticipate that as our CAD grows over time, the conversion ratio will also grow, including to levels that may exceed this amount. The actual number of OP units into which such subordinated performance units will become convertible may vary significantly and will depend upon the applicable conversion penalty and the actual CAD to the OP units and the actual CAD to the converted subordinated performance units in the one-year period ending prior to conversion. We have also granted registration rights to those persons who will be eligible to receive common shares issuable upon exchange of OP units and preferred shares issuable upon exchange preferred units issued in our contribution transactions.

We cannot predict the effect, if any, of future sales of our common or preferred shares or the availability of shares for future sales, on the market price of our common or preferred shares. The market price of our common shares may decline significantly when the restrictions on resale by certain of our shareholders lapse. Sales of substantial amounts of common or preferred shares or the perception that such sales could occur may adversely affect the prevailing market price for our common shares.

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

Historically, we have paid quarterly common share dividends to our shareholders and quarterly distributions to our operating partnership unitholders, and we intend to continue to pay such dividends and distributions in amounts such that all or substantially all of our net taxable income in each year is distributed, which, along with other factors, should enable us to continue to qualify for the tax benefits accorded to a REIT under the Code. We have not established a minimum dividends payment level, and all future distributions will be made at the discretion of our board. Our ability to pay dividends will depend upon, among other factors:

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

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

Future offerings of debt or equity securities, which may rank senior to our common shares, may adversely affect the market price of our common shares.

If we decide to issue debt securities in the future, which would rank senior to our common shares, it is likely that they will be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, any equity securities or convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common shares and may result in dilution to owners of such shares. We and, indirectly, our shareholders will bear the cost of issuing and servicing such securities. Because our decision to issue debt or equity securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of our common shares will bear the risk of our future offerings reducing the market price of our shares and diluting the value of their common share holdings in us.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2020, we held ownership interests in and operated a geographically diversified portfolio of 821 self storage properties, located in 36 states and Puerto Rico, comprising approximately 52.0 million rentable square feet, configured in approximately 413,000 storage units. Of these properties, we consolidated 644 self storage properties that contain approximately 39.3 million rentable square feet and we held a 25% ownership interest in 177 unconsolidated real estate venture properties that contain approximately 12.7 million rentable square feet.

The following table sets forth summary information regarding our consolidated properties by state as of December 31, 2020.

State/Territory	Number of Properties	Number of Units	Rentable Square Feet	% of Rentable Square Feet	Period-end Occupancy
Texas	115	48,302	6,822,196	17.3 %	89.2 %
California ⁽¹⁾	83	49,656	6,228,471	15.9 %	95.4 %
Oregon	63	25,204	3,197,270	8.0 %	88.8 %
Florida	49	31,097	3,275,014	8.3 %	91.6 %
Georgia	46	19,788	2,656,034	6.8 %	91.5 %
North Carolina	34	15,748	1,952,920	5.0 %	93.7 %
Oklahoma	33	15,324	2,124,882	5.4 %	90.3 %
Arizona	32	17,277	2,011,851	5.1 %	91.2 %
Louisiana ⁽¹⁾	26	12,326	1,536,257	3.9 %	85.5 %
Kansas	18	5,996	866,430	2.2 %	90.0 %
Colorado	16	6,723	838,476	2.1 %	91.1 %
Indiana	16	8,774	1,134,420	2.9 %	93.6 %
Washington	16	5,397	718,013	1.8 %	88.7 %
Nevada	13	6,730	846,537	2.2 %	93.5 %
New Hampshire	11	5,039	617,791	1.6 %	92.5 %
Missouri	10	4,515	589,465	1.5 %	77.0 %
Ohio	8	3,649	461,393	1.2 %	90.3 %
Pennsylvania	8	4,317	497,395	1.3 %	92.1 %
Puerto Rico	6	4,457	431,162	1.1 %	95.9 %
Idaho	5	1,439	262,331	0.7 %	97.4 %
Maryland	5	2,894	286,222	0.7 %	88.6 %
New Mexico	5	3,128	391,418	1.0 %	92.2 %
Illinois	4	1,991	271,136	0.7 %	83.0 %
Massachusetts	4	1,626	218,750	0.6 %	93.1 %
New Jersey	4	2,198	271,749	0.7 %	87.6 %
South Carolina	4	1,212	147,580	0.4 %	93.8 %
Mississippi	3	865	114,411	0.3 %	87.8 %
Alabama	1	764	110,616	0.3 %	81.4 %
Connecticut	1	421	41,541	0.1 %	97.3 %
Kentucky	1	380	60,950	0.2 %	93.0 %
Minnesota	1	264	47,950	0.1 %	87.1 %
New York	1	456	47,959	0.1 %	85.1 %
Tennessee	1	899	113,969	0.3 %	91.7 %
Virginia	1	598	81,915	0.2 %	92.9 %
Total/Weighted Average	644	309,454	39,274,474	100.0 %	91.1 %

(1) Six of the California properties and two of the Louisiana properties are subject to non-cancelable leasehold interest agreements that are classified as operating leases. See "Note 13. Leases" in Item 8. "Financial Statements and Supplementary Data."

The following table sets forth summary information regarding our unconsolidated real estate venture properties by state as of December 31, 2020.

State	Number of Properties	Number of Units	Rentable Square Feet	% of Rentable Square Feet	Period-end Occupancy
Florida	27	15,167	1,722,321	13.5 %	90.5 %
Michigan	24	15,614	1,978,748	15.5 %	91.7 %
New Jersey	15	10,524	1,226,303	9.6 %	93.6 %
Alabama	14	5,525	826,232	6.5 %	91.1 %
Ohio	14	9,392	1,124,521	8.8 %	86.0 %
California	12	6,701	793,035	6.2 %	92.5 %
Georgia	11	6,133	872,233	6.9 %	90.5 %
Other ⁽¹⁾	60	34,981	4,185,800	33.0 %	88.3 %
Total	177	104,037	12,729,193	100.0 %	90.0 %

(1) Other states in the unconsolidated real estate ventures include Arizona, Delaware, Illinois, Massachusetts, Minnesota, Mississippi, Nevada, New York, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Texas and Virginia.

Our portfolio consists of self storage properties that are designed to offer customers convenient, affordable, and secure storage units. Generally, our properties are in highly visible locations clustered in states or markets with strong population and job growth and are specifically designed to accommodate residential and commercial tenants with features such as security systems, electronic gate entry, easy access, climate control, and pest control. Our units typically range from 25 square feet to 300 square feet, and some of our properties also offer outside storage for vehicles, boats, and equipment. We provide 24-hour access to many storage units through computer controlled access systems, as well as alarm and sprinkler systems on many of our individual storage units. Almost all of the storage units in our portfolio are leased on a month-to-month basis providing us the flexibility to increase rental rates over time as market conditions permit. Additional information on our consolidated self storage properties is contained in "Schedule III - Real Estate and Accumulated Depreciation" in this Annual Report on Form 10-K.

Item 3. Legal Proceedings

We are not currently subject to any legal proceedings that we consider to be material.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common shares have been listed and traded on the NYSE under the symbol "NSA" since April 22, 2015. Prior to that time there was no public market for our common shares.

Holders

As of February 25, 2021, the Company had 79 record holders of its common shares. The 79 holders of record do not include the beneficial owners of common shares whose shares are held by a broker or bank. Such information was obtained from our transfer agent and registrar.

Dividends

Since our initial quarter as a publicly-traded REIT, we have made regular quarterly distributions to our shareholders. Holders of common shares are entitled to receive distributions when declared by our board of trustees out of any assets legally available for that purpose. In order to maintain our status as a REIT, we are required to distribute at least 90% of our "REIT taxable income," which is generally equivalent to our net taxable ordinary income, determined without regard to the deduction for dividends paid and excluding net capital gains to our shareholders annually in order to maintain our REIT qualification for U.S. federal income tax purposes.

Common share dividends are characterized for U.S. federal income tax purposes as ordinary income, capital gains, return of capital or a combination thereof. Each year we communicate to shareholders the tax characterization of the common share dividends paid during the preceding year. Our tax return for the year ended December 31, 2020 has not yet been filed and consequently, the taxability information presented for our dividends paid in 2020 is based upon management's estimate. The following table summarizes the taxability of our dividends per common share for the year ended December 31, 2020:

	Year Ended	
	December 31, 2020	
Ordinary Income	\$ 0.991288	73.4 %
Return of Capital	0.358712	26.6 %
Total	\$ 1.350000	100.0 %

Equity Compensation Plan Information

Information about our equity compensation plans is incorporated by reference to Item 12 of Part III of this Annual Report on Form 10-K.

Unregistered Sales of Equity Securities

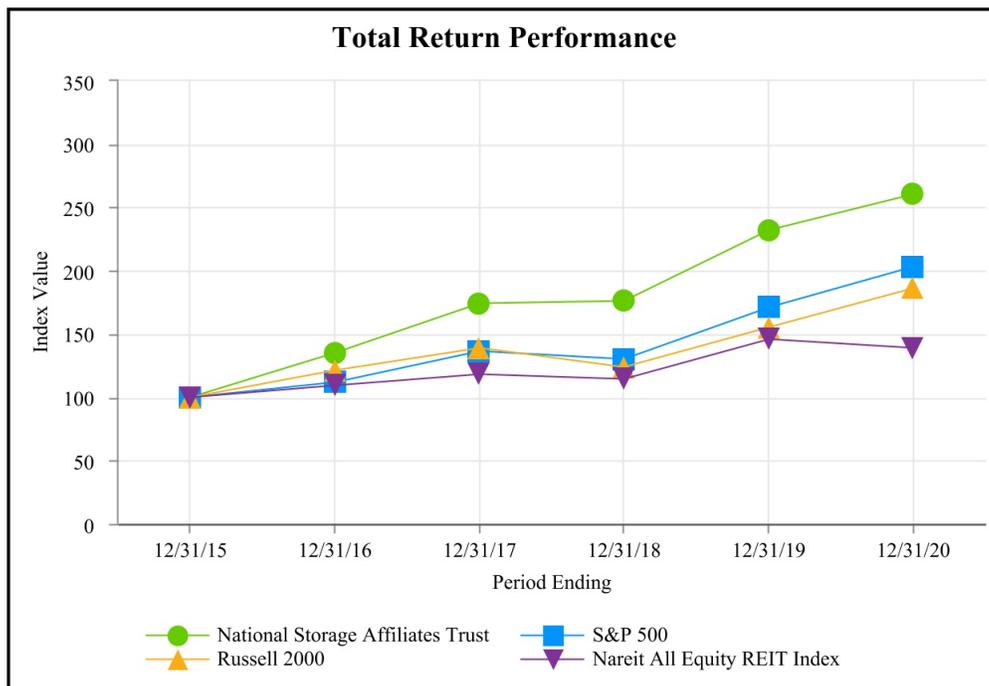
During the three months ended December 31, 2020, the Company, in its capacity as general partner of its operating partnership, caused the operating partnership to issue 187,735 common shares to satisfy redemption requests from certain limited partners.

As of February 25, 2021, other than those OP units held by the Company, 32,387,721 OP units were outstanding (including 724,540 outstanding Long-Term Incentive Plan Units ("LTIP units") and 1,924,918 outstanding OP units in certain consolidated subsidiaries of the operating partnership ("DownREIT OP units"), which are convertible into, or exchangeable for, OP units on a one-for-one basis, subject to certain conditions).

These issuances were exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended.

Performance Graph

The following chart compares the yearly cumulative total shareholder return for our common shares with the cumulative shareholder return of companies on (i) the S&P 500 Index, (ii) the Russell 2000 and (iii) the Nareit All Equity REIT Index as provided by Nareit for the period beginning December 31, 2015 and ending December 31, 2020.



Index	Period Ending					
	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
National Storage Affiliates Trust	\$ 100	\$ 135	\$ 174	\$ 176	\$ 232	\$ 260
S&P 500	100	112	136	130	171	203
Russell 2000	100	121	139	124	155	186
Nareit All Equity REIT Index	100	109	118	114	146	139

The foregoing item assumes \$100.00 invested on December 31, 2015, with dividends reinvested. The Performance Graph will not be deemed to be incorporated by reference into any filing by NSA under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that NSA specifically incorporates the same by reference.

Item 6. Selected Financial Data

None.

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

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the financial statements and notes thereto included in Item 8. "Financial Statements and Supplementary Data" as well as Item 1. "Business," Item 1A. "Risk Factors," and Item 2. "Properties," respectively, in this Annual Report on Form 10-K.

Overview

National Storage Affiliates Trust is a fully integrated, self-administered and self-managed real estate investment trust organized in the state of Maryland on May 16, 2013. We have elected and we believe that we have qualified to be taxed as a REIT commencing with our taxable year ended December 31, 2015. We serve as the sole general partner of our operating partnership, a Delaware limited partnership formed on February 13, 2013 to conduct our business, which is focused on the ownership, operation, and acquisition of self storage properties located within the top 100 MSAs throughout the United States.

COVID-19

We continue to closely monitor the impact of the COVID-19 pandemic on all aspects of our business. The outbreak of COVID-19 in many countries, including the United States, has adversely impacted economic activity. As cases of COVID-19 have continued to increase, most states and municipalities have reacted by instituting, extending or reinstating quarantines, mandating business and school closures, requiring restrictions on travel, "shelter-in-place" and/or "stay-at-home" orders, and imposing restrictions on the types of businesses that may continue to operate. These containment measures generally do not apply to businesses, like ours, which are designated as "essential," but may apply to certain of our tenants, employees, vendors, lenders and joint venture partners.

As of the date of this report, our stores continue to operate and we are in compliance with federal, state and local COVID-19 guidelines and mandates. In response to the pandemic, we have increased the level and frequency of cleaning and sanitation of our self storage facilities and enacted recommended social distancing guidelines. Many of our stores feature online rental capabilities whereby a customer can complete the entire rental process online and receive an access code to the storage facility. For the remainder of our stores that do not yet benefit from the online rental feature, the combination of call center and email communication eliminates the need for any physical contact between customers and employees.

Due to the pandemic, we experienced a moderate slowdown in overall business activity during the second quarter of 2020. However, we observed sustained improvement in our property operating results during the third and fourth quarters of 2020. We continue to take proactive measures to maintain the strength of our business and manage the impact of COVID-19 on our operations and liquidity, including the following:

- We resumed rental rate increases for in-place tenants at the vast majority of our stores during the third quarter of 2020;
- We are continuing to diligently manage operating expenses, including store-level personnel costs, marketing and repairs and maintenance expenses. We also incurred lower corporate travel costs during the year ended December 31, 2020 compared to expectations at the beginning of the year;
- We continue to closely monitor our liquidity position. As of December 31, 2020, we had the capacity to borrow remaining revolving line of credit commitments of \$320.3 million with less than \$5 million of debt maturing through 2022;
- On October 22, 2020, we issued \$150.0 million of 2.99% senior unsecured notes due August 5, 2030 and \$100.0 million of 3.09% senior unsecured notes due August 5, 2032 in a private placement;
- We completed an underwritten public offering of 4,900,000 common shares of beneficial interest under forward sale agreements at a public offering price of \$33.15 per share (the "forward offering"). On December 30, 2020 we settled a portion of the forward offering by physically delivering 1,850,510 common shares to the forward purchasers for net proceeds of approximately \$60.0 million;
- We remain committed to acquiring properties at appropriate risk-adjusted returns. We believe our acquisition opportunities through our captive pipeline and relationship-based third-party deals sourced by our PROs will

continue to be a differentiating factor for us to prudently deploy capital, including through the issuance of OP equity.

The above discussion is intended to provide shareholders with certain information regarding the impacts of the COVID-19 pandemic on our business and management's efforts to respond to those impacts. We are unable to predict the impact of the COVID-19 pandemic on our business for the year ended December 31, 2021 and thereafter. We will continue to monitor its effects and will adjust our operations as necessary. As a result of the rapid development, fluidity and uncertainty surrounding this situation, we expect that such information will change, potentially significantly, going forward and may not be indicative of the actual impact of the COVID-19 pandemic on our financial condition, results of operations and cash flows for the year ended December 31, 2021 and future periods. See "Risk Factors" under Item 1A.

Our Structure

Our structure promotes operator accountability as subordinated performance units issued to our PROs in exchange for the contribution of their properties are entitled to distributions only after those properties satisfy minimum performance thresholds. In the event of a material reduction in operating cash flow, distributions on our subordinated performance units will be reduced before or disproportionately to distributions on our common shares held by our common shareholders. In addition, we expect our PROs will generally co-invest subordinated equity in the form of subordinated performance units in each acquisition that they source, and the value of these subordinated performance units will fluctuate with the performance of their managed portfolios. Therefore, our PROs are incentivized to select acquisitions that are expected to exceed minimum performance thresholds, thereby increasing the value of their subordinated equity stake. We expect that our shareholders will benefit from the higher levels of property performance that our PROs are incentivized to deliver.

Our PROs

We had ten PROs as of December 31, 2020: Northwest, Optivest, Guardian, Move It, Storage Solutions, Hide Away, Personal Mini, Southern, Moove In and Blue Sky. We seek to further expand our platform by continuing to recruit additional established self storage operators, while integrating our operations through the implementation of centralized initiatives, including management information systems, revenue enhancement, and cost optimization programs. Our national platform allows us to capture cost savings by eliminating redundancies and utilizing economies of scale across the property management platforms of our PROs while also providing greater access to lower-cost capital.

Our Property Management Platform

Through our property management platform, we direct, manage and control the day-to-day operations and affairs of certain consolidated properties and our unconsolidated real estate ventures under our iStorage and SecurCare brands. As of December 31, 2020, our property management platform managed and controlled 282 of our consolidated properties and 177 of our unconsolidated real estate venture properties.

We earn certain customary fees for managing and operating the properties in the unconsolidated real estate ventures and we facilitate tenant insurance and/or tenant warranty protection programs for tenants at these properties in exchange for half of all proceeds from such programs.

Our Consolidated Properties

We seek to own properties that are well located in high quality sub-markets with highly accessible street access and attractive supply and demand characteristics, providing our properties with strong and stable cash flows that are less sensitive to the fluctuations of the general economy. Many of these markets have multiple barriers to entry against increased supply, including zoning restrictions against new construction and new construction costs that we believe are higher than our properties' fair market value.

As of December 31, 2020, we owned a geographically diversified portfolio of 644 self storage properties, located in 33 states and Puerto Rico, comprising approximately 39.3 million rentable square feet, configured in approximately 309,000 storage units. Of these properties, 276 were acquired by us from our PROs, 367 were acquired by us from third-party sellers and one was acquired by us from the 2016 Joint Venture.

Our Unconsolidated Real Estate Ventures

We seek to opportunistically partner with institutional funds and other institutional investors to acquire attractive portfolios utilizing a promoted return structure. We believe there is significant opportunity for continued external growth by partnering with institutional investors seeking to deploy capital in the self storage industry.

2018 Joint Venture

As of December 31, 2020, our 2018 Joint Venture, in which we have a 25% interest, owned and operated a portfolio of 103 properties containing approximately 7.8 million rentable square feet, configured in approximately 64,000 storage units and located across 17 states.

2016 Joint Venture

As of December 31, 2020, our 2016 Joint Venture, in which we have a 25% ownership interest, owned and operated a portfolio of 74 properties containing approximately 4.9 million rentable square feet, configured in approximately 40,000 storage units and located across 13 states.

Results of Operations

When reviewing our results of operations it is important to consider the timing of acquisition activity. We acquired 77 self storage properties during the year ended December 31, 2020 and 69 self storage properties during the year ended December 31, 2019. As a result of these and other factors, we do not believe that our historical results of operations discussed and analyzed below are comparable or necessarily indicative of our future results of operations or cash flows.

To help analyze the operating performance of our self storage properties, we also discuss and analyze operating results relating to our same store portfolio. Our same store portfolio is defined as those properties owned and operated since the first day of the earliest year presented, excluding any properties sold, expected to be sold or subject to significant changes such as expansions or casualty events which cause the portfolio's year-over-year operating results to no longer be comparable.

The following discussion and analysis of the results of our operations and financial condition for the year ended December 31, 2020 compared to the year ended December 31, 2019 should be read in conjunction with the accompanying consolidated financial statements included in Item 8. The discussion and analysis of the results of our operations and financial condition for the year ended December 31, 2019 compared to the year ended December 31, 2018, can be found in Part II, "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2019, which was filed with the SEC on February 26, 2020.

Certain figures, such as interest rates and other percentages, included in this section have been rounded for ease of presentation. Percentage figures included in this section have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this section may vary slightly from those obtained by performing the same calculations using the figures in our consolidated financial statements or in the associated text. Certain other amounts that appear in this section may similarly not sum due to rounding.

Year Ended December 31, 2020 compared to the Year Ended December 31, 2019

Net income was \$79.5 million for the year ended December 31, 2020, compared to \$66.0 million for the year ended December 31, 2019, an increase of \$13.5 million. The increase was primarily due to an increase in net operating income ("NOI") resulting from self storage properties acquired during 2019 and 2020 and a decrease in GAAP losses from the Company's unconsolidated real estate ventures partially offset by increases in depreciation and amortization, interest expense, non-operating expense, acquisition costs and a decrease in gains from the sale of self storage properties. For a description of NOI, see "*Non-GAAP Financial measures – NOP*".

Overview

As of December 31, 2020, our same store portfolio consisted of 500 self storage properties. See "---Results of Operations" above for the definition of our same store portfolio. The following table illustrates the changes in rental revenue, other property-related revenue, management fees and other revenue, property operating expenses, and other

expenses for the year ended December 31, 2020 compared to the year ended December 31, 2019 (dollars in thousands):

	Year Ended December 31,		
	2020	2019	Change
Rental revenue			
Same store portfolio	\$ 330,583	\$ 325,755	\$ 4,828
Non-same store portfolio	64,077	29,104	34,973
Total rental revenue	394,660	354,859	39,801
Other property-related revenue			
Same store portfolio	12,137	11,316	821
Non-same store portfolio	2,387	986	1,401
Total other property-related revenue	14,524	12,302	2,222
Property operating expenses			
Same store portfolio	101,134	100,588	546
Non-same store portfolio	22,352	9,759	12,593
Total property operating expenses	123,486	110,347	13,139
Net operating income			
Same store portfolio	241,586	236,483	5,103
Non-same store portfolio	44,112	20,331	23,781
Total net operating income	285,698	256,814	28,884
Management fees and other revenue	23,038	20,735	2,303
General and administrative expenses	(43,640)	(44,030)	390
Depreciation and amortization	(117,174)	(105,119)	(12,055)
Other	(808)	(1,551)	743
Other (expense) income			
Interest expense	(62,595)	(56,464)	(6,131)
Equity in earnings (losses) of unconsolidated real estate ventures	265	(4,970)	5,235
Acquisition costs	(2,424)	(1,317)	(1,107)
Non-operating (expense) income	(1,211)	452	(1,663)
Gain on sale of self storage properties	—	2,814	(2,814)
Other expense	(65,965)	(59,485)	(6,480)
Income before income taxes	81,149	67,364	13,785
Income tax expense	(1,671)	(1,351)	(320)
Net income	79,478	66,013	13,465
Net income attributable to noncontrolling interests	(30,869)	(62,030)	31,161
Net income attributable to National Storage Affiliates Trust	48,609	3,983	44,626
Distributions to preferred shareholders	(13,097)	(12,390)	(707)
Net income (loss) attributable to common shareholders	\$ 35,512	\$ (8,407)	\$ 43,919

Total Revenue

Our total revenue increased by \$44.3 million, or 11.4%, for the year ended December 31, 2020, as compared to the year ended December 31, 2019. This increase was primarily attributable to incremental revenue from 77 self storage properties acquired during the year ended December 31, 2020, increases in management fees and other revenue from our unconsolidated real estate ventures and an increase in total portfolio average occupancy from 88.4% for the year ended December 31, 2019 to 89.3% for the year ended December 31, 2020. Average occupancy

is calculated based on the average of the month-end occupancy immediately preceding the period presented and the month-end occupancies included in the respective period presented.

Rental Revenue

Rental revenue increased by \$39.8 million, or 11.2%, for the year ended December 31, 2020, as compared to the year ended December 31, 2019. The increase in rental revenue was due to a \$35.0 million increase in non-same store rental revenue which was primarily attributable to incremental rental revenue of \$20.4 million from 77 self storage properties acquired during 2020, and \$15.3 million from 69 self storage properties acquired during 2019. Same store portfolio rental revenues increased \$4.8 million, or 1.5%, due to a 0.2% increase, from \$12.12 to \$12.15, in annualized same store rental revenue (including fees and net of any discounts and uncollectible customer amounts) divided by average occupied square feet ("average annualized rental revenue per occupied square foot"), driven primarily by increased contractual lease rates for in-place tenants and an increase in average occupancy from 88.6% for the year ended December 31, 2019 to 89.6% for the year ended December 31, 2020.

Other Property-Related Revenue

Other property-related revenue represents ancillary income from our self storage properties, such as tenant insurance-related access fees and sales of storage supplies. Other property-related revenue increased by \$2.2 million, or 18.1%, for the year ended December 31, 2020, as compared to the year ended December 31, 2019. This increase primarily resulted from a \$1.4 million increase in non-same store other property-related revenue which was primarily attributable to incremental other property-related revenue of \$0.9 million from 77 self storage properties acquired during 2020, and \$0.6 million from 69 self storage properties acquired during 2019.

Management Fees and Other Revenue

Management fees and other revenue, which are primarily related to managing and operating the unconsolidated real estate ventures, were \$23.0 million for the year ended December 31, 2020, compared to \$20.7 million for the year ended December 31, 2019, an increase of \$2.3 million or 11.1%. This increase was primarily attributable to incremental tenant insurance fees and dividends from an investment in a tenant reinsurance company made during 2019.

Property Operating Expenses

Property operating expenses were \$123.5 million for the year ended December 31, 2020 compared to \$110.3 million for the year ended December 31, 2019, an increase of \$13.2 million, or 11.9%. The increase in property operating expenses resulted from a \$12.6 million increase in non-same store property operating expenses that was primarily attributable to incremental property operating expenses of \$7.8 million from 77 self storage properties acquired during 2020, and \$4.9 million from 69 self storage properties acquired during 2019.

General and Administrative Expenses

General and administrative expenses decreased \$0.4 million, or 0.9%, for the year ended December 31, 2020, compared to the year ended December 31, 2019. This decrease was attributable to decreases in supervisory and administrative fees charged by our PROs of \$3.6 million primarily as a result of the cessation of payments to SecurCare following the merger and internalization of the management platform of SecurCare, partially offset by increases in costs related to our property management platform of \$2.6 million due to the internalization of the management platform of SecurCare and an increase in store count.

Depreciation and Amortization

Depreciation and amortization increased \$12.1 million, or 11.5%, for the year ended December 31, 2020, compared to the year ended December 31, 2019. This increase was primarily attributable to incremental depreciation expense related to the 77 self storage properties acquired during 2020, partially offset by a decrease in amortization of customer in-place leases from \$11.3 million for the year ended December 31, 2019 to \$9.0 million for the year ended December 31, 2020.

Interest Expense

Interest expense increased \$6.1 million, or 10.9%, for the year ended December 31, 2020, compared to the year ended December 31, 2019. The increase in interest expense was primarily attributable to additional borrowings consisting of \$155.0 million of additional term loan borrowings under the Company's credit facility in July 2019, \$100.0 million of borrowings under the 2029 Term Loan Facility in April 2019, the issuance of the \$150.0 million

senior unsecured notes in a private placement in August 2019 and higher outstanding borrowings under the Revolver.

Equity In Earnings (Losses) Of Unconsolidated Real Estate Ventures

Equity in earnings (losses) of unconsolidated real estate ventures represents our share of earnings and losses incurred through our 25% ownership interests in the 2018 Joint Venture and the 2016 Joint Venture. During the year ended December 31, 2020, we recorded \$0.3 million of equity in earnings from our unconsolidated real estate ventures compared to \$5.0 million of losses for the year ended December 31, 2019. This was primarily the result of incremental losses from our 2018 Joint Venture during the year ended December 31, 2019 driven by real estate depreciation and amortization of customer in-place leases following the acquisition of the Initial 2018 Joint Venture Portfolio in September 2018.

Gain On Sale of Self Storage Properties

Gain on sale of self storage properties was \$2.8 million for the year ended December 31, 2019. During the year ended December 31, 2019, we sold one self storage property to an unrelated third party for gross proceeds of \$6.5 million.

Net Income Attributable to Noncontrolling Interests

As discussed in Note 2 to the consolidated financial statements in Item 8, we allocate U.S. generally accepted accounting principles ("GAAP") income (loss) utilizing the HLBV method, in which we allocate income or loss based on the change in each unitholders' claim on the net assets of our operating partnership at period end after adjusting for any distributions or contributions made during such period.

Due to the stated liquidation priorities and because the HLBV method incorporates non-cash items such as depreciation expense, in any given period, income or loss may be allocated disproportionately to noncontrolling interests. Net income attributable to noncontrolling interests was \$30.9 million for the year ended December 31, 2020, compared to \$62.0 million for the year ended December 31, 2019.

Critical Accounting Policies and Use of Estimates

Our financial statements have been prepared on the accrual basis of accounting in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, we evaluate our estimates and assumptions, including those that impact our most critical accounting policies. We base our estimates and assumptions on historical experience and on various other factors that we believe are reasonable under the circumstances. Actual results may differ from these estimates. We believe the following are our most critical accounting policies.

Principles of Consolidation and Presentation of Noncontrolling Interests

Our consolidated financial statements include the accounts of our operating partnership and its controlled subsidiaries. All significant intercompany balances and transactions have been eliminated in the consolidation of entities.

The limited partner ownership interests in our operating partnership that are held by owners other than us are referred to as noncontrolling interests. Noncontrolling interests also include ownership interests in DownREIT partnerships held by entities other than our operating partnership. Noncontrolling interests in a subsidiary are generally reported as a separate component of equity in our consolidated balance sheets. In our statements of operations, the revenues, expenses and net income or loss related to noncontrolling interests in our operating partnership are included in the consolidated amounts, with net income or loss attributable to the noncontrolling interests deducted separately to arrive at the net income or loss solely attributable to us.

When we obtain an economic interest in an entity, we evaluate the entity to determine if the entity is deemed a variable interest entity ("VIE"), and if we are deemed to be the primary beneficiary, in accordance with authoritative guidance issued on the consolidation of VIEs. When an entity is not deemed to be a VIE, we consider the provisions of additional guidance to determine whether the general partner controls a limited partnership or similar entity when the limited partners have certain rights. We consolidate all entities that are VIEs and of which the Company is deemed to be the primary beneficiary.

Self Storage Properties and Customer In-Place Leases

Self storage properties are carried at historical cost less accumulated depreciation and any impairment losses. When self storage properties are acquired, the purchase price is allocated to the tangible and intangible assets acquired and liabilities assumed based on estimated fair values. The purchase price is allocated to the individual properties based on the fair value determined using an income approach or a cash flow analysis using appropriate risk adjusted capitalization rates, which take into account the relative size, age, and location of the individual properties along with current and projected occupancy and relative rental rates or appraised values, if available. Tangible assets are allocated to land, buildings and related improvements, and furniture and equipment.

In allocating the purchase price for a self storage property acquisition, we determine whether the acquisition includes intangible assets. We allocate a portion of the purchase price to an intangible asset attributed to the value of customer in-place leases. Because the majority of tenant leases are on a month-to-month basis, this intangible asset represents the estimated value of the leases in effect on the acquisition date. This intangible asset is amortized to expense using the straight-line method over 12 months, the estimated average remaining rental period for the leases.

Non-GAAP Financial Measures

FFO and Core FFO

Funds from operations, or FFO, is a widely used performance measure for real estate companies and is provided here as a supplemental measure of our operating performance. The December 2018 Nareit Funds From Operations White Paper - 2018 Restatement, which we refer to as the White Paper, defines FFO as net income (as determined under GAAP), excluding: real estate depreciation and amortization, gains and losses from the sale of certain real estate assets, gains and losses from change in control, mark-to-market changes in value recognized on equity securities, impairment write-downs of certain real estate assets and impairment of investments in entities when it is directly attributable to decreases in the value of depreciable real estate held by the entity and after items to record unconsolidated partnerships and joint ventures on the same basis. Distributions declared on subordinated performance units and DownREIT subordinated performance units represent our allocation of FFO to noncontrolling interests held by subordinated performance unitholders and DownREIT subordinated performance unitholders. For purposes of calculating FFO attributable to common shareholders, OP unitholders, and LTIP unitholders, we exclude distributions declared on subordinated performance units, DownREIT subordinated performance units, preferred shares and preferred units. We define Core FFO as FFO, as further adjusted to eliminate the impact of certain items that we do not consider indicative of our core operating performance. These further adjustments consist of acquisition costs, organizational and offering costs, gains on debt forgiveness, gains (losses) on early extinguishment of debt, and after adjustments for unconsolidated partnerships and joint ventures.

Management uses FFO and Core FFO as key performance indicators in evaluating the operations of our properties. Given the nature of our business as a real estate owner and operator, we consider FFO and Core FFO as key supplemental measures of our operating performance that are not specifically defined by GAAP. We believe that FFO and Core FFO are useful to management and investors as a starting point in measuring our operational performance because FFO and Core FFO exclude various items included in net income (loss) that do not relate to or are not indicative of our operating performance such as gains (or losses) from sales of self storage properties and depreciation, which can make periodic and peer analyses of operating performance more difficult. Our computation of FFO and Core FFO may not be comparable to FFO reported by other REITs or real estate companies.

FFO and Core FFO should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP, such as total revenues, operating income and net income (loss). FFO and Core FFO do not represent cash generated from operating activities determined in accordance with GAAP and are not a measure of liquidity or an indicator of our ability to make cash distributions. We believe that to further understand our performance, FFO and Core FFO should be compared with our reported net income (loss) and considered in addition to cash flows computed in accordance with GAAP, as presented in our consolidated financial statements.

The following table presents a reconciliation of net income (loss) to FFO and Core FFO for the periods presented (in thousands, except per share and unit amounts):

	Year Ended December 31,		
	2020	2019	2018
Net income	\$ 79,478	\$ 66,013	\$ 56,326
Add (subtract):			
Real estate depreciation and amortization	115,757	103,835	87,938
Company's share of unconsolidated real estate venture real estate depreciation and amortization	15,297	19,889	10,233
Gain on sale of self storage properties	—	(2,814)	(391)
Mark-to-market changes in value on equity securities	142	(610)	—
Company's share of unconsolidated real estate venture loss on sale of properties	—	202	205
Distributions to preferred shareholders and unitholders	(14,055)	(13,243)	(10,822)
FFO attributable to subordinated performance unitholders ⁽¹⁾	(29,708)	(34,121)	(27,111)
FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	166,911	139,151	116,378
Add:			
Acquisition costs	2,424	1,317	663
Core FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	\$ 169,335	\$ 140,468	\$ 117,041
Weighted average shares and units outstanding - FFO and Core FFO⁽²⁾			
Weighted average shares outstanding - basic	66,547	58,208	53,293
Weighted average restricted common shares outstanding	30	28	29
Weighted average effect of outstanding forward offering agreement ⁽³⁾	60	—	—
Weighted average OP units outstanding	29,863	30,277	28,977
Weighted average DownREIT OP unit equivalents outstanding	1,906	1,848	1,835
Weighted average LTIP units outstanding	543	585	694
Total weighted average shares and units outstanding - FFO and Core FFO	98,949	90,946	84,828
FFO per share and unit	\$ 1.69	\$ 1.53	\$ 1.37
Core FFO per share and unit	\$ 1.71	\$ 1.54	\$ 1.38

(1) Amounts represent distributions declared for subordinated performance unitholders and DownREIT subordinated performance unitholders for the periods presented.

(2) NSA combines OP units and DownREIT OP units with common shares because, after the applicable lock-out periods, OP units in the Company's operating partnership are redeemable for cash or, at NSA's option, exchangeable for common shares on a one-for-one basis and DownREIT OP units are also redeemable for cash or, at NSA's option, exchangeable for OP units in our operating partnership on a one-for-one basis, subject to certain adjustments in each case. Subordinated performance units, DownREIT subordinated performance units, and LTIP units may also, under certain circumstances, be convertible into or exchangeable for common shares (or other units that are convertible into or exchangeable for common shares). See footnote⁽¹⁾ to the following table for additional discussion of subordinated performance units, DownREIT subordinated performance units, and LTIP units in the calculation of FFO and Core FFO per share and unit.

(3) Represents the dilutive effect of the forward offering from the application of the treasury stock method.

The following table presents a reconciliation of earnings (loss) per share - diluted to FFO and Core FFO per share and unit for the periods presented:

	Year Ended December 31,		
	2020	2019	2018
Earnings (loss) per share - diluted	\$ 0.53	\$ (0.15)	\$ 0.07
Impact of the difference in weighted average number of shares ⁽¹⁾	(0.16)	0.05	(0.03)
Impact of GAAP accounting for noncontrolling interests, two-class method and treasury stock method ⁽²⁾	0.30	0.69	0.49
Add real estate depreciation and amortization	1.17	1.14	1.04
Add Company's share unconsolidated venture real estate depreciation and amortization	0.15	0.22	0.12
Subtract gain on sale of self storage properties	—	(0.03)	—
Mark-to-market changes in value recognized on equity securities	—	(0.01)	—
FFO attributable to subordinated performance unitholders	(0.30)	(0.38)	(0.32)
FFO per share and unit	1.69	1.53	1.37
Add acquisition costs and Company's share of unconsolidated real estate venture acquisition costs	0.02	0.01	0.01
Core FFO per share and unit	\$ 1.71	\$ 1.54	\$ 1.38

(1) Adjustment accounts for the difference between the weighted average number of shares used to calculate diluted earnings per share and the weighted average number of shares used to calculate FFO and Core FFO per share and unit. Diluted earnings per share is calculated using the two-class method for the company's restricted common shares, the treasury stock method for certain unvested LTIP units, and includes the assumption of a hypothetical conversion of subordinated performance units and DownREIT subordinated performance units into OP units, even though such units may only be convertible into OP units (i) after a lock-out period and (ii) upon certain events or conditions. For additional information about the conversion of subordinated performance units, DownREIT subordinated performance units and LTIP units into OP units, see Note 10 to the consolidated financial statements in Item 8. The computation of weighted average shares and units for FFO and Core FFO per share and unit includes all restricted common shares and LTIP units that participate in distributions and excludes all subordinated performance units and DownREIT subordinated performance units because their effect has been accounted for through the allocation of FFO to the related unitholders based on distributions declared.

(2) Represents the effect of adjusting the numerator to consolidated net income (loss) prior to GAAP allocations for noncontrolling interests, after deducting preferred share and unit distributions, and before the application of the two-class method and treasury stock method, as described in footnote ⁽¹⁾.

NOI

Net operating income, or NOI, represents rental revenue plus other property-related revenue less property operating expenses. NOI is not a measure of performance calculated in accordance with GAAP.

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

- NOI is one of the primary measures used by our management and our PROs to evaluate the economic productivity of our properties, including our ability to lease our properties, increase pricing and occupancy and control our property operating expenses;
- NOI is widely used in the real estate industry and the self storage industry to measure the performance and value of real estate assets without regard to various items included in net income that do not relate to or are not indicative of operating performance, such as depreciation and amortization, which can vary depending upon accounting methods, the book value of assets, and the impact of our capital structure; and
- We believe NOI helps our investors to meaningfully compare the results of our operating performance from period to period by removing the impact of our capital structure (primarily interest expense on our outstanding indebtedness) and depreciation of the cost basis of our assets from our operating results.

There are material limitations to using a non-GAAP measure such as NOI, including the difficulty associated with comparing results among more than one company and the inability to analyze certain significant items, including depreciation and interest expense, that directly affect our net income (loss). We compensate for these limitations by considering the economic effect of the excluded expense items independently as well as in connection

with our analysis of net income (loss). NOI should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP, such as total revenues and net income (loss).

The following table presents a reconciliation of net income (loss) to NOI for the periods presented (dollars in thousands):

	Year Ended December 31,		
	2020	2019	2018
Net income	\$ 79,478	\$ 66,013	\$ 56,326
(Subtract) add:			
Management fees and other revenue	(23,038)	(20,735)	(12,310)
General and administrative expenses	43,640	44,030	35,924
Other	808	1,551	296
Depreciation and amortization	117,174	105,119	89,147
Interest expense	62,595	56,464	42,724
Equity in (earnings) losses of unconsolidated real estate ventures	(265)	4,970	1,423
Acquisition costs	2,424	1,317	663
Income tax expense	1,671	1,351	818
Gain on sale of self storage properties	—	(2,814)	(391)
Non-operating expense (income)	1,211	(452)	91
Net operating income	\$ 285,698	\$ 256,814	\$ 214,711

Our consolidated NOI shown in the table above does not include our proportionate share of NOI for our unconsolidated real estate ventures. For additional information about our 2018 Joint Venture and 2016 Joint Venture see Note 5 to the consolidated financial statements in Item 8.

EBITDA and Adjusted EBITDA

We define EBITDA as net income (loss), as determined under GAAP, plus interest expense, loss on early extinguishment of debt, income taxes, depreciation and amortization expense and the Company's share of unconsolidated real estate venture depreciation and amortization. We define Adjusted EBITDA as EBITDA plus acquisition costs, organizational and offering expenses, equity-based compensation expense, losses on sale of properties and impairment of long-lived assets, minus gains on sale of properties and debt forgiveness, and after adjustments for unconsolidated partnerships and joint ventures. These further adjustments eliminate the impact of items that we do not consider indicative of our core operating performance. In evaluating EBITDA and Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

We present EBITDA and Adjusted EBITDA because we believe they assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. EBITDA and Adjusted EBITDA have limitations as an analytical tool. Some of these limitations are:

- EBITDA and Adjusted EBITDA do not reflect our cash expenditures, or future requirements, for capital expenditures, contractual commitments or working capital needs;
- EBITDA and Adjusted EBITDA do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debts;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements;
- Adjusted EBITDA excludes equity-based compensation expense, which is and will remain a key element of our overall long-term incentive compensation package, although we exclude it as an expense when evaluating our ongoing operating performance for a particular period;

- EBITDA and Adjusted EBITDA do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; and
- other companies in our industry may calculate EBITDA and Adjusted EBITDA differently than we do, limiting their usefulness as comparative measures.

We compensate for these limitations by considering the economic effect of the excluded expense items independently as well as in connection with our analysis of net income (loss). EBITDA and Adjusted EBITDA should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP, such as total revenues and net income (loss).

The following table presents a reconciliation of net loss to EBITDA and Adjusted EBITDA for the periods presented (dollars in thousands):

	Year Ended December 31,		
	2020	2019	2018
Net income	\$ 79,478	\$ 66,013	\$ 56,326
Add:			
Depreciation and amortization	117,174	105,119	89,147
Company's share of unconsolidated real estate venture depreciation and amortization	15,297	19,889	10,233
Income tax expense	1,671	1,351	818
Interest expense	62,595	56,464	42,724
EBITDA	276,215	248,836	199,248
Add:			
Acquisition costs	2,424	1,317	663
Gain on sale of self storage properties	—	(2,814)	(391)
Company's share of unconsolidated real estate venture loss on sale of properties	—	202	205
Equity-based compensation expense	4,278	4,527	3,837
Adjusted EBITDA	\$ 282,917	\$ 252,068	\$ 203,562

Liquidity and Capital Resources

Liquidity Overview

Liquidity is the ability to meet present and future financial obligations. Our primary source of liquidity is cash flow from our operations. Additional sources are proceeds from equity and debt offerings, and debt financings including borrowings under the credit facility, 2023 Term Loan Facility, 2028 Term Loan Facility and 2029 Term Loan Facility.

Our short-term liquidity requirements consist primarily of property operating expenses, property acquisitions, capital expenditures, general and administrative expenses and principal and interest on our outstanding indebtedness. A further short-term liquidity requirement relates to distributions to our common and preferred shareholders and holders of preferred units, OP units, subordinated performance units, LTIP units, DownREIT OP units and DownREIT subordinated performance units. We expect to fund short-term liquidity requirements from our operating cash flow, cash on hand and borrowings under our credit facility.

Our long-term liquidity needs consist primarily of the repayment of debt, property acquisitions, and capital expenditures. We acquire properties through the use of cash, preferred units, OP units and subordinated performance units in our operating partnership or DownREIT partnerships. We expect to meet our long-term liquidity requirements with operating cash flow, cash on hand, secured and unsecured indebtedness, and the issuance of equity and debt securities.

The availability of credit and its related effect on the overall economy may affect our liquidity and future financing activities, both through changes in interest rates and access to financing. Currently, interest rates are low compared to historical levels. Our ability to access capital on favorable terms as well as to use cash from operations

to continue to meet our liquidity needs, all of which are highly uncertain and cannot be predicted, could be affected by various risks and uncertainties, including, but not limited to, the effects of the COVID-19 pandemic. We believe that, as a publicly-traded REIT, we will have access to multiple sources of capital to fund our long-term liquidity requirements, including the incurrence of additional debt and the issuance of debt and additional equity securities. However, we cannot assure you that this will be the case.

Cash Flows

At December 31, 2020, we had \$18.7 million in cash and cash equivalents and \$3.0 million of restricted cash, a decrease in cash and cash equivalents of \$1.8 million and a decrease in restricted cash of \$0.7 million from December 31, 2019. Restricted cash primarily consists of escrowed funds deposited with financial institutions for real estate taxes, insurance, and other reserves for capital improvements in accordance with our loan agreements. The following discussion relates to changes in cash due to operating, investing, and financing activities, which are presented in our consolidated statements of cash flows included in Item 8 of this report.

Operating Activities

Cash provided by our operating activities was \$220.7 million for the year ended December 31, 2020 compared to \$196.7 million for the year ended December 31, 2019, an increase of \$24.0 million. Our operating cash flow increased primarily due to 69 self storage properties acquired during the year ended December 31, 2019 that generated cash flow for the entire year ended December 31, 2020 and 77 self storage properties that were acquired during the year ended December 31, 2020. These increases were partially offset by higher cash payments for interest expense.

Investing Activities

Cash used in investing activities was \$509.7 million for the year ended December 31, 2020 compared to \$393.0 million for the year ended December 31, 2019. The primary uses of cash for the year ended December 31, 2020 were for our acquisition of 77 self storage properties for cash consideration of \$496.5 million, deposits for potential acquisitions of \$1.1 million, capital expenditures of \$16.4 million and contributions to unconsolidated real estate ventures of \$4.4 million partially offset by \$7.6 million of proceeds from the sale of equity securities and \$1.5 million of distributions from unconsolidated real estate ventures. The primary uses of cash for the year ended December 31, 2019 were for our acquisition of 69 self storage properties for cash consideration of \$371.1 million, the acquisition of equity securities for \$12.7 million, deposits for potential acquisitions of \$4.4 million, capital expenditures of \$20.6 million and the acquisition of the interest in a reinsurance company and related cash flows of \$6.6 million, partially offset by distributions from unconsolidated real estate ventures of \$11.5 million, \$6.3 million of proceeds from the sale of one self storage property and \$5.4 million of proceeds from the sale of equity securities.

Capital expenditures totaled \$16.4 million, \$20.6 million and \$19.0 million during the years ended December 31, 2020, 2019 and 2018 respectively. We generally fund post-acquisition capital additions from cash provided by operating activities.

We categorize our capital expenditures broadly into three primary categories:

- recurring capital expenditures, which represent the portion of capital expenditures that are deemed to replace the consumed portion of acquired capital assets and extend their useful life;
- value enhancing capital expenditures, which represent the portion of capital expenditures that are made to enhance the revenue and value of an asset from its original purchase condition; and
- acquisitions capital expenditures, which represent the portion of capital expenditures capitalized during the current period that were identified and underwritten prior to a property's acquisition.

The following table presents a summary of the capital expenditures for these categories, along with a reconciliation of the total for these categories to the capital expenditures reported in the accompanying consolidated statements of cash flows for the periods presented (dollars in thousands):

	Year Ended December 31,		
	2020	2019	2018
Recurring capital expenditures	\$ 6,057	\$ 8,708	\$ 6,001
Value enhancing capital expenditures	4,026	4,420	3,563
Acquisitions capital expenditures	6,064	8,305	9,356
Total capital expenditures	16,147	21,433	18,920
Change in accrued capital spending	248	(839)	94
Capital expenditures per statement of cash flows	\$ 16,395	\$ 20,594	\$ 19,014

Financing Activities

Cash provided by our financing activities was \$286.5 million for the year ended December 31, 2020 compared to \$204.3 million for the year ended December 31, 2019. Our sources of financing cash flows for the year ended December 31, 2020 primarily consisted of \$680.0 million of borrowings under the Revolver and \$250.0 million of borrowings under our 2030 Notes and 2032 Notes and \$82.9 million of proceeds from the issuance of common shares. Our primary uses of financing cash flows for the year ended December 31, 2020 were for principal payments on existing debt of \$546.1 million (which included \$505.5 million of principal repayments under the Revolver and \$40.6 million of scheduled fixed rate mortgage principal payments), distributions to noncontrolling interests of \$73.8 million, distributions to common shareholders of \$90.1 million and distributions to preferred shareholders of \$13.1 million. Our sources of financing cash flows for the year ended December 31, 2019 primarily consisted of \$572.0 million of borrowings under our credit facility, \$100.0 million of borrowings under our 2029 Term Loan Facility, \$150.0 million of borrowings under our Senior Unsecured Notes, \$70.6 million of proceeds from the issuance of common shares and \$43.6 million of proceeds from the issuance of Series A Preferred Shares. Our primary uses of financing cash flows for the year ended December 31, 2019 were for principal payments on existing debt of \$561.6 million (which included \$556.5 million of principal repayments under the Revolver and \$5.1 million of scheduled fixed rate mortgage principal payments), distributions to noncontrolling interests of \$76.0 million, distributions to common shareholders of \$74.5 million and distributions to preferred shareholders of \$12.4 million.

Credit Facility and Term Loan Facilities

As of December 31, 2020, our credit facility provided for total borrowings of \$1.275 billion, consisting of five components: (i) a Revolver which provides for a total borrowing commitment up to \$500.0 million, whereby we may borrow, repay and re-borrow amounts under the Revolver, (ii) a \$125.0 million Term Loan A, (iii) a \$250.0 million Term Loan B, (iv) a \$225.0 million Term Loan C and (v) a \$175.0 million Term Loan D. The Revolver matures in January 2024; provided that we may elect to extend the maturity to July 2024 by paying an extension fee of 0.075% of the total borrowing commitment thereunder at the time of extension and meeting other customary conditions with respect to compliance. The Term Loan A matures in January 2023, the Term Loan B matures in July 2024, the Term Loan C matures in January 2025 and the Term Loan D matures in July 2026. The Revolver, Term Loan A, Term Loan B, Term Loan C and Term Loan D are not subject to any scheduled reduction or amortization payments prior to maturity. As of December 31, 2020, we have an expansion option under the credit facility, which, if exercised in full, would provide for a total credit facility of \$1.750 billion.

As of December 31, 2020, \$125.0 million was outstanding under the Term Loan A with an effective interest rate of 3.74%, \$250.0 million was outstanding under the Term Loan B with an effective interest rate of 2.91%, \$225.0 million was outstanding under the Term Loan C with an effective interest rate of 2.80% and \$175.0 million was outstanding under the Term Loan D with an effective interest rate of 3.57%. As of December 31, 2020, we would have had the capacity to borrow remaining Revolver commitments of \$320.3 million while remaining in compliance with the credit facility's financial covenants.

We have a 2023 Term Loan Facility that matures in June 2023 and is separate from the credit facility in an aggregate amount of \$175.0 million. As of December 31, 2020 the entire amount was outstanding under the 2023 Term Loan Facility with an effective interest rate of 2.83%. We have an expansion option under the 2023 Term

Loan Facility, which, if exercised in full, would provide for total borrowings in an aggregate amount of \$400.0 million.

We have a 2028 Term Loan Facility that matures in December 2028 and is separate from the credit facility and 2023 Term Loan Facility in an aggregate amount of \$75.0 million. As of December 31, 2020 the entire amount was outstanding under the 2028 Term Loan Facility with an effective interest rate of 4.62%. We have an expansion option under the 2028 Term Loan Facility, which, if exercised in full, would provide for total borrowings in an aggregate amount up to \$125.0 million.

We have a 2029 Term Loan Facility that matures in April 2029 and is separate from the credit facility, 2023 Term Loan Facility and 2028 Term Loan Facility in an aggregate amount of \$100.0 million. As of December 31, 2020 the entire amount was outstanding under the 2029 Term Loan Facility with an effective interest rate of 4.27%.

For a summary of our financial covenants and additional detail regarding our credit facility, 2023 Term Loan Facility, 2028 Term Loan Facility and 2029 Term Loan Facility, please see Note 8 to the consolidated financial statements in Item 8.

2029 And 2031 Senior Unsecured Notes

On August 30, 2019, our operating partnership issued \$100.0 million of 3.98% senior unsecured notes due August 30, 2029 and \$50.0 million of 4.08% senior unsecured notes due August 30, 2031 in a private placement to certain institutional investors.

2030 And 2032 Senior Unsecured Notes

As discussed in Note 8 to the consolidated financial statements in Item 8, on October 22, 2020, our operating partnership issued \$150.0 million of 2.99% senior unsecured notes due August 5, 2030 and \$100.0 million of 3.09% senior unsecured notes due August 5, 2032 in a private placement to certain institutional investors.

Contractual Obligations

The following table summarizes information contained elsewhere in this Annual Report on Form 10-K regarding payments due under contractual obligations and commitments on an undiscounted basis as of December 31, 2020 (dollars in thousands):

	Year Ending December 31,						Thereafter	Total
	2021	2022	2023	2024	2025			
Debt financings:								
Principal ⁽¹⁾	\$ 7,670	\$ 4,374	\$ 376,813	\$ 445,964	\$ 227,185	\$ 860,608	\$ 1,922,614	
Interest ⁽²⁾	63,692	63,502	54,589	44,251	32,807	105,809	364,650	
Real estate leasehold interests	1,444	1,459	1,464	1,470	1,521	35,206	42,564	
Office leases	471	465	430	450	456	624	2,896	
Total	\$ 73,277	\$ 69,800	\$ 433,296	\$ 492,135	\$ 261,969	\$ 1,002,247	\$ 2,332,724	

(1) Includes scheduled principal and maturity payments related to our debt financings.

(2) Interest is calculated until the maturity date (without regard to any extension that may be elected by the Company) based on the outstanding principal balance and the effective interest rate as of December 31, 2020.

Equity Transactions

Issuance of Common Shares and Series A Preferred Shares

As discussed in Note 3 to the consolidated financial statements in Item 8, on March 31, 2020, we closed on the mergers of SecurCare and DLAN with and into wholly-owned subsidiaries of the Company. In connection with the mergers, we issued 8,105,192 common shares to the former owners of SecurCare and DLAN.

During the year ended December 31, 2020, we sold 743,915 of our common shares through at the market offerings. The common shares were sold at an average offering price of \$33.01 per share, resulting in net proceeds to us of approximately \$22.9 million after deducting compensation payable by us to the agents and offering expenses.

During September 2020, we completed an underwritten public offering of 4,500,000 common shares under forward sale agreements at a public offering price of \$33.15 per share. The underwriters were granted a 30-day option to purchase up to an additional 675,000 common shares at the same price, which they partially exercised for an additional 400,000 common shares on October 6, 2020. On December 30, 2020, the Company settled a portion of the forward offering by physically delivering 1,850,510 common shares to the forward purchasers for net proceeds of approximately \$60.0 million. As of December 31, 2020, 3,049,490 shares remained outstanding under the forward sale agreements.

During the year ended December 31, 2020, after receiving notices of redemption from certain OP unitholders, we elected to issue 892,070 common shares to such holders in exchange for 892,070 OP units in satisfaction of the operating partnership's redemption obligations.

During the year ended December 31, 2020, the Company issued 28,467 common shares in exchange for \$1.0 million of principal payment reimbursements received during the year ended December 31, 2020 related to mortgages assumed in connection with the acquisition of self storage properties from PROs during the year ended December 31, 2014.

During the year ended December 31, 2020, after receiving notices of redemption from certain Series A-1 preferred unitholders, we elected to issue 5,600 Series A preferred shares to such holders in exchange for 5,600 Series A-1 preferred units in satisfaction of the operating partnership's redemption obligations.

Issuance of OP Equity

In connection with the 77 properties acquired during the year ended December 31, 2020, we issued \$37.2 million of OP equity (consisting of 755,007 OP units, 28,894 LTIP units and 303,528 subordinated performance units). In addition, we issued 28,892 LTIP units to consultants that will vest upon the completion of expansion projects.

As discussed in Note 3 to the consolidated financial statements in Item 8, during the year ended December 31, 2020, the Company issued 445,701 OP units upon the conversion of 332,738 subordinated performance units and 246,156 OP units upon the conversion of an equivalent number of LTIP units.

Dividends and Distributions

During the year ended December 31, 2020, the Company paid \$90.1 million of distributions to common shareholders, \$13.1 million of distributions to preferred shareholders and distributed \$73.8 million to noncontrolling interests.

On February 25, 2021, our board of trustees declared a cash dividend and distribution, respectively, of \$0.35 per common share and OP unit to shareholders and OP unitholders of record as of March 15, 2021. On February 25, 2021, our board of trustees also declared cash distributions of \$0.375 per Series A Preferred Share and Series A-1 preferred unit to shareholders and unitholders of record as of March 15, 2021. In addition, we expect to declare a cash distribution in the first quarter of 2021 to our subordinated performance unitholders of record as of March 15, 2021. Such dividends and distributions are expected to be paid on March 31, 2021.

Cash Distributions from our Operating Partnership

Under the LP Agreement of our operating partnership, to the extent that we, as the general partner of our operating partnership, determine to make distributions to the partners of our operating partnership out of the operating cash flow or capital transaction proceeds generated by a real property portfolio managed by one of our PROs, the holders of the series of subordinated performance units that relate to such portfolio are entitled to share in such distributions. Under the LP Agreement of our operating partnership, operating cash flow with respect to a portfolio of properties managed by one of our PROs is generally an amount determined by us, as general partner of our operating partnership, equal to the excess of property revenues over property related expenses from that portfolio. In general, property revenue from the portfolio includes:

- (i) all receipts, including rents and other operating revenues;
- (ii) any incentive, financing, break-up and other fees paid to us by third parties;
- (iii) amounts released from previously set aside reserves; and
- (iv) any other amounts received by us, which we allocate to the particular portfolio of properties.

In general, property-related expenses include all direct expenses related to the operation of the properties in that portfolio, including real property taxes, insurance, property-level general and administrative expenses, employee costs, utilities, property marketing expense, property maintenance and property reserves and other expenses incurred at the property level. In addition, other expenses incurred by our operating partnership will also be allocated by us, as general partner, to the property portfolio and will be included in the property-related expenses of that portfolio. Examples of such other expenses include:

- (i) corporate-level general and administrative expenses;
- (ii) out-of-pocket costs, expenses and fees of our operating partnership, whether or not capitalized;
- (iii) the costs and expenses of organizing and operating our operating partnership;
- (iv) amounts paid or due in respect of any loan or other indebtedness of our operating partnership during such period;
- (v) extraordinary expenses of our operating partnership not previously or otherwise deducted under item (ii) above;
- (vi) any third-party costs and expenses associated with identifying, analyzing, and presenting a proposed property to us and/or our operating partnership; and
- (vii) reserves to meet anticipated operating expenditures, debt service or other liabilities, as determined by us.

To the extent that we, as the general partner of our operating partnership, determine to make distributions to the partners of our operating partnership out of the operating cash flow of a real property portfolio managed by one of our PROs, operating cash flow from a property portfolio is required to be allocated to OP unitholders and to the holders of series of subordinated performance units that relate to such property portfolio as follows:

First, an amount is allocated to OP unitholders in order to provide OP unitholders (together with any prior allocations of capital transaction proceeds) with a cumulative preferred allocation on the unreturned capital contributions attributed to the OP units in respect of such property portfolio. The preferred allocation for all of our existing portfolios is 6%. As of December 31, 2020, our operating partnership had an aggregate of \$1,811.6 million of unreturned capital contributions with respect to common shareholders and OP unitholders, with respect to the various property portfolios.

Second, an amount is allocated to the holders of the series of subordinated performance units relating to such property portfolio in order to provide such holders with an allocation (together with prior distributions of capital transaction proceeds) on their unreturned capital contributions. Although the subordinated allocation for the subordinated performance units is non-cumulative from period to period, if the operating cash flow from a property portfolio related to a series of subordinated performance units is sufficient, in the judgment of the general partner (with the approval of a majority of our independent trustees), to fund distributions to the holders of such series of subordinated performance units, but we, as the general partner of our operating partnership, decline to make distributions to such holders, the amount available but not paid as distributions will be added to the subordinated allocation corresponding to such series of subordinated performance units. The subordinated allocation for the outstanding subordinated performance units is 6%. As of December 31, 2020, an aggregate of \$129.6 million of unreturned capital contributions has been allocated to the various series of subordinated performance units.

Thereafter, any additional operating cash flow is allocated to OP unitholders and the applicable series of subordinated performance units equally.

Following the allocation described above, we as the general partner of our operating partnership, will generally cause our operating partnership to distribute the amounts allocated to the relevant series of subordinated performance units to the holders of such series of subordinated performance units. We, as the general partner, may cause our operating partnership to distribute the amounts allocated to OP unitholders or may cause our operating partnership to retain such amounts to be used by our operating partnership for any purpose. Any operating cash flow that is attributable to amounts retained by our operating partnership pursuant to the preceding sentence will generally be available to be allocated as an additional capital contribution to the various property portfolios.

The foregoing description of the allocation of operating cash flow between the OP unitholders and subordinated performance unitholders is used for purposes of determining distributions to holders of subordinated performance units but does not necessarily represent the operating cash flow that will be distributed to OP unitholders (or paid as

dividends to holders of our common shares). Any distribution of operating cash flow allocated to the OP unitholders will be made at our discretion (and paid as dividends to holders of our common shares at the discretion of our board of trustees).

Under the LP Agreement of our operating partnership, capital transactions are transactions that are outside the ordinary course of our operating partnership's business, involve the sale, exchange, other disposition, or refinancing of any property, and are designated as capital transactions by us, as the general partner. To the extent the general partner determines to distribute capital transaction proceeds, the proceeds from capital transactions involving a particular property portfolio are required to be allocated to OP unitholders and to the series of subordinated performance units that relate to such property portfolio as follows:

First, an amount determined by us, as the general partner, of such capital transaction proceeds is allocated to OP unitholders in order to provide OP unitholders (together with any prior allocations of operating cash flow) with a cumulative preferred allocation on the unreturned capital contributions attributed to the OP unitholders in respect of such property portfolio that relate to such capital transaction plus an additional amount equal to such unreturned capital contributions.

Second, an amount determined by us, as the general partner, is allocated to the holders of the series of subordinated performance units relating to such property portfolio in order to provide such holders with a non-cumulative subordinated allocation on the unreturned capital contributions made by such holders in respect of such property portfolio that relate to such capital transaction plus an additional amount equal to such unreturned capital contributions.

The preferred allocation and subordinated allocation with respect to capital transaction proceeds for each portfolio is equal to the preferred allocation and subordinated allocation for distributions of operating cash flow with respect to that portfolio.

Thereafter, any additional capital transaction proceeds are allocated to OP unitholders and the applicable series of subordinated performance units equally.

Following the allocation described above, we, as the general partner of our operating partnership, will generally cause our operating partnership to distribute the amounts allocated to the relevant series of subordinated performance units to the holders of such series of subordinated performance units. We, as general partner of our operating partnership, may cause our operating partnership to distribute the amounts allocated to the OP unitholders or may cause our operating partnership to retain such amounts to be used by our operating partnership for any purpose. Any capital transaction proceeds that are attributable to amounts retained by our operating partnership pursuant to the preceding sentence will generally be available to be allocated as an additional capital contribution to the various property portfolios.

The foregoing allocation of capital transaction proceeds between the OP unitholders and subordinated performance unitholders is used for purposes of determining distributions to holders of subordinated performance units but does not necessarily represent the capital transaction proceeds that will be distributed to OP unitholders (or paid as dividends to holders of our common shares). Any distribution of capital transaction proceeds allocated to the OP unitholders will be made at our discretion (and paid as dividends to holders of our common shares at the discretion of our board of trustees).

Our OP units are redeemable for cash or, at our option exchangeable on a one-for-one basis into common shares after an agreed period of time and certain other conditions. Our subordinated performance units are only convertible into OP units following a two year lock-out period and then (i) at the holder's election only upon the achievement of certain performance thresholds relating to the properties to which such subordinated performance units relate or (ii) at our election upon a retirement event of a PRO that holds such subordinated performance units or upon certain qualifying terminations.

Notwithstanding the two-year lock out period on conversions of subordinated performance units into OP units, if such subordinated performance units were convertible into OP units as of December 31, 2020, each subordinated performance unit would on average hypothetically convert into 1.23 OP units, or into an aggregate of approximately 16.4 million OP units. These amounts are based on historical financial information for the trailing twelve months ended December 31, 2020. The hypothetical conversion is calculated by dividing the average cash available for distribution, or CAD, per subordinated performance unit by 110% of the CAD per OP unit over the same period. We anticipate that as our CAD grows over time, the conversion ratio will also grow, including to levels that may exceed

this amount. The actual number of OP units into which such subordinated performance units will become convertible may vary significantly and will depend upon the applicable conversion penalty and the actual CAD to the OP units and the actual CAD to the converted subordinated performance units in the one-year period ending prior to conversion. We have also granted registration rights to those persons who will be eligible to receive common shares issuable upon exchange of OP units issued in our formation transactions and certain contribution transactions.

Allocation of Capital Contributions

We, as the general partner of our operating partnership, in our discretion, have the right to increase or decrease, as appropriate, the amount of capital contributions allocated to our operating partnership in general and to each series of subordinated performance units to reflect capital expenditures made by our operating partnership in respect of each portfolio, the sale or refinancing of all or a portion of the properties comprising the portfolio, the distribution of capital transaction proceeds by our operating partnership, the retention by our operating partnership of cash for working capital purposes and other events impacting the amount of capital contributions allocated to the holders. In addition, to avoid conflicts of interests, any decision by us to increase or decrease allocations of capital contributions must also be approved by a majority of our independent trustees.

Off-Balance Sheet Arrangements

Except as disclosed in the notes to our financial statements, as of December 31, 2020, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purposes entities, which typically are established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Further, except as disclosed in the notes to our financial statements, as of December 31, 2020, we have not guaranteed any obligations of unconsolidated entities nor made any commitments to provide funding to any such entities that creates any material exposure to any financing, liquidity, market or credit risk.

Segment

We manage our business as one reportable segment consisting of investments in self storage properties located in the United States. Although we operate in several markets, these operations have been aggregated into one reportable segment based on the similar economic characteristics among all markets.

Seasonality

The self storage business is subject to minor seasonal fluctuations. A greater portion of revenues and profits are realized from May through September. Historically, our highest level of occupancy has typically been in July, while our lowest level of occupancy has typically been in February. Results for any quarter may not be indicative of the results that may be achieved for the full fiscal year.

Inflation

Inflation in the United States has been relatively low in recent years and did not have a material impact on our results of operations for the years ended December 31, 2020, 2019 and 2018. Although the impact of inflation has been relatively insignificant in recent years, it remains a factor in the U.S. economy and may increase the cost of acquiring or replacing self storage properties and related improvements, as well as real estate property taxes, employee salaries, wages and benefits, utilities, and other expenses. Because our tenant leases are month-to-month, we may be able to rapidly adjust our rental rates to minimize the adverse impact of any inflation which could mitigate our exposure to increases in costs and expenses resulting from inflation.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk refers to the risk of loss from adverse changes in market prices and interest rates. Our future income, cash flows, and fair values of financial instruments are dependent upon prevailing market interest rates. The primary market risk to which we believe we are exposed is interest rate risk. Interest rate risk is highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations, and other factors beyond our control. We use interest rate swaps to moderate our exposure to interest rate risk by effectively converting the interest on variable rate debt to a fixed rate. We make limited use of other derivative financial instruments and we do not use them for trading or other speculative purposes.

As of December 31, 2020, we had \$174.0 million of debt subject to variable interest rates (excluding variable-rate debt subject to interest rate swaps). If one-month LIBOR were to increase or decrease by 100 basis points, the increase or decrease in interest expense on the variable-rate debt (excluding variable-rate debt subject to interest rate swaps) would decrease or increase future earnings and cash flows by approximately \$1.7 million annually.

Interest rate risk amounts were determined by considering the impact of hypothetical interest rates on our financial instruments. These analyses do not consider the effect of any change in overall economic activity that could occur. Further, in the event of a change of that magnitude, we may take actions to further mitigate our exposure to the change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, these analyses assume no changes in our financial structure.

Item 8. Financial Statements and Supplementary Data

The independent registered public accounting firm's reports, consolidated financial statements and schedule listed in the accompanying index are filed as part of this report and incorporated herein by this reference. See "Index to Financial Statements" on page F-1 of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

A review and evaluation was performed by our management, including our Chief Executive Officer (the "CEO") and Chief Financial Officer (the "CFO"), of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Annual Report on Form 10-K. Based on that review and evaluation, the CEO and CFO have concluded that our current disclosure controls and procedures, as designed and implemented, were effective.

Notwithstanding the foregoing, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in our periodic reports.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our board of trustees, audit committee, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and trustees; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

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

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2020. In making this assessment, our management used criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (2013 Framework).

Based on this assessment, our management believes that, as of December 31, 2020, our internal control over financial reporting was effective based on those criteria.

The Company's independent registered public accounting firm has issued an attestation report on the Company's internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information regarding our trustees, executive officers and certain other matters required by Item 401 of Regulation S-K is incorporated herein by reference to our definitive proxy statement relating to our annual meeting of shareholders (the "Proxy Statement"), to be filed with the SEC within 120 days after December 31, 2020.

The information regarding compliance with Section 16(a) of the Exchange Act required by Item 405 of Regulation S-K is incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2020.

The information regarding our Code of Business Conduct and Ethics required by Item 406 of Regulation S-K is incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2020.

The information regarding certain matters pertaining to our corporate governance required by Item 407(c)(3), (d)(4) and (d)(5) of Regulation S-K is incorporated by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2020.

Item 11. Executive Compensation

The information regarding executive compensation and other compensation related matters required by Items 402 and 407(e)(4) and (e)(5) of Regulation S-K is incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2020.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The tables on equity compensation plan information and beneficial ownership of the Company required by Items 201(d) and 403 of Regulation S-K are incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2020.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information regarding transactions with related persons, promoters and certain control persons and trustee independence required by Items 404 and 407(a) of Regulation S-K is incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2020.

Item 14. Principal Accounting Fees and Services

The information concerning principal accounting fees and services and the Audit Committee's pre-approval policies and procedures required by Item 14 is incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2020.

PART IV

Item 15. Exhibits, Financial Statement Schedules

- (a)(1) The financial statements listed in the Index to Financial Statements on Page F-1 of this report are filed as part of this report and incorporated herein by reference.
- (a)(2) The financial statement schedule listed in the Index to Financial Statements on Page F-1 of this report is filed as part of this report and incorporated herein by reference.
- (a)(3) The Exhibit Index is incorporated herein by reference.

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description
3.1	Articles of Amendment and Restatement of National Storage Affiliates Trust (Exhibit 3.1 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)
3.2	Second Amended and Restated Bylaws of National Storage Affiliates Trust (Exhibit 3.1 to the Current Report on Form 8-K, filed with the SEC on April 3, 2018, is incorporated herein by this reference)
3.3	Articles Supplementary designating the Series A Preferred Shares of National Storage Affiliates Trust (Exhibit 3.3 to the Form 8-A filed with the SEC on October 10, 2017, is incorporated herein by this reference)
3.4	Articles Supplementary designating the Series A Preferred Shares of National Storage Affiliates Trust (Exhibit 3.4 to the Form S-3ASR, filed with the SEC on March 14, 2018, is incorporated herein by this reference)
3.5	Articles Supplementary designating the Series A Preferred Shares of National Storage Affiliates Trust (Exhibit 3.5 to the Quarterly Report on Form 10-Q, filed with the SEC on May 3, 2019, is incorporated herein by this reference)
4.1	Specimen Common Share Certificate of National Storage Affiliates Trust (Exhibit 4.1 to the Registration Statement on Form S-11/A filed with the SEC on April 20, 2015, is incorporated herein by this reference)
4.2	Form of Specimen Certificate of Series A Preferred Shares of National Storage Affiliates Trust (Exhibit 4.1 to the Registration Statement on Form 8-A filed with the SEC on October 10, 2017, is incorporated herein by this reference)
4.3	Description of Common Shares of Beneficial Interest and 6.000% Series A Cumulative Redeemable Preferred Shares of Beneficial Interest (Exhibit 4.3 to the Annual Report on Form 10-K, filed with the SEC on February 26, 2020, is incorporated herein by this reference)
10.1	Third Amended and Restated Agreement of Limited Partnership of NSA OP, LP (Exhibit 3.3 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)
10.2	Amended and Restated Partnership Unit Designation of Series GN Class B OP Units of NSA OP, LP (Exhibit 3.4 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)
10.3	Third Amended and Restated Partnership Unit Designation of Series NW Class B OP Units of NSA OP, LP (Exhibit 3.5 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)
10.4	Third Amended and Restated Partnership Unit Designation of Series OV Class B OP Units of NSA OP, LP (Exhibit 3.6 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)
10.5	Partnership Unit Designation of Series SS Class B OP Units of NSA OP, LP (Exhibit 3.8 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)
10.6	Partnership Unit Designation of Series HA Class B OP Units of NSA OP, LP (Exhibit 10.1 to the Quarterly Report on Form 10-Q, filed with SEC on August 9, 2016, is incorporated herein by this reference)

- [10.7 First Amendment to Partnership Unit Designation of Series HA Class B OP Units of NSA OP, LP \(Exhibit 10.8 to the Annual Report on Form 10-K, filed with SEC on February 28, 2017, is incorporated herein by this reference\)](#)
- [10.8 Partnership Unit Designation of Series PM Class B OP Units of NSA OP, LP \(Exhibit 10.2 to the Quarterly Report on Form 10-Q, filed with the SEC on May 4, 2017, is incorporated herein by this reference\)](#)
- [10.9 Partnership Unit Designation of Series MI Class B OP Units of NSA OP, LP \(Exhibit 10.1 to the Quarterly Report on Form 10-Q, filed with the SEC on November 7, 2017, is incorporated herein by this reference\)](#)
- [10.10 Partnership Unit Designation of Series A-1 Preferred Units of NSA OP, LP dated as of January 5, 2018 \(Exhibit 10.12 to the Annual Report on Form 10-K, filed with the SEC on February 27, 2018, is incorporated herein by this reference\)](#)
- [10.11 Partnership Unit Designation of Series SO Class B OP Units of NSA OP, LP \(Exhibit 10.1 to the Quarterly Report on Form 10-Q, filed with the SEC on May 3, 2019, is incorporated herein by this reference\)](#)
- [10.12 Partnership Unit Designation of Series MO Class B OP Units of NSA OP, LP \(Exhibit 10.2 to the Quarterly Report on Form 10-Q, filed with the SEC on May 3, 2019, is incorporated herein by this reference\)](#)
- [10.13* Partnership Unit Designation of Series BL Class B OP Units of NSA OP, LP](#)
- [10.14 Sixty-First Amendment to the Third Amended and Restated Agreement of Limited Partnership of NSA OP, LP \(Exhibit 10.1 to the Form 8-K filed with the SEC on October 11, 2017, is incorporated herein by this reference\)](#)
- [10.15 Form of Second Amended and Restated DownREIT Partnership Agreement \(including a schedule of existing DownREIT limited partnership agreements and limited liability company agreements\) \(Exhibit 10.7 to the Quarterly Report on Form 10-Q, filed with the SEC on November 10, 2015, is incorporated herein by this reference\)](#)
- [10.16 Second Amended and Restated Credit Agreement \(the "Keybank Credit Agreement"\) dated as of July 29, 2019 by and among NSA OP, LP, as Borrower, the lenders from time to time party thereto, and KeyBank National Association, as Administrative Agent, and joined in for certain purposes by certain Subsidiaries of the Borrower and National Storage Affiliates Trust, with Keybank Capital Markets Inc., and PNC Capital Markets LLC, as Co-Bookrunners and Co-Lead Arrangers, PNC Bank, National Association, as Syndication Agent, U.S. Bank National Association and BMO Capital Markets Corp. as Co-Lead Arrangers and Co-Documentation Agents, Wells Fargo Securities, LLC as Co-Lead Arranger, Wells Fargo Bank, National Association, as Co-Documentation Agent, and CitiBank, N.A., as Co-Lead Arranger and Co-Documentation Agent for the Revolving Credit Facility \(Exhibit 10.1 to the Quarterly Report on Form 10-Q, filed with the SEC on November 1, 2019, is incorporated herein by this reference\)](#)
- [10.17 National Storage Affiliates Trust Equity Incentive Plan \(Exhibit 10.1 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference\)](#)
- [10.18 NSA OP, LP, 2013 Long-Term Incentive Plan \(Exhibit 10.2 to the Registration Statement on Form S-11/A, filed with SEC on April 1, 2015, is incorporated herein by this reference\).](#)
- [10.19 Amended and Restated Registration Rights Agreement, by and among National Storage Affiliates Trust and the parties listed on Schedule I thereto \(Exhibit 10.2 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by reference\)](#)
- [10.20 Registration Rights Agreement, by and among National Storage Affiliates Trust and the parties listed on Schedule I thereto \(Exhibit 10.2 to the Quarterly Report on Form 10-Q, filed with the SEC on May 4, 2018, is incorporated by this reference\)](#)
- [10.21 Amended and Restated Employment Agreement, effective as of January 1, 2020, by and between National Storage Affiliates Trust and Arlen D. Nordhagen \(Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on April 6, 2020, is incorporated herein by this reference\)](#)
- [10.22 Amended and Restated Employment Agreement, effective as of January 1, 2020, by and between National Storage Affiliates Trust and Tamara D. Fischer \(Exhibit 10.4 to the Current Report on Form 8-K filed with the SEC on April 6, 2020, is incorporated herein by this reference\)](#)
- [10.23 Employment Agreement, dated as of April 1, 2020, by and between National Storage Affiliates Trust and David Cramer \(Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on April 6, 2020, is incorporated herein by this reference\)](#)

- [10.24 Amended and Restated Employment Agreement, effective as of January 1, 2020, by and between National Storage Affiliates Trust and Brandon S. Togashi \(Exhibit 10.5 to the Current Report on Form 8-K filed with the SEC on April 6, 2020, is incorporated herein by this reference\)](#)
 - [10.25 Letter Agreement dated as of April 2, 2020, by and between National Storage Affiliates Trust and Arlen D. Nordhagen. \(Exhibit 10.6 to the Current Report on Form 8-K filed with the SEC on April 6, 2020, is incorporated herein by this reference\)](#)
 - [10.26 Letter Agreement dated as of April 2, 2020, by and between National Storage Affiliates Trust and David Cramer. \(Exhibit 10.7 to the Current Report on Form 8-K filed with the SEC on April 6, 2020, is incorporated herein by this reference\)](#)
 - [10.27 Form of Amended and Restated Restricted Share Unit Award Agreement \(Exhibit 10.17 to the Annual Report on Form 10-K, filed with the SEC on March 10, 2016, is incorporated herein by this reference\)](#)
 - [10.28 Form of Amended and Restated Restricted Share Award Agreement \(Exhibit 10.18 to the Annual Report on Form 10-K, filed with the SEC on March 10, 2016, is incorporated herein by this reference\)](#)
 - [10.29 Form of LTIP Unit Award Agreement to Trustees under the NSA OP, LP, 2013 Long-Term Incentive Plan \(Exhibit 10.5 to the Registration Statement on Form S-11/A, filed with the SEC on April 1, 2015, is incorporated herein by this reference\)](#)
 - [10.30 Form of LTIP Unit Award Agreement for Executive Officers \(Exhibit 10.28 to the Annual Report on Form 10-K, filed with the SEC on February 27, 2018, is incorporated herein by this reference\)](#)
 - [10.31 Form of Contribution Agreement among each contributor named therein, NSA OP, LP and any indirectly wholly owned subsidiary of NSA OP, LP named therein \(Exhibit 10.13 to the Registration Statement on Form S-11/A, filed with the SEC on April 1, 2015, is incorporated herein by this reference\)](#)
 - [10.32 Form of Purchase and Sale Agreement among each seller named therein, National Storage Affiliates Trust and NSA OP, LP \(Exhibit 10.14 to the Registration Statement on Form S-11/A, filed with the SEC on April 1, 2015, is incorporated herein by this reference\)](#)
 - [10.33 Form of Indemnification Agreement \(Exhibit 10.7 to the Registration Statement on Form S-11/A, filed with the SEC on April 1, 2015, is incorporated herein by this reference\)](#)
 - [10.34 Facilities Portfolio Management Agreement, dated April 28, 2015, by and among \(i\) NSA OP, LP, \(ii\) the property owners listed therein, \(iii\) Guardian Storage Centers, LLC, a California limited liability company d/b/a StorAmerica Management, and \(iv\) John Minar and David Lamb, each an individual \(Exhibit 10.6 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference\)](#)
 - [10.35 Facilities Portfolio Management Agreement, dated April 28, 2015, by and among \(i\) NSA OP, LP, \(ii\) the property owners listed therein, \(iii\) Kevin Howard Real Estate, Inc., an Oregon corporation, and \(iv\) Kevin Howard, an individual \(Exhibit 10.7 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference\)](#)
 - [10.36 Facilities Portfolio Management Agreement, dated April 28, 2015, by and among \(i\) NSA OP, LP, \(ii\) the property owners listed therein, \(iv\) Optivest Properties, LLC, a California limited liability company, and \(iv\) Warren Allen, an individual \(Exhibit 10.8 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference\)](#)
 - [10.37 Sales Agreement dated February 27, 2019, by and among \(i\) National Storage Affiliates Trust, \(ii\) NSA OP, LP and \(iii\) the Agents listed therein \(Exhibit 1.1 to the Form 8-K filed with the SEC on March 1, 2019, is incorporated herein by this reference\)](#)
 - [21.1* List of subsidiaries of National Storage Affiliates Trust](#)
 - [23.1* Consent of KPMG LLP for National Storage Affiliates Trust](#)
 - [24.1* Power of Attorney \(included on signature page\)](#)
 - [31.1* Certification of Chief Executive Officer pursuant to Rule 13a-14\(a\)/15d-14\(a\) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
 - [31.2* Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\)/15d-14\(a\) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
 - [32.1* Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 101.INS* XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

- 101.SCH* Inline XBRL Taxonomy Extension Schema
- 101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase
- 101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase
- 101.LAB* Inline XBRL Taxonomy Extension Label Linkbase
- 101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase
- 104* Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)
 - * Filed herewith.

Item 16. Form 10-K Summary

None.

SIGNATURES

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

National Storage Affiliates Trust

By:

/s/ TAMARA D. FISCHER

Tamara D. Fischer

*president and chief executive officer
(principal executive officer)*

Date: February 26, 2021

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Tamara D. Fischer and Brandon S. Togashi, and each of them, with full power to act without the other, such person's true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign this Form 10-K and any and all amendments thereto, and to file the same, with exhibits and schedules thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing necessary or desirable to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
National Storage Affiliates Trust		
<u>/s/ TAMARA D. FISCHER</u> Tamara D. Fischer	trustee, president and chief executive officer (principal executive officer)	February 26, 2021
<u>/s/ BRANDON S. TOGASHI</u> Brandon S. Togashi	chief financial officer (principal accounting and financial officer)	February 26, 2021
<u>/s/ ARLEN D. NORDHAGEN</u> Arlen D. Nordhagen	executive chairman of the board of trustees	February 26, 2021
<u>/s/ GEORGE L. CHAPMAN</u> George L. Chapman	trustee	February 26, 2021
<u>/s/ PAUL W. HYLBERT, JR.</u> Paul W. Hylbert, Jr.	trustee	February 26, 2021
<u>/s/ CHAD L. MEISINGER</u> Chad L. Meisinger	trustee	February 26, 2021
<u>/s/ STEVEN G. OSGOOD</u> Steven G. Osgood	trustee	February 26, 2021
<u>/s/ DOMINIC M. PALAZZO</u> Dominic M. Palazzo	trustee	February 26, 2021
<u>/s/ REBECCA L. STEINFORT</u> Rebecca L. Steinfort	trustee	February 26, 2021
<u>/s/ MARK VAN MOURICK</u> Mark Van Mourick	trustee	February 26, 2021
<u>/s/ J. TIMOTHY WARREN</u> J. Timothy Warren	trustee	February 26, 2021
<u>/s/ CHARLES F. WU</u> Charles F. Wu	trustee	February 26, 2021

NATIONAL STORAGE AFFILIATES TRUST

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All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees
National Storage Affiliates Trust:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of National Storage Affiliates Trust and subsidiaries (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income (loss), changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes, and the financial statement schedule, Schedule III – Real Estate and Accumulated Depreciation (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 26, 2021 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. 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, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgment. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of purchase price allocation for self storage property acquisitions

As discussed in Notes 2 and 6 to the consolidated financial statements, during 2020, the Company acquired \$543.3 million of self storage properties that were recorded as asset acquisitions. The purchase price in an asset acquisition is allocated to the tangible and intangible assets acquired and liabilities assumed based on their relative fair value. Assets acquired and liabilities assumed primarily comprise land, buildings and related improvements, customer in-place leases, furniture and equipment, and assumed mortgage loans.

We identified the evaluation of purchase price allocation of self storage property acquisitions as a critical audit matter. This is due to the subjective and complex auditor judgment that was required to evaluate the Company's estimated fair value of land, buildings, and improvements. In particular, there was a high degree of auditor judgment required to evaluate the comparable sales information for land assets and costs that would be incurred to replace building and improvement assets.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's process to estimate fair value, including controls related to developing estimated fair values of land, buildings, and improvements. We compared and evaluated estimated fair value of land, buildings, and improvements against purchase price allocations for similar land, buildings, and improvements acquired by the Company. With the assistance of valuation professionals with specialized skills and knowledge, we evaluated the estimated fair value of land by comparing the Company's estimates to independently developed ranges using publicly available market data of recent land sales. We evaluated the Company's estimated costs of replacing buildings and improvements. We compared the estimated costs to market data, including appraisal guides used to estimate the depreciated value of similar self storage structures.

/s/ KPMG LLP

We have served as the Company's auditor since 2013.

Denver, Colorado
February 26, 2021

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees

National Storage Affiliates Trust:

Opinion on Internal Control Over Financial Reporting

We have audited National Storage Affiliates Trust and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income (loss), changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes, and the financial statement schedule, Schedule III – Real Estate and Accumulated Depreciation (collectively, the consolidated financial statements), and our report dated February 26, 2021 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ KPMG LLP

Denver, Colorado
February 26, 2021

NATIONAL STORAGE AFFILIATES TRUST
CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except per share amounts)

	December 31,	
	2020	2019
ASSETS		
Real estate		
Self storage properties	\$ 3,639,192	\$ 3,091,719
Less accumulated depreciation	(443,623)	(337,822)
Self storage properties, net	3,195,569	2,753,897
Cash and cash equivalents	18,723	20,558
Restricted cash	2,978	3,718
Debt issuance costs, net	2,496	3,264
Investment in unconsolidated real estate ventures	202,533	214,061
Other assets, net	68,149	65,441
Operating lease right-of-use assets	23,129	23,306
Total assets	<u>\$ 3,513,577</u>	<u>\$ 3,084,245</u>
LIABILITIES AND EQUITY		
Liabilities		
Debt financing	\$ 1,916,971	\$ 1,534,047
Accounts payable and accrued liabilities	47,043	37,966
Interest rate swap liabilities	77,918	19,943
Operating lease liabilities	24,756	24,665
Deferred revenue	16,414	15,523
Total liabilities	2,083,102	1,632,144
Commitments and contingencies (Note 12)		
Equity		
Preferred shares of beneficial interest, par value \$0.01 per share. 50,000,000 authorized, 8,732,719 and 8,727,119 issued and outstanding at December 31, 2020 and 2019, at liquidation preference	218,318	218,178
Common shares of beneficial interest, par value \$0.01 per share. 250,000,000 authorized, 71,293,117 and 59,659,108 shares issued and outstanding at December 31, 2020 and 2019, respectively	713	597
Additional paid-in capital	1,050,714	905,763
Distributions in excess of earnings	(251,704)	(197,075)
Accumulated other comprehensive loss	(49,084)	(7,833)
Total shareholders' equity	968,957	919,630
Noncontrolling interests	461,518	532,471
Total equity	1,430,475	1,452,101
Total liabilities and equity	<u>\$ 3,513,577</u>	<u>\$ 3,084,245</u>

See notes to consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Year Ended December 31,		
	2020	2019	2018
REVENUE			
Rental revenue	\$ 394,660	\$ 354,859	\$ 308,403
Other property-related revenue	14,524	12,302	10,183
Management fees and other revenue	23,038	20,735	12,310
Total revenue	<u>432,222</u>	<u>387,896</u>	<u>330,896</u>
OPERATING EXPENSES			
Property operating expenses	123,486	110,347	103,875
General and administrative expenses	43,640	44,030	35,924
Depreciation and amortization	117,174	105,119	89,147
Other	808	1,551	296
Total operating expenses	<u>285,108</u>	<u>261,047</u>	<u>229,242</u>
OTHER (EXPENSE) INCOME			
Interest expense	(62,595)	(56,464)	(42,724)
Equity in earnings (losses) of unconsolidated real estate ventures	265	(4,970)	(1,423)
Acquisition costs	(2,424)	(1,317)	(663)
Non-operating (expense) income	(1,211)	452	(91)
Gain on sale of self storage properties	—	2,814	391
Other expense	(65,965)	(59,485)	(44,510)
Income before income taxes	<u>81,149</u>	<u>67,364</u>	<u>57,144</u>
Income tax expense	(1,671)	(1,351)	(818)
Net income	<u>79,478</u>	<u>66,013</u>	<u>56,326</u>
Net income attributable to noncontrolling interests	(30,869)	(62,030)	(42,217)
Net income attributable to National Storage Affiliates Trust	<u>48,609</u>	<u>3,983</u>	<u>14,109</u>
Distributions to preferred shareholders	(13,097)	(12,390)	(10,350)
Net income (loss) attributable to common shareholders	<u>\$ 35,512</u>	<u>\$ (8,407)</u>	<u>\$ 3,759</u>
Earnings (loss) per share - basic and diluted	<u>\$ 0.53</u>	<u>\$ (0.15)</u>	<u>\$ 0.07</u>
Weighted average shares outstanding - basic	<u>66,547</u>	<u>58,208</u>	<u>53,293</u>
Weighted average shares outstanding - diluted	<u>66,607</u>	<u>58,208</u>	<u>53,293</u>

See notes to consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(dollars in thousands)

	Year Ended December 31,		
	2020	2019	2018
Net income	\$ 79,478	\$ 66,013	\$ 56,326
Other comprehensive income (loss)			
Unrealized (loss) gain on derivative contracts	(73,544)	(29,941)	3,598
Reclassification of other comprehensive loss (income) to interest expense	14,520	(3,337)	(1,817)
Other comprehensive (loss) income	(59,024)	(33,278)	1,781
Comprehensive income	20,454	32,735	58,107
Comprehensive income attributable to noncontrolling interests	(9,390)	(49,977)	(43,244)
Comprehensive income (loss) attributable to National Storage Affiliates Trust	<u>\$ 11,064</u>	<u>\$ (17,242)</u>	<u>\$ 14,863</u>

See notes to consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(dollars in thousands, except share amounts)

	Preferred Shares		Common Shares		Additional Paid-in Capital	Distributions in Excess of Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total Equity
	Number	Amount	Number	Amount					
Balances, December 31, 2017	6,900,000	\$ 172,500	50,284,934	\$ 503	\$ 711,467	\$ (55,729)	\$ 12,282	\$ 430,464	\$ 1,271,487
OP equity recorded in connection with property acquisitions:									
Series A-1 preferred units, OP units and subordinated performance units, net of offering costs			—	—	—	—	—	27,962	27,962
Redemptions of OP units	—	—	462,778	5	5,904	—	172	(6,081)	—
Issuance of common shares, net of offering costs	—	—	5,900,000	59	175,557	—	—	—	175,616
Effect of changes in ownership for consolidated entities	—	—	—	—	(48,830)	—	410	48,420	—
Issuance of OP units	—	—	—	—	—	—	—	1,236	1,236
Equity-based compensation expense	—	—	—	—	253	—	—	3,584	3,837
Issuance of restricted common shares	—	—	12,311	—	—	—	—	—	—
Vesting and forfeitures of restricted common shares	—	—	(6,014)	—	(75)	—	—	—	(75)
Reduction in receivables from partners of the operating partnership	—	—	—	—	—	—	—	642	642
Preferred share dividends	—	—	—	—	—	(10,350)	—	—	(10,350)
Common share dividends	—	—	—	—	—	(62,152)	—	—	(62,152)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(64,011)	(64,011)
Other comprehensive income	—	—	—	—	—	—	754	1,027	1,781
Net income	—	—	—	—	—	14,109	—	42,217	56,326
Balances, December 31, 2018	6,900,000	172,500	56,654,009	567	844,276	(114,122)	13,618	485,460	1,402,299
Issuance of preferred shares, net of offering costs	1,785,680	44,642	—	—	(1,018)	—	—	—	43,624
OP equity recorded in connection with property acquisitions:									

See notes to consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
(dollars in thousands, except share amounts)

	Preferred Shares		Common Shares		Additional Paid-in Capital	Distributions in Excess of Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total Equity
	Number	Amount	Number	Amount					
Series A-1 preferred units, OP units and subordinated performance units, net of offering costs	—	—	—	—	—	—	—	51,321	51,321
Redemptions of Series A-1 preferred units	41,439	1,036	—	—	20	—	—	(1,056)	—
Redemptions of OP units	—	—	581,001	6	4,794	—	(41)	(4,759)	—
Issuance of common shares, net of offering costs	—	—	2,412,770	24	71,867	—	—	—	71,891
Effect of changes in ownership for consolidated entities	—	—	—	—	(14,429)	—	(185)	14,614	—
Issuance of OP units	—	—	—	—	—	—	—	8,540	8,540
Equity-based compensation expense	—	—	—	—	322	—	—	4,205	4,527
Issuance of LTIP units for acquisition expenses	—	—	—	—	—	—	—	179	179
Issuance of restricted common shares	—	—	18,218	—	—	—	—	—	—
Vesting and forfeitures of restricted common shares, net	—	—	(6,890)	—	(69)	—	—	—	(69)
Reduction in receivables from partners of the operating partnership	—	—	—	—	—	—	—	505	505
Preferred share dividends	—	—	—	—	—	(12,390)	—	—	(12,390)
Common share dividends	—	—	—	—	—	(74,546)	—	—	(74,546)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(76,515)	(76,515)
Other comprehensive loss	—	—	—	—	—	—	(21,225)	(12,053)	(33,278)
Net income	—	—	—	—	—	3,983	—	62,030	66,013
Balances, December 31, 2019	8,727,119	218,178	59,659,108	597	905,763	(197,075)	(7,833)	532,471	1,452,101
OP equity issued for property acquisitions:									
OP units and subordinated performance units, net of offering costs	—	—	—	—	—	—	—	36,222	36,222

See notes to consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
(dollars in thousands, except share amounts)

	Preferred Shares		Common Shares		Additional Paid-in Capital	Distributions in Excess of Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total Equity
	Number	Amount	Number	Amount					
LTIP units	—	—	—	—	—	—	—	1,011	1,011
Redemptions of Series A-1 preferred units	5,600	140	—	—	—	—	—	(140)	—
Redemptions of OP units	—	—	892,070	9	10,479	—	(685)	(9,803)	—
Issuance of common shares, net of offering costs	—	—	2,622,892	26	83,878	—	—	—	83,904
Merger and internalization of PRO, net of issuance costs	—	—	8,105,192	81	43,499	—	(402)	(33,583)	9,595
Effect of changes in ownership for consolidated entities	—	—	—	—	6,825	—	(2,619)	(4,206)	—
Equity-based compensation expense	—	—	—	—	364	—	—	3,914	4,278
Issuance of LTIP units for acquisition expenses	—	—	—	—	—	—	—	40	40
Issuance of restricted common shares	—	—	21,861	—	—	—	—	—	—
Vesting and forfeitures of restricted common shares, net	—	—	(8,006)	—	(94)	—	—	—	(94)
Reduction in receivables from partners of the operating partnership	—	—	—	—	—	—	—	310	310
Preferred share dividends	—	—	—	—	—	(13,097)	—	—	(13,097)
Common share dividends	—	—	—	—	—	(90,141)	—	—	(90,141)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(74,108)	(74,108)
Other comprehensive loss	—	—	—	—	—	—	(37,545)	(21,479)	(59,024)
Net income	—	—	—	—	—	48,609	—	30,869	79,478
Balances, December 31, 2020	8,732,719	\$ 218,318	71,293,117	\$ 713	\$ 1,050,714	\$ (251,704)	\$ (49,084)	\$ 461,518	\$ 1,430,475

See notes to consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Year Ended December 31,		
	2020	2019	2018
OPERATING ACTIVITIES			
Net income	\$ 79,478	\$ 66,013	\$ 56,326
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	117,174	105,119	89,147
Amortization of debt issuance costs	3,088	2,913	2,569
Amortization of debt discount and premium, net	(1,075)	(1,427)	(1,469)
Gain on sale of self storage properties	—	(2,814)	(391)
Mark-to-market changes in value on equity securities	142	(610)	—
Equity-based compensation expense	4,278	4,527	3,837
Equity in (earnings) losses of unconsolidated real estate ventures	(265)	4,970	1,423
Distributions from unconsolidated real estate ventures	14,634	14,551	8,187
Change in assets and liabilities, net of effects of self storage property acquisitions:			
Other assets	(3,440)	110	(5,713)
Accounts payable and accrued liabilities	7,445	5,617	6,597
Deferred revenue	(805)	(2,318)	1,283
Net Cash Provided by Operating Activities	220,654	196,651	161,796
INVESTING ACTIVITIES			
Acquisition of self storage properties	(496,509)	(371,096)	(313,712)
Capital expenditures	(16,395)	(20,594)	(19,014)
Investments in and advances to unconsolidated real estate ventures	(4,382)	—	(165,642)
Distributions from unconsolidated real estate ventures	1,494	11,543	—
Deposits and advances for self storage property and other acquisitions	(1,087)	(4,438)	(20,977)
Expenditures for corporate furniture, equipment and other	(364)	(862)	(403)
Acquisition of equity securities	—	(12,674)	—
Proceeds from sale of equity securities	7,560	5,356	—
Acquisition of interest in reinsurance company and related cash flows	—	(6,600)	—
Net proceeds from sale of self storage properties	—	6,335	5,259
Net Cash Used In Investing Activities	(509,683)	(393,030)	(514,489)
FINANCING ACTIVITIES			
Proceeds from issuance of common shares	82,917	70,637	175,616
Proceeds from issuance of preferred shares	—	43,624	—
Borrowings under debt financings	929,500	822,000	822,500
Receipts for OP unit subscriptions	661	1,271	1,211
Principal payments under debt financings	(546,147)	(561,628)	(507,239)
Payment of dividends to common shareholders	(90,141)	(74,546)	(62,152)
Payment of dividends to preferred shareholders	(13,097)	(12,390)	(10,350)
Distributions to noncontrolling interests	(73,798)	(76,010)	(63,350)

See notes to consolidated financial statements.

NATIONAL STORAGE AFFILIATES TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(dollars in thousands)

	Year Ended December 31,		
	2020	2019	2018
Debt issuance costs	(2,471)	(8,487)	(2,860)
Equity offering costs	(970)	(179)	(727)
Net Cash Provided by Financing Activities	286,454	204,292	352,649
(Decrease) Increase in Cash, Cash Equivalents and Restricted Cash	(2,575)	7,913	(44)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH			
Beginning of year	24,276	16,363	16,407
End of year	<u>\$ 21,701</u>	<u>\$ 24,276</u>	<u>\$ 16,363</u>

Supplemental Cash Flow Information

Cash paid for interest	\$ 59,346	\$ 52,666	\$ 40,475
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Supplemental Disclosure of Non-Cash Investing and Financing Activities

Consideration exchanged in property acquisitions:

Issuance of OP units and subordinated performance units	\$ 37,233	\$ 51,826	\$ 28,063
Deposits on acquisitions applied to purchase price	4,438	20,977	5,050
Assumption of mortgages payable	—	—	7,581
Other net liabilities assumed	3,626	2,403	2,167

Merger and internalization of PRO:

Redemptions and conversions of partnership interests	33,583	—	—
Issuance of common shares for management platform	10,301	—	—
Issuance of OP unit subscription liability through reduced distributions	987	1,253	1,236
Settlement of acquisition receivables through reduced distributions	310	505	642
Increase in OP unit subscription liability through reduced distributions	—	—	19
Change in payables for offering costs	970	(321)	626
Settlement of offering expenses from equity issuance proceeds	207	1,241	575
Operating lease right-of-use assets on balance sheet due to implementation of leases standard	—	23,306	—
Operating lease liabilities on balance sheet due to implementation of leases standard	—	24,665	—

See notes to consolidated financial statements.

**NATIONAL STORAGE AFFILIATES TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. ORGANIZATION AND NATURE OF OPERATIONS

National Storage Affiliates Trust was organized in the state of Maryland on May 16, 2013 and is a fully integrated, self-administered and self-managed real estate investment trust focused on the self storage sector. As used herein, "NSA," the "Company," "we," "our," and "us" refers to National Storage Affiliates Trust and its consolidated subsidiaries, except where the context indicates otherwise. The Company has elected and believes that it has qualified to be taxed as a real estate investment trust for U.S. federal income tax purposes ("REIT") commencing with its taxable year ended December 31, 2015.

Through its controlling interest as the sole general partner of NSA OP, LP (its "operating partnership"), a Delaware limited partnership formed on February 13, 2013, the Company is focused on the ownership, operation, and acquisition of self storage properties located within the top 100 MSAs in the United States. Pursuant to the Agreement of Limited Partnership (as amended, the "LP Agreement") of its operating partnership, the Company's operating partnership is authorized to issue preferred units, Class A Units ("OP units"), different series of Class B Units ("subordinated performance units"), and Long-Term Incentive Plan Units ("LTIP units"). The Company also owns certain of its self storage properties through other consolidated limited partnership subsidiaries of its operating partnership, which the Company refers to as "DownREIT partnerships." The DownREIT partnerships issue equity ownership interests that are intended to be economically equivalent to the Company's OP units ("DownREIT OP units") and subordinated performance units ("DownREIT subordinated performance units").

The Company owned 644 consolidated self storage properties in 33 states and Puerto Rico with approximately 39.3 million rentable square feet (unaudited) in approximately 309,000 storage units as of December 31, 2020. These properties are managed with local operational focus and expertise by the Company and its participating regional operators ("PROs"). These PROs are Kevin Howard Real Estate Inc., d/b/a Northwest Self Storage and its controlled affiliates ("Northwest"), Optivest Properties LLC and its controlled affiliates ("Optivest"), Guardian Storage Centers LLC and its controlled affiliates ("Guardian"), Move It Self Storage and its controlled affiliates ("Move It"), Arizona Mini Storage Management Company d/b/a Storage Solutions and its controlled affiliates ("Storage Solutions"), Hide-Away Storage Services, Inc. and its controlled affiliates ("Hide-Away"), an affiliate of Shader Brothers Corporation d/b/a Personal Mini Storage ("Personal Mini"), Southern Storage Management Systems, Inc. d/b/a Southern Self Storage ("Southern"), affiliates of Investment Real Estate Management, LLC d/b/a Moove In Self Storage ("Moove In") and Blue Sky Self Storage, LLC ("Blue Sky").

On March 31, 2020, the Company closed on the mergers of SecurCare Self Storage, Inc. and its controlled affiliates ("SecurCare"), which prior to the merger and internalization was the Company's largest PRO, and DLAN Corporation ("DLAN") with and into wholly-owned subsidiaries of the Company. As a result of the mergers, SecurCare's property management platform and related intellectual property were internalized by the Company, and the Company no longer pays any supervisory and administrative fees or reimbursements to SecurCare. In addition, distributions on the series of subordinated performance units related to SecurCare's managed portfolio were discontinued. As part of the internalization, most of SecurCare's employees and other key persons were offered and provided employment by the Company and continue managing SecurCare's portfolio of properties as members of the Company's existing property management platform.

As of December 31, 2020, the Company also managed through its property management platform an additional portfolio of 77 properties owned by the Company's unconsolidated real estate ventures. These properties contain approximately 12.7 million rentable square feet, configured in approximately 104,000 storage units and located across 21 states. The Company owns a 25% equity interest in each of its unconsolidated real estate ventures.

As of December 31, 2020, in total, the Company operated and held ownership interests in 821 self storage properties located across 36 states and Puerto Rico with approximately 52.0 million rentable square feet in approximately 413,000 storage units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("GAAP").

Principles of Consolidation

The Company's consolidated financial statements include the accounts of its operating partnership and its controlled subsidiaries. All significant intercompany balances and transactions have been eliminated in the consolidation of entities.

When the Company obtains an economic interest in an entity, the Company evaluates the entity to determine if the entity is deemed a variable interest entity ("VIE"), and if the Company is deemed to be the primary beneficiary, in accordance with authoritative guidance issued on the consolidation of VIEs. When an entity is not deemed to be a VIE, the Company considers the provisions of additional guidance to determine whether the general partner controls a limited partnership or similar entity when the limited partners have certain rights. The Company consolidates all entities that are VIEs and of which the Company is deemed to be the primary beneficiary. The Company has determined that its operating partnership is a VIE. The sole significant asset of National Storage Affiliates Trust is its investment in its operating partnership, and consequently, substantially all of the Company's assets and liabilities represent those assets and liabilities of its operating partnership.

As of December 31, 2020, the Company's operating partnership was the primary beneficiary of, and therefore consolidated 21 DownREIT partnerships that are considered VIEs, which owned 34 self storage properties. The net book value of the real estate owned by these VIEs was \$225.1 million and \$233.1 million as of December 31, 2020 and December 31, 2019, respectively. For certain DownREIT partnerships which are subject to fixed rate mortgages payable, the carrying value of such fixed rate mortgages payable held by these VIEs was \$100.7 million and \$136.4 million as of December 31, 2020 and December 31, 2019, respectively. The creditors of the consolidated VIEs do not have recourse to the Company's general credit.

Noncontrolling Interests

All of the limited partner equity interests ("OP equity") in its operating partnership not held by the Company are reflected as noncontrolling interests. Noncontrolling interests also include ownership interests in DownREIT partnerships held by entities other than the Company's operating partnership. In the consolidated statements of operations, the Company allocates net income (loss) attributable to noncontrolling interests to arrive at net income (loss) attributable to National Storage Affiliates Trust.

For transactions that result in changes to the Company's ownership interest in its operating partnership, the carrying amount of noncontrolling interests is adjusted to reflect such changes. The difference between the fair value of the consideration received or paid and the amount by which the noncontrolling interests is adjusted is reflected as an adjustment to additional paid-in capital on the consolidated balance sheets.

Self Storage Properties

Self storage properties are carried at historical cost less accumulated depreciation and any impairment losses. Major replacements and betterments, which improve or extend the life of an asset, are capitalized. Expenditures for ordinary repairs and maintenance are expensed as incurred and are included in property operating expenses. Estimated depreciable lives of self storage properties are determined by considering the age and other indicators about the condition of the assets at the respective dates of acquisition, resulting in a range of estimated useful lives for assets within each category. All self storage property assets are depreciated using the straight-line method. Buildings and improvements are depreciated over estimated useful lives primarily between seven and 40 years; furniture and equipment are depreciated over estimated useful lives primarily between three and 10 years.

When a self storage property is acquired, the purchase price of the acquired self storage property is allocated to land, buildings and improvements, furniture and equipment, customer in-place leases, assumed real estate leasehold interests, and other assets acquired and liabilities assumed, based on the estimated fair value of each component. When a portfolio of self storage properties is acquired, the purchase price is allocated to the individual self storage properties based on the fair value determined using an income approach with appropriate risk-adjusted capitalization rates, which take into account the relative size, age and location of the individual self storage properties.

Cash and Cash Equivalents

The Company considers all highly-liquid investments purchased with original maturities of three months or less to be cash equivalents. From time to time, the Company maintains cash balances in financial institutions in excess of federally insured limits. The Company has never experienced a loss that resulted from exceeding federally insured limits.

Restricted Cash

The Company's restricted cash consists of escrowed funds deposited with financial institutions for real estate taxes, insurance and other reserves for capital improvements in accordance with the Company's loan agreements.

Customer In-place Leases

In allocating the purchase price for a self storage property acquisition, the Company determines whether the acquisition includes intangible assets. The Company allocates a portion of the purchase price to an intangible asset attributed to the value of customer in-place leases. This intangible asset is amortized to expense using the straight-line method over 12 months, the estimated average rental period for the leases. Substantially all of the leases in place at acquired properties are at market rates, as the leases are month-to-month contracts.

Impairment of Long-Lived Assets

The Company evaluates long-lived assets for impairment when events and circumstances indicate that there may be impairment. When events or changes in circumstances indicate that the Company's long-lived assets may not be recoverable, the carrying value of these long-lived assets is compared to the undiscounted future net operating cash flows, plus a terminal value attributable to the assets. If an asset's carrying value is not considered recoverable, an impairment loss is recorded to the extent the net carrying value of the asset exceeds the fair value. For the periods presented, no assets were determined to be impaired under this policy.

Costs of Raising Capital

Commissions, legal fees and other costs that are directly associated with equity offerings are capitalized as deferred offering costs, pending a determination of the success of the offering. Deferred offering costs related to successful offerings are charged to additional paid-in capital within equity in the period it is determined that the offering was successful.

Debt issuance costs are amortized over the estimated life of the related debt using the straight-line method, which approximates the effective interest rate method. Amortization of debt issuance costs is included in interest expense in the accompanying statements of operations.

Revenue Recognition

Rental revenue

Rental revenue consists of space rentals and related fees. Management has determined that all of the Company's leases are operating leases. Substantially all leases may be terminated on a month-to-month basis and rental income is recognized ratably over the lease term using the straight-line method. Rents received in advance are deferred and recognized on a straight-line basis over the related lease term associated with the prepayment. Promotional discounts and other incentives are recognized as a reduction to rental income over the applicable lease term.

Other property-related revenue

Other property-related revenue primarily consists of ancillary revenues such as tenant insurance and/or tenant warranty protection-related access fees and sales of storage supplies which are recognized in the period earned.

The Company and certain of the Company's PROs have tenant insurance- and/or tenant warranty protection plan-related arrangements with insurance companies and the Company's tenants. During the years ended December 31, 2020, 2019 and 2018, the Company recognized \$11.1 million, \$9.1 million and \$7.5 million, respectively, of tenant insurance and tenant warranty protection plan revenues.

The Company sells boxes, packing supplies, locks and other retail merchandise at its properties. During the years ended December 31, 2020, 2019 and 2018, the Company recognized retail sales of \$1.8 million, \$1.7 million and \$1.5 million, respectively.

Management fees and other revenue

Management fees and other revenue consist of property management fees, platform fees, call center fees, acquisition fees, and a portion of tenant warranty protection or tenant insurance proceeds that the Company earns for managing and operating its unconsolidated real estate ventures.

With respect to both the 2018 Joint Venture and the 2016 Joint Venture, the Company provides supervisory and administrative property management services, centralized call center services, and technology platform and revenue

management services to the properties in the unconsolidated real estate ventures. The property management fees are equal to 6% of monthly gross revenues and net sales revenues from the assets of the unconsolidated real estate ventures, and the platform fees are equal to \$1,250 per month per unconsolidated real estate venture property. With respect to the 2016 Joint Venture only, the call center fees are equal to 1% of each of monthly gross revenues and net sales revenues from the 2016 Joint Venture properties. During the years ended December 31, 2020, 2019 and 2018, the Company recognized property management fees, call center fees and platform fees of \$13.1 million, \$12.8 million and \$7.8 million, respectively.

For acquisition fees, the Company provides sourcing, underwriting and administration services to the unconsolidated real estate ventures. The 2016 Joint Venture paid the Company a \$4.1 million acquisition fee equal to 0.65% of the gross capitalization (including debt and equity) of the original 66-property 2016 Joint Venture portfolio (the "Initial 2016 JV Portfolio") in 2016, at the time of the Initial 2016 JV Portfolio acquisition. The 2018 Joint Venture paid the Company a \$4.0 million acquisition fee related to the initial acquisition of properties by the 2018 Joint Venture (the "Initial 2018 JV Portfolio") during the year ended December 31, 2018, at the time of the Initial 2018 JV Portfolio acquisition. These fees are refundable to the unconsolidated real estate ventures, on a prorated basis, if the Company is removed as the managing member during the initial four year life of the unconsolidated real estate ventures and as such, the Company's performance obligation for these acquisition fees are satisfied over a four year period. Accordingly, the Company's performance obligation related to the Initial 2016 JV Portfolio was satisfied during the year ended December 31, 2020. As of December 31, 2020 and 2019, the Company had deferred revenue related to the acquisition fees of \$1.3 million and \$2.8 million, respectively.

The Company also earns acquisition fees for properties acquired by the unconsolidated real estate ventures subsequent to the Initial 2016 JV Portfolio and the Initial 2018 JV Portfolio. These fees are based on a percentage of the gross capitalization of the acquired assets determined by the members of the 2016 Joint Venture and the 2018 Joint Venture, and are generally earned when the unconsolidated real estate ventures obtain title and control of an acquired property. During the years ended December 31, 2020, 2019 and 2018, the Company recognized acquisition fees of \$1.7 million, \$1.8 million and \$1.6 million, respectively.

An affiliate of the Company facilitates tenant warranty protection or tenant insurance programs for tenants of the properties in the unconsolidated real estate ventures in exchange for 50% of all proceeds from such programs at each unconsolidated real estate venture property. During the years ended December 31, 2020, 2019 and 2018, the Company recognized \$6.3 million, \$4.7 million and \$2.4 million, respectively, of revenue related to these activities.

Advertising Costs

The Company incurs advertising costs primarily attributable to internet, directory and other advertising. Advertising costs are included in property operating expenses in the accompanying statements of operations. These costs are expensed in the period in which the cost is incurred. The Company incurred advertising costs of \$5.8 million, \$5.2 million and \$4.1 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Acquisition Costs

The Company incurs title, legal and consulting fees, and other costs associated with the completion of acquisitions. The Company's self storage property acquisitions are accounted for as asset acquisitions, and accordingly, acquisition costs directly related to the self storage property acquisitions were capitalized as part of the basis of the acquired properties. Indirect acquisition costs remain included in acquisition costs in the accompanying statements of operations in the period in which they were incurred.

Income Taxes

The Company has elected and believes it has qualified to be taxed as a REIT under sections 856 through 860 of the U.S. Internal Revenue Code (the "Code") commencing with the taxable year ended December 31, 2015. To qualify as a REIT, among other things, the Company is required to distribute at least 90% of its REIT taxable income to its shareholders and meet certain tests regarding the nature of its income and assets. As a REIT, the Company is not subject to federal income tax on the earnings distributed currently to its shareholders that it derives from its REIT qualifying activities. If the Company fails to qualify as a REIT in any taxable year, and is unable to avail itself of certain provisions set forth in the Code, all of the Company's taxable income would be subject to federal and state income taxes at regular corporate rates.

The Company will not be required to make distributions with respect to income derived from the activities conducted through subsidiaries that the Company elects to treat as taxable REIT subsidiaries ("TRS") for federal

income tax purposes. Certain activities that the Company undertakes must be conducted by a TRS, such as performing non-customary services for its customers, facilitating sales by PROs of tenant insurance and holding assets that the Company is not permitted to hold directly. A TRS is subject to federal and state income taxes.

On June 25, 2014, the Company formed NSA TRS, LLC ("NSA TRS"), a Delaware limited liability company. The Company has elected to treat NSA TRS as a TRS, and consequently, NSA TRS is subject to U.S. federal and state corporate income taxes. Deferred tax assets and liabilities are recognized to the extent of any differences between the financial reporting and tax bases of assets and liabilities. No material deferred tax assets and liabilities were recorded as of December 31, 2020 and 2019.

The Company did not have any unrecognized tax benefits related to uncertain tax positions as of December 31, 2020 and 2019. Future amounts of accrued interest and penalties, if any, related to uncertain tax positions will be recorded as a component of income tax expense. The Company does not expect that the amount of unrecognized tax benefits will change significantly in the next 12 months.

The Company's material taxing jurisdiction is the U.S. federal jurisdiction; the 2017 tax year is the earliest period that remains open to examination by these taxing jurisdictions.

Earnings per Share

Basic earnings per share is calculated based on the weighted average number of the Company's common shares of beneficial interest, \$0.01 par value per share ("common shares"), outstanding during the period. Diluted earnings per share is calculated by further adjusting for the dilutive impact using the treasury stock method for any share options and unvested share equivalents outstanding during the period and the if-converted method for any convertible securities outstanding during the period.

As more fully described below under "*Allocation of Net Income (Loss)*", the Company allocates GAAP income (loss) utilizing the hypothetical liquidation at book value ("HLBV") method, which could result in net income (or net loss) attributable to National Storage Affiliates Trust during a period when the Company reports consolidated net loss (or net income), or net income (or net loss) attributable to National Storage Affiliates Trust in excess of the Company's consolidated net income (or net loss). The computations of basic and diluted earnings (loss) per share may be materially affected by these disproportionate income (loss) allocations, resulting in volatile fluctuations of basic and diluted earnings (loss) per share.

Equity-Based Awards

The measurement and recognition of compensation cost for all equity-based awards granted to officers, employees and consultants is based on estimated fair values. Compensation cost is recognized on a straight-line basis over the requisite service periods of each award with non-graded vesting. For awards granted which contain a graded vesting schedule and the only condition for vesting is a service condition, compensation cost is recognized as an expense on a straight-line basis over the requisite service period as if the award was, in substance, a single award. For awards granted for which vesting is subject to a performance condition, compensation cost is recognized over the requisite service period if and when the Company concludes it is probable that the performance condition will be achieved.

The estimated fair value of all equity-based awards issued to PROs and their affiliates in connection with self storage property acquisitions is included in the cost of the respective acquisitions. The estimated fair value of such awards is measured at the date the self storage properties are acquired, as this date represents satisfaction of the performance condition and coincides with the award vesting.

Derivative Financial Instruments

The Company carries all derivative financial instruments on the balance sheet at fair value. Fair value of derivatives is determined by reference to observable prices that are based on inputs not quoted on active markets, but corroborated by market data. The accounting for changes in the fair value of a derivative instrument depends on whether the derivative has been designated and qualifies as part of a hedging relationship. The Company's use of derivative instruments has been limited to interest rate swap and cap agreements. The fair values of derivative instruments are included in other assets and accounts payable and accrued liabilities in the accompanying balance sheets. For derivative instruments not designated as cash flow hedges, the unrealized gains and losses are included in interest expense in the accompanying statements of operations. For derivatives designated as cash flow hedges, the effective portion of the changes in the fair value of the derivatives is initially reported in accumulated other

comprehensive income (loss) in the Company's balance sheets and subsequently reclassified into earnings when the hedged transaction affects earnings.

The valuation of interest rate swap and cap agreements is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of future interest rates (forward curves) derived from observable market interest rate forward curves. The Company may enter into derivative contracts that are intended to economically hedge certain of its risk, even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

Fair Value Measurements

When measuring fair value of financial instruments that are required to be recorded or disclosed at fair value, the Company uses a three-tier measurement hierarchy which prioritizes the inputs used to calculate fair value. These tiers include Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Investments in Unconsolidated Real Estate Ventures

The Company's investments in its unconsolidated real estate ventures are recorded under the equity method of accounting in the accompanying consolidated financial statements. Under the equity method, the Company's investments in unconsolidated real estate ventures are stated at cost and adjusted for the Company's share of net earnings or losses and reduced by distributions. Equity in earnings (losses) is recognized based on the Company's ownership interest in the earnings (losses) of the unconsolidated real estate ventures. The Company follows the "nature of the distribution approach" for classification of distributions from its unconsolidated real estate ventures in its consolidated statements of cash flows. Under this approach, distributions are reported on the basis of the nature of the activity or activities that generated the distributions as either a return on investment, which are classified as operating cash flows, or a return of investment (e.g., proceeds from the unconsolidated real estate ventures' sale of assets) which are reported as investing cash flows.

Segment Reporting

The Company manages its business as one reportable segment consisting of investments in self storage properties located in the United States. Although the Company operates in several markets, these operations have been aggregated into one reportable segment based on the similar economic characteristics among all markets.

Allocation of Net Income (Loss)

The distribution rights and priorities set forth in the operating partnership's LP Agreement differ from what is reflected by the underlying percentage ownership interests of the operating partnership's unitholders. Accordingly, the Company allocates GAAP income (loss) utilizing the HLBV method, in which the Company allocates income or loss based on the change in each unitholders' claim on the net assets of its operating partnership at period end after adjusting for any distributions or contributions made during such period. The HLBV method is commonly applied to equity investments where cash distribution percentages vary at different points in time and are not directly linked to an equity holder's ownership percentage.

The HLBV method is a balance sheet-focused approach to income (loss) allocation. A calculation is prepared at each balance sheet date to determine the amount that unitholders would receive if the operating partnership were to liquidate all of its assets (at GAAP net book value) and distribute the resulting proceeds to its creditors and unitholders based on the contractually defined liquidation priorities. The difference between the calculated liquidation distribution amounts at the beginning and the end of the reporting period, after adjusting for capital contributions and distributions, is used to derive each unitholder's share of the income (loss) for the period. Due to the stated liquidation priorities and because the HLBV method incorporates non-cash items such as depreciation expense, in any given period, income or loss may be allocated disproportionately to unitholders as compared to their respective ownership percentage in the operating partnership, and net income (loss) attributable to National Storage Affiliates Trust could be more or less net income than actual cash distributions received and more or less income or

loss than what may be received in the event of an actual liquidation. Additionally, the HLBV method could result in net income (or net loss) attributable to National Storage Affiliates Trust during a period when the Company reports consolidated net loss (or net income), or net income (or net loss) attributable to National Storage Affiliates Trust in excess of the Company's consolidated net income (or net loss). The computations of basic and diluted earnings (loss) per share may be materially affected by these disproportionate income (loss) allocations, resulting in volatile fluctuations of basic and diluted earnings (loss) per share.

Other Comprehensive Income (Loss)

The Company has cash flow hedge derivative instruments that are measured at fair value with unrealized gains or losses recognized in other comprehensive income (loss) with a corresponding adjustment to accumulated other comprehensive income (loss) within equity, as discussed further in Note 14. Under the HLBV method of allocating income (loss) discussed above, a calculation is prepared at each balance sheet date by applying the HLBV method including, and excluding, the assets and liabilities resulting from the Company's cash flow hedge derivative instruments to determine comprehensive income (loss) attributable to National Storage Affiliates Trust. As a result of the distribution rights and priorities set forth in the operating partnership's LP Agreement, in any given period, other comprehensive income (loss) may be allocated disproportionately to unitholders as compared to their respective ownership percentage in the operating partnership and as compared to their respective allocation of net income (loss).

Gain on sale of self storage properties

The Company recognizes gains from disposition of facilities only upon closing in accordance with the guidance on sales of nonfinancial assets. Profit on real estate sold is recognized upon closing when all, or substantially all, of the promised consideration has been received and is nonrefundable and the Company has transferred control of the facilities to the purchaser.

Goodwill

Goodwill represents the costs of business acquisitions in excess of the fair value of identifiable net assets acquired. The Company evaluates goodwill for potential impairment annually, or whenever impairment indicators are present. The Company determined that there was no impairment to goodwill during the years ended December 31, 2020 and 2019.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the consolidated financial statements and related notes have been reclassified to conform to the current year presentation. Such reclassifications do not impact the Company's previously reported financial position or net income (loss).

Recent Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board issued ASU 2020-04, Reference Rate Reform (Topic 848). ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. The guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur. During the year ended December 31, 2020, the Company elected to apply the hedge accounting expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. Application of these expedients preserves the presentation of derivatives consistent with past presentation. The Company continues to evaluate the impact of the guidance and may apply other elections as applicable as additional changes in the market occur. See Note 14 for additional detail about the Company's derivatives.

3. SHAREHOLDERS' EQUITY AND NONCONTROLLING INTERESTS

Shareholders' Equity

Internalization and Acquisition of PRO

As discussed in Note 1 and further below, on March 31, 2020, the Company closed on the previously announced mergers of SecurCare and DLAN with and into wholly-owned subsidiaries of the Company. In connection with the mergers, the Company issued 8,105,192 common shares to the owners of SecurCare and DLAN, which represented a 1% discount to an aggregate of 8,187,052 OP units that each of SecurCare and DLAN owned or was entitled to receive immediately prior to the mergers (after rounding up to the next whole number of common shares). Of the total number of common shares issued to the owners of SecurCare, 4,063,571 common shares were issued to Arlen Nordhagen, the Company's executive chairman and former chief executive officer, who owned approximately 53% of SecurCare's outstanding shares, and 1,858,737 common shares were issued to David Cramer, the Company's chief operating officer, who owned approximately 24% of SecurCare's outstanding shares. In connection with the mergers and the issuance of the Company's common shares to Mr. Nordhagen and Mr. Cramer, the Company formed a special committee of independent and disinterested trustees (the "Special Committee") to evaluate the merits and terms of the proposed transaction. In analyzing the proposed transaction, the Special Committee engaged an independent third party financial advisor to assist the Special Committee in analyzing and assessing the transaction, and to opine on the fairness to the Company of the consideration to be paid by the Company in the mergers. The Special Committee approved and recommended that the Company's board of trustees approve the proposed transaction. The transaction was approved unanimously by the disinterested trustees of the Company's board of trustees on February 19, 2020.

Forward Equity Offering

On September 22, 2020, the Company entered into an underwriting agreement, as well as certain forward sale agreements, with a syndicate of banks acting as underwriters, forward sellers, and/or forward purchasers in connection with an underwritten public offering of 4,500,000 common shares at a public offering price of \$33.15 per share (the "forward offering"). The underwriters were granted a 30-day option to purchase up to an additional 675,000 common shares at the same price, which they partially exercised for an additional 400,000 common shares on October 6, 2020. Therefore, the forward sellers or their affiliates, at the Company's request, borrowed from third parties and sold to the underwriters an aggregate of 4,900,000 common shares, which the underwriters sold at an offering price of \$33.15 per share, for proceeds of approximately \$162.4 million. As a result of this forward construct, the Company did not receive any proceeds from the sale of such shares at closing. The Company has determined that the forward sale agreements are not considered to be derivative instruments under the guidance within ASC 815.

On December 30, 2020, the Company settled a portion of the forward offering by physically delivering 1,850,510 common shares to the forward purchasers for net proceeds of approximately \$60.0 million. As of December 31, 2020, 3,049,490 shares remained outstanding under the forward sale agreements.

Series A Preferred Shares

The 6.000% cumulative redeemable preferred shares of beneficial interest ("Series A Preferred Shares") rank senior to the Company's common shares with respect to rights and rights upon its liquidation, dissolution or winding up. Dividends on the Series A Preferred Shares, which are payable quarterly in arrears, are cumulative from the date of original issuance in the amount of \$1.50 per share each year. Generally, the Series A Preferred Shares become redeemable by the Company beginning in October 2022 for a cash redemption price of \$25.00 per share, plus accrued but unpaid dividends.

At the Market ("ATM") Program

On February 27, 2019, the Company entered into a sales agreement with certain sales agents, pursuant to which the Company may sell from time to time up to \$50.0 million of the Company's common shares and 6.000% Series A Preferred Shares in sales deemed to be "at the market" offerings. The sales agreement contemplates that, in addition to the issuance and sale by the Company of offered shares to or through the sale agents, the Company may enter into separate forward sale agreements with any forward purchaser. Forward sale agreements, if any, will include only the Company's common shares and will not include any Series A Preferred Shares. If the Company enters into a forward sale agreement with any forward purchaser, such forward purchaser will attempt to borrow from third parties and sell, through the related agent, acting as sales agent for such forward purchaser (each, a

"forward seller"), offered shares, in an amount equal to the offered shares subject to such forward sale agreement, to hedge such forward purchaser's exposure under such forward sale agreement. The Company may offer the common shares and Series A Preferred Shares through the agents, as the Company's sales agents, or, as applicable, as forward seller, or directly to the agents or forward sellers, acting as principals, by means of, among others, ordinary brokers' transactions on the NYSE or otherwise at market prices prevailing at the time of sale or at negotiated prices.

During the year ended December 31, 2020, the Company sold 743,915 of its common shares through the ATM program at an average offering price of \$3.01 per share, resulting in net proceeds to the Company of approximately \$22.9 million, after deducting compensation payable by the Company to such agents and offering expenses.

During the year ended December 31, 2019, the Company sold 2,375,000 of its common shares through the ATM program at an average offering price of \$0.06 per share, resulting in net proceeds to the Company of approximately \$70.6 million, after deducting compensation payable by the Company to such agents and offering expenses. In addition, during the year ended December 31, 2019, the Company sold 1,785,680 of its Series A Preferred Shares through the ATM program at an average offering price of \$24.84 per share, resulting in net proceeds to the Company of approximately \$43.6 million, after deducting compensation payable by the Company to such agents and offering expenses.

Noncontrolling Interests

All of the OP equity in the Company's operating partnership not held by the Company are reflected as noncontrolling interests. Noncontrolling interests also include ownership interests in DownREIT partnerships held by entities other than the Company's operating partnership. NSA is the general partner of its operating partnership and is authorized to cause its operating partnership to issue additional partner interests, including OP units and subordinated performance units, at such prices and on such other terms as it determines in its sole discretion.

As of December 31, 2020 and 2019, units reflecting noncontrolling interests consisted of the following:

	December 31,	
	2020	2019
Series A-1 preferred units	637,382	642,982
OP units	29,616,809	30,188,305
Subordinated performance units	9,030,872	11,014,195
LTIP units	734,196	743,566
DownREIT units		
DownREIT OP units	1,924,918	1,848,261
DownREIT subordinated performance units	4,337,111	4,371,622
Total	46,281,288	48,808,931

Series A-1 Preferred Units

The 6.000% Series A-1 Cumulative Redeemable Preferred Units ("Series A-1 preferred units") rank senior to OP units and subordinated performance units in the Company's operating partnership with respect to distributions and liquidation. The Series A-1 preferred units have a stated value of \$25.00 per unit and receive distributions at an annual rate of 6.000%. These distributions are cumulative. The Series A-1 preferred units are redeemable at the option of the holder after the first anniversary of the date of issuance, which redemption obligations may be satisfied at the Company's option in cash in an amount equal to the market value of an equivalent number of the Company's 6.000% Series A Preferred Shares or the issuance of 6.000% Series A Preferred Shares on a one-for-one basis, subject to adjustments. Generally, the Series A-1 preferred units become redeemable by the Company beginning ten years after the initial issuance of each Series A-1 preferred unit at a stated value of \$25.00 per unit, plus accrued but unpaid distributions. The decrease in Series A-1 preferred units outstanding from December 31, 2019 to December 31, 2020 was due to the redemption of 5,600 Series A-1 preferred units for Series A preferred shares.

OP Units and DownREIT OP units

OP units in the Company's operating partnership are redeemable for cash or, at the Company's option, exchangeable for common shares on a one-for-one basis, and DownREIT OP units are redeemable for cash or, at the Company's option, exchangeable for OP units in its operating partnership on a one-for-one basis, subject to certain adjustments in each case. The holders of OP units are generally not entitled to elect redemption until one year after the issuance of the OP units. The holders of DownREIT OP units are generally not entitled to elect redemption until five years after the date of the contributor's initial contribution.

The decrease in OP units outstanding from December 31, 2019 to December 31, 2020 was due to the redemption of 892,070 OP units for common shares, the exchange of 368,500 DownREIT OP units in redemption of an equivalent number of outstanding OP units, which were subsequently retired by the operating partnership and the exchange of 47,328 OP units for an equivalent number of subordinated performance units offset by the following: 445,701 OP units issued upon the conversion of 332,738 subordinated performance units (as discussed further below), 755,007 OP units issued in connection with the acquisition of self storage properties and 246,156 LTIP units which were converted into an equivalent number of OP units. In addition, in connection with the completion of the SecurCare and DLAN mergers, the Company's operating partnership retired 710,462 OP Units.

The increase in DownREIT OP units outstanding from December 31, 2019 to December 31, 2020 was due to the exchange of 368,500 DownREIT OP units held by the operating partnership in redemption of an equivalent number of outstanding OP Units, which were subsequently retired by the operating partnership, and the issuance of 115,888 DownREIT OP units related to the conversion of 34,511 DownREIT subordinated performance units (as discussed further below) partially offset by the contribution of 407,731 DownREIT OP units (which were previously included in the above table because they were not held by the Company) to the operating partnership in connection with the SecurCare and DLAN mergers.

Subordinated Performance Units and DownREIT Subordinated Performance Units

Subordinated performance units may also, under certain circumstances, be convertible into OP units which are exchangeable for common shares as described above, and DownREIT subordinated performance units may, under certain circumstances, be exchangeable for subordinated performance units on a one-for-one basis. Subordinated performance units are only convertible into OP units after a two year lock-out period and then generally (i) at the holder's election only upon the achievement of certain performance thresholds relating to the properties to which such subordinated performance units relate or (ii) at the Company's election upon a retirement event of a PRO that holds such subordinated performance units or upon certain qualifying terminations. The holders of DownREIT subordinated performance units are generally not entitled to elect redemption until at least five years after the date of the contributor's initial contribution.

Following such lock-out period, a holder of subordinated performance units in the Company's operating partnership may elect a voluntary conversion one time each year on or prior to December 1st to convert a pre-determined portion of such subordinated performance units into OP units in the Company's operating partnership, with such conversion effective January 1st of the following year, with each subordinated performance unit being converted into the number of OP units determined by dividing the average cash available for distribution, or CAD, per unit on the series of specific subordinated performance units over the one-year period prior to conversion by 110% of the CAD per unit on the OP units determined over the same period. CAD per unit on the series of specific subordinated performance units and OP units is determined by the Company based generally upon the application of the provisions of the LP Agreement applicable to the distributions of operating cash flow and capital transactions proceeds.

The decrease in subordinated performance units outstanding from December 31, 2019 to December 31, 2020 was due to the retirement of 2,001,441 subordinated performance units in connection with the SecurCare merger and the voluntary conversion of 332,738 subordinated performance units into 445,701 OP units, partially offset by the issuance of 303,528 subordinated performance units for co-investment by the Company's PROs in connection with the acquisition of self storage properties and 47,328 subordinated performance units issued in exchange for an equivalent number of OP units.

The decrease in DownREIT subordinated performance units outstanding from December 31, 2019 to December 31, 2020 was due to the conversion of 34,511 DownREIT subordinated performance units into 115,888 DownREIT OP units.

LTIP Units

LTIP units are a special class of partnership interest in the Company's operating partnership that allow the holder to participate in the ordinary and liquidating distributions received by holders of the OP units (subject to the achievement of specified levels of profitability by the Company's operating partnership or the achievement of certain events). LTIP units may also, under certain circumstances, be convertible into OP units on a one-for-one basis, which are then exchangeable for common shares as described above. LTIP units do not have full parity with OP units with respect to liquidating distributions and may not receive ordinary distributions until such parity is reached pursuant to the terms of the LP Agreement. If such parity is reached under the LP Agreement, upon vesting, vested LTIP units may be converted into an equal number of OP units, and thereafter have all the rights of OP units, including redemption rights. See Note 9 for additional information about the Company's LTIP Units.

The decrease in LTIP units outstanding from December 31, 2019 to December 31, 2020 was due to the conversion of 246,156 LTIP units into an equivalent number of OP units offset by the issuance of 236,786 compensatory LTIP units to employees, trustees and consultants, net of forfeitures.

4. SELF STORAGE PROPERTIES

Self storage properties are summarized as follows (dollars in thousands):

	December 31,	
	2020	2019
Land	\$ 738,863	\$ 649,938
Buildings and improvements	2,892,490	2,435,171
Furniture and equipment	7,839	6,610
Total self storage properties	3,639,192	3,091,719
Less accumulated depreciation	(443,623)	(337,822)
Self storage properties, net	<u>\$ 3,195,569</u>	<u>\$ 2,753,897</u>

Depreciation expense related to self storage properties amounted to \$105.9 million, \$92.2 million and \$76.3 million for the years ended December 31, 2020, 2019 and 2018, respectively.

5. INVESTMENT IN UNCONSOLIDATED REAL ESTATE VENTURES*2018 Joint Venture*

As of December 31, 2020, the Company's unconsolidated real estate venture, formed in September 2018 with an affiliate of Heitman America Real Estate REIT LLC (the "2018 Joint Venture"), in which the Company has a 25% ownership interest, owned and operated a portfolio of 103 self storage properties containing approximately 7.8 million rentable square feet, configured in over 64,000 storage units and located across 17 states.

The 2018 Joint Venture acquired one self storage property for \$9.7 million during the year ended December 31, 2020, which was combined and is being operated together with one of the 2018 Joint Venture's existing properties. The 2018 Joint Venture financed the acquisition with \$4.7 million of debt financing and \$5.0 million of capital contributions from the 2018 Joint Venture members, of which the Company contributed \$1.3 million for its 25% proportionate share.

2016 Joint Venture

As of December 31, 2020, the Company's unconsolidated real estate venture, formed in September 2016 with a state pension fund advised by Heitman Capital Management LLC (the "2016 Joint Venture"), in which the Company has a 25% ownership interest, owned and operated a portfolio of 74 properties containing approximately 4.9 million rentable square feet, configured in approximately 40,000 storage units and located across 13 states.

The 2016 Joint Venture acquired two self storage properties for \$12.1 million during the year ended December 31, 2020. The 2016 Joint Venture financed these acquisitions with capital contributions from the 2016 Joint Venture members, of which the Company contributed \$3.1 million for its 25% proportionate share.

The Company's investments in the 2018 Joint Venture and 2016 Joint Venture are accounted for using the equity method of accounting and are included in investment in unconsolidated real estate ventures in the Company's consolidated balance sheets. The Company's earnings from its investments in the 2018 Joint Venture and 2016 Joint Venture are presented in equity in earnings (losses) of unconsolidated real estate ventures on the Company's consolidated statements of operations.

The following table presents the combined condensed financial position of the Company's unconsolidated real estate ventures as of December 31, 2020 and December 31, 2019 (in thousands):

	December 31,	
	2020	2019
ASSETS		
Self storage properties, net	\$ 1,799,522	\$ 1,835,235
Other assets	24,397	22,413
Total assets	<u>\$ 1,823,919</u>	<u>\$ 1,857,648</u>
LIABILITIES AND EQUITY		
Debt financing	\$ 1,000,464	\$ 989,182
Other liabilities	21,612	20,487
Equity	801,843	847,979
Total liabilities and equity	<u>\$ 1,823,919</u>	<u>\$ 1,857,648</u>

The following table presents the combined condensed operating information of the Company's unconsolidated real estate ventures for the years ended December 31, 2020 and 2019 and the period ended December 31, 2018 (in thousands):

	Year Ended December 31,		
	2020	2019	2018
Total revenue	\$ 164,762	\$ 162,827	\$ 94,507
Property operating expenses	49,632	49,845	30,229
Net operating income	115,130	112,982	64,278
Supervisory, administrative and other expenses	(10,935)	(10,818)	(6,397)
Depreciation and amortization	(61,188)	(79,556)	(40,930)
Interest expense	(41,204)	(39,936)	(20,718)
Loss on sale of self storage properties	—	(806)	(820)
Acquisition and other expenses	(969)	(1,971)	(1,188)
Net income (loss)	<u>\$ 834</u>	<u>\$ (20,105)</u>	<u>\$ (5,775)</u>

The combined condensed operating information in the table above only includes information for the 2018 Joint Venture following the acquisition of the Initial 2018 JV Portfolio in September 2018.

6. SELF STORAGE PROPERTY ACQUISITIONS AND DISPOSITIONS

Acquisitions

The Company acquired 77 self storage properties and two expansion projects to existing properties with an estimated fair value of \$543.3 million during the year ended December 31, 2020 and 69 self storage properties with an estimated fair value of \$447.8 million during the year ended December 31, 2019. Of these acquisitions, during the year ended December 31, 2020, 11 self storage properties with an estimated fair value of \$92.9 million were acquired by the Company from its PROs. During the year ended December 31, 2019, 19 self storage properties with

an estimated fair value of \$131.3 million were acquired by the Company from its PROs and one self storage property with an estimated fair value of \$4.1 million was acquired by the Company from the 2016 Joint Venture.

The self storage property acquisitions were accounted for as asset acquisitions and accordingly, during the years ended December 31, 2020 and 2019, \$4.7 million and \$3.6 million, respectively, of transaction costs related to the acquisitions were capitalized as part of the basis of the acquired properties. The Company recognized the estimated fair value of the acquired assets and assumed liabilities on the respective dates of such acquisitions. The Company allocated a portion of the purchase price to identifiable intangible assets consisting of customer in-place leases which were recorded at estimated fair values of \$11.7 million and \$10.9 million during the years ended December 31, 2020 and 2019, respectively, resulting in a total fair value of \$531.6 million and \$436.9 million allocated to real estate during the years ended December 31, 2020 and 2019, respectively.

The following table summarizes, by calendar quarter, the investments in self storage property acquisitions completed by the Company during the years ended December 31, 2020 and 2019 (dollars in thousands):

Acquisitions closed during the Three Months Ended:	Number of Properties	Summary of Investment			
		Cash and Acquisition Costs	Value of OP Equity ⁽¹⁾	Other Liabilities	Total
March 31, 2020	36	\$ 214,584	\$ 7,217	\$ 972	\$ 222,773
June 30, 2020	4	30,198	5,842	207	36,247
September 30, 2020	4	20,173	3,427	204	23,804
December 31, 2020	33	237,517	20,747	2,244	260,508
Total	77	\$ 502,472	\$ 37,233	\$ 3,627	\$ 543,332
March 31, 2019	32	\$ 160,531	\$ 33,356	\$ 674	\$ 194,561
June 30, 2019	24	168,442	15,515	1,378	185,335
September 30, 2019	6	34,624	950	197	35,771
December 31, 2019	7	30,004	2,005	154	32,163
Total	69	\$ 393,601	\$ 51,826	\$ 2,403	\$ 447,830

(1) Value of OP equity represents the fair value of Series A-1 preferred units, OP units, subordinated performance units, and LTIP units.

The results of operations for these self storage acquisitions are included in the Company's statements of operations beginning on the respective closing date for each acquisition. The accompanying statements of operations includes aggregate revenue of \$21.3 million and operating losses of \$0.3 million related to the 77 self storage properties acquired during the year ended December 31, 2020. For the year ended December 31, 2019, the accompanying statements of operations includes aggregate revenue of \$30.4 million and operating income of \$2.5 million related to the 69 self storage properties acquired during such period.

Acquisition of PRO Management Company

As discussed in Note 1 and Note 3, on March 31, 2020, the Company closed on the previously announced mergers of SecurCare and DLAN with and into wholly-owned subsidiaries of the Company. The mergers were accounted for as a business combination whereby the Company acquired additional interests in its operating partnership and DownREIT partnerships. Accordingly, this portion of the transaction was accounted for as a change in ownership of a consolidated subsidiary, resulting in a reduction to noncontrolling interests equal to the net book value of the acquired subsidiary interests.

In connection with the mergers, SecurCare's property management platform and related intellectual property were internalized by the Company. Under the terms of the Company's facilities portfolio management agreement with SecurCare, in connection with a retirement event leading to the internalization of SecurCare's property management platform, SecurCare was entitled to receive OP units in exchange for its property management platform and related intellectual property based on a contractual formula. Using this formula, the Company determined that SecurCare was entitled to receive an equivalent of 348,020 OP units totaling \$10.3 million, based on the acquisition date closing price of the Company's common shares. The Company allocated the total purchase price to the estimated fair value of tangible and intangible assets acquired, and liabilities assumed. The Company allocated a portion of the purchase price to tangible fixed assets of \$0.1 million and intangible assets consisting of a management contract with an estimated fair value of \$4.6 million and the SecurCare trade name with an estimated

fair value of \$3.2 million. The excess of the aggregate consideration paid over the identified assets acquired and liabilities assumed, equal to \$2.4 million, was allocated to goodwill. The tangible and intangible assets related to the internalization are reported in other assets, net in the Company's condensed consolidated balance sheets.

The Company's fair value measurements were based, in part, on valuations prepared by an independent valuation firm and the allocation of the purchase price required a significant amount of judgment. The Company measured the fair value of the management contract asset based on discounted future cash flows expected under the management contract from a market participant perspective. The management contract asset will be charged to amortization expense on a straight-line basis over 15 years, which represents the time period over which the majority of value was attributed in the Company's discounted cash flow model. The Company measured the fair value of the trade name, which has an indefinite life and is not amortized, using the relief from royalty method.

The allocation of the purchase price requires judgment and was based on the Company's valuations, estimates and assumptions of the acquisition date fair value of the tangible and intangible assets acquired and liabilities assumed. This estimation process was completed during the year ended December 31, 2020.

Dispositions

During the year ended December 31, 2019, the Company sold one self storage property to an unrelated third party. The gross sales price was \$6.5 million and the Company recognized \$2.8 million of gain on the sale.

7. OTHER ASSETS

Other assets consist of the following (dollars in thousands):

	December 31,	
	2020	2019
Customer in-place leases, net of accumulated amortization of \$5,322 and \$7,267, respectively	\$ 6,460	\$ 3,704
Receivables:		
Trade, net	2,734	2,809
PROs and other affiliates	2,974	2,773
Receivable from unconsolidated real estate ventures	5,825	4,765
Property acquisition deposits	1,087	4,438
Interest rate swaps	—	980
Equity securities	—	7,703
Prepaid expenses and other	7,099	4,762
Corporate furniture, equipment and other, net	1,673	1,925
Trade name	6,380	3,200
Management contracts, net of accumulated amortization of \$3,222 and \$2,272, respectively	11,998	8,349
Tenant reinsurance intangible, net of accumulated amortization of \$903 and \$317, respectively	13,737	14,283
Goodwill	8,182	5,750
Total	<u>\$ 68,149</u>	<u>\$ 65,441</u>

Amortization expense related to customer in-place leases amounted to \$9.0 million, \$11.3 million and \$11.6 million for the years ended December 31, 2020, 2019 and 2018, respectively.

The Company measured the fair value of the trade name, which has an indefinite life and is not amortized, using the relief from royalty method at acquisition.

The management contract assets are charged to amortization expense on a straight-line basis over 15 years, which represents the time period over which the majority of value was attributed in the Company's discounted cash flow models. Amortization expense related to the management contracts amounted to \$1.0 million, \$0.7 million and \$0.7 million for the years ended December 31, 2020, 2019 and 2018 respectively.

Amortization expense related to the tenant reinsurance intangible amounted to \$0.6 million and \$0.3 million for the years ended December 31, 2020 and 2019 respectively. See Note 11 for additional details about the Company's tenant reinsurance intangible asset.

Future Intangible Asset Amortization

As of December 31, 2020, the estimated aggregate amortization expense for the Company's customer in-place leases, management contracts and tenant reinsurance intangible asset for the succeeding five years are as follows (in thousands):

Year Ending December 31,	Total Aggregate Estimated Amortization Expense	
2021	\$	8,049
2022		1,604
2023		1,604
2024		1,603
2025		1,600
Thereafter		17,735
Total	\$	32,195

8. DEBT FINANCING

The Company's outstanding debt as of December 31, 2020 and 2019 is summarized as follows (dollars in thousands):

	Interest Rate ⁽¹⁾	December 31,	
		2020	2019
Credit Facility:			
Revolving line of credit	1.44%	\$ 174,000	\$ —
Term loan A	3.74%	125,000	125,000
Term loan B	2.91%	250,000	250,000
Term loan C	2.80%	225,000	225,000
Term loan D	3.57%	175,000	175,000
2023 Term loan facility	2.83%	175,000	175,000
2028 Term loan facility	4.62%	75,000	75,000
2029 Term loan facility	4.27%	100,000	100,000
2029 Senior Unsecured Notes	3.98%	100,000	100,000
2030 Senior Unsecured Notes	2.99%	150,000	—
2031 Senior Unsecured Notes	4.08%	50,000	50,000
2032 Senior Unsecured Notes	3.09%	100,000	—
Fixed rate mortgages payable	4.26%	223,614	264,260
Total principal		1,922,614	1,539,260
Unamortized debt issuance costs and debt premium, net		(5,643)	(5,213)
Total debt		\$ 1,916,971	\$ 1,534,047

(1) Represents the effective interest rate as of December 31, 2020. Effective interest rate incorporates the stated rate plus the impact of interest rate cash flow hedges and discount and premium amortization, if applicable. For the revolving line of credit, the effective interest rate excludes fees for unused borrowings.

Credit Facility

On July 29, 2019, the operating partnership, as borrower, the Company, and certain of the operating partnership's subsidiaries, as subsidiary guarantors, entered into a second amended and restated credit agreement with a syndicated group of lenders, which extended the maturities, enhanced the terms in line with the current market and increased the total borrowing capacity under the Company's unsecured credit facility by \$255.0 million for a total of \$1.275 billion (the "credit facility"). The credit facility consists of the following components: (i) a revolving line of credit (the "Revolver") which provides for a total borrowing commitment up to \$500.0 million, under which the Company may borrow, repay and re-borrow amounts, (ii) a \$125.0 million tranche A term loan facility (the "Term Loan A"), (iii) a \$250.0 million tranche B term loan facility (the "Term Loan B"), (iv) a \$225.0 million tranche C term loan facility (the "Term Loan C"), and (v) a \$175.0 million tranche D term loan facility (the "Term Loan D"). The Company has an expansion option under the credit facility, which if exercised in full, would provide for a total borrowing capacity under the credit facility of \$1.750 billion.

The Revolver matures in January 2024; provided that the Company may elect to extend the maturity to July 2024 by paying an extension fee of 0.075% of the total borrowing commitment thereunder at the time of extension and meeting other customary conditions with respect to compliance. The Term Loan A matures in January 2023, the Term Loan B matures in July 2024, the Term Loan C matures in January 2025 and the Term Loan D matures in July 2026. The credit facility is not subject to any scheduled reduction or amortization payments prior to maturity.

Interest rates applicable to loans under the credit facility are determined based on a 1, 2, 3 or 6 month LIBOR period (as elected by the Company at the beginning of any applicable interest period) plus an applicable margin or a base rate, determined by the greatest of the Key Bank prime rate, the federal funds rate plus 0.50% or one month LIBOR plus 1.00%, plus an applicable margin. The applicable margins for the credit facility are leverage based and range from 1.15% to 2.20% for LIBOR loans and 0.15% to 1.20% for base rate loans; provided that after such time as the Company achieves an investment grade rating as defined in the credit facility, the Company may elect (but is not required to elect) (a "credit rating pricing election") that the credit facility be subject to applicable margins ranging from 0.78% to 2.25% for LIBOR loans and 0.00% to 1.25% for base rate loans. The Company is also required to pay usage based fees ranging from 0.15% to 0.20% with respect to the unused portion of the Revolver; provided that if the Company makes a credit rating pricing election under the credit facility, the Company will be required to pay rating based fees ranging from 0.125% to 0.300% with respect to the entire Revolver in lieu of any usage based fees.

On July 29, 2019, the Company entered into interest rate swap agreements which together with the Company's existing interest rate swap agreements, fix the interest rates through maturity for the Term Loan A, Term Loan B, Term Loan C and Term Loan D. As of December 31, 2020, the Term Loan A, Term Loan B, Term Loan C and Term Loan D had effective interest rates of 3.74%, 2.91%, 2.80% and 3.57%, respectively.

As of December 31, 2020, the Company had outstanding letters of credit totaling \$5.7 million and would have had the capacity to borrow remaining Revolver commitments of \$320.3 million while remaining in compliance with the credit facility's financial covenants described in the following paragraph.

The Company is required to comply with the following financial covenants under the credit facility:

- Maximum total leverage ratio not to exceed 60%, provided, however, the Company is permitted to maintain a ratio of up to 65% up to two (2) consecutive fiscal quarters immediately following the quarter in which a material acquisition (as defined in the credit facility) occurs
- Minimum fixed charge coverage ratio of at least 1.5x
- Maximum unsecured debt to unencumbered asset value ratio not to exceed 60%, provided, however, the Company shall be permitted to maintain a ratio of up to 65% up to two (2) consecutive fiscal quarters immediately following the quarter in which a material acquisition (as defined in the credit facility) occurs
- Unencumbered adjusted net operating income to unsecured interest expense of at least 2.0x

On July 29, 2019, the financial covenants and certain other terms of the 2023 Term Loan Facility, 2028 Term Loan Facility and 2029 Term Loan Facility were amended to make such terms substantially similar to those in the credit facility.

In addition, the terms of the credit facility contain customary affirmative and negative covenants that, among other things, limit the Company's ability to make distributions or certain investments, incur debt, incur liens and enter into certain transactions. At December 31, 2020, the Company was in compliance with all such covenants.

2023 Term Loan Facility

On June 30, 2016, the Company entered into a credit agreement with a syndicated group of lenders to make available a term loan facility that matures in June 2023 (the "2023 Term Loan Facility") in an aggregate amount of \$100.0 million. On June 5, 2018, the Company's operating partnership and the Company entered into the Second Amendment (the "Second Amendment") to the Credit Agreement, whereby the Company's operating partnership, among other things, partially exercised its existing \$100.0 million expansion option in an aggregate amount equal to \$75.0 million, increasing the aggregate amount outstanding under the 2023 Term Loan Facility to \$175.0 million. The Company also increased the remaining expansion option by \$200.0 million, for a total expansion option of \$225.0 million. If the remaining expansion option is exercised in full, the total expansion option would provide for a total borrowing capacity under the 2023 Term Loan Facility in an aggregate amount of \$400.0 million.

The entire outstanding principal amount of, and all accrued but unpaid interest, is due on the maturity date. Interest rates applicable to loans under the 2023 Term Loan Facility are payable during such periods as such loans are LIBOR loans, at the applicable LIBOR based on a 1, 2, 3 or 6 month LIBOR period (as elected by the Company at the beginning of any applicable interest period) plus an applicable margin, and during the period that such loans are base rate loans, at the base rate under the 2023 Term Loan Facility in effect from time to time plus an applicable margin. The base rate under the 2023 Term Loan Facility is equal to the greatest of the Capital One prime rate, the federal funds rate plus 0.50% or one month LIBOR plus 1.00%. The applicable margin for the 2023 Term Loan Facility is leverage-based and ranges from 1.30% to 1.70% for LIBOR loans and 0.30% to 0.70% for base rate loans; provided that after such time as the Company achieves an investment grade rating from at least two rating agencies, the Company may elect (but is not required to elect) that the 2023 Term Loan Facility is subject to the rating based on applicable margins ranging from 0.90% to 1.75% for LIBOR Loans and 0.00% to 0.75% for base rate loans.

The Company is required to comply with the same financial covenants under the 2023 Term Loan Facility as it is with the credit facility. In addition, the terms of the 2023 Term Loan Facility contain customary affirmative and negative covenants that, among other things, limit the Company's ability to make distributions or certain investments, incur debt, incur liens and enter into certain transactions.

2028 Term Loan Facility

On December 21, 2018, the Company entered into a credit agreement with Huntington National Bank to make available a term loan facility that matures in December 2028 (the "2028 Term Loan Facility") in an aggregate amount of \$75.0 million. The entire outstanding principal amount of, and all accrued but unpaid interest, is due on the maturity date. The Company has an expansion option under the 2028 Term Loan Facility, which, if exercised in full, would provide for a total 2028 Term Loan Facility in an aggregate amount of \$125.0 million.

Interest rates applicable to loans under the 2028 Term Loan Facility are payable during such periods as such loans are LIBOR loans, at the applicable LIBOR based on a 1, 2, 3 or 6 month LIBOR period (as elected by the Company at the beginning of any applicable interest period) plus an applicable margin, and during the period that such loans are base rate loans, at the base rate under the 2028 Term Loan Facility in effect from time to time plus an applicable margin. The base rate under the 2028 Term Loan Facility is equal to the greatest of the Huntington National Bank prime rate, the federal funds rate plus 0.50% or one month LIBOR plus 1.00%. The applicable margin for the 2028 Term Loan Facility is leverage-based and ranges from 1.80% to 2.35% for LIBOR loans and 0.80% to 1.35% for base rate loans; provided that after such time as the Company achieves an investment grade rating from at least two rating agencies, the Company may elect (but is not required to elect) that the 2028 Term Loan Facility is subject to the rating based on applicable margins ranging from 1.40% to 2.25% for LIBOR Loans and 0.40% to 1.25% for base rate loans.

The Company is required to comply with the same financial covenants under the 2028 Term Loan Facility as it is with the credit facility and the 2023 Term Loan Facility. In addition, the terms of the 2028 Term Loan Facility contain customary affirmative and negative covenants that, among other things, limit the Company's ability to make distributions or certain investments, incur debt, incur liens and enter into certain transactions.

2029 Term Loan Facility

On April 24, 2019, the Company entered into a credit agreement with BMO Harris Bank N.A. to make available an unsecured term loan facility that matures in April 2029 (the "2029 Term Loan Facility") in an aggregate amount

of \$100.0 million. The entire outstanding principal amount of, and all accrued but unpaid interest, is due on the maturity date.

Interest rates applicable to loans under the 2029 Term Loan Facility are payable during such periods as such loans are LIBOR loans, at the applicable LIBOR based on a 1, 2, 3 or 6 month LIBOR period (as elected by the Company at the beginning of any applicable interest period) plus an applicable margin, and during the period that such loans are base rate loans, at the base rate under the 2029 Term Loan Facility in effect from time to time plus an applicable margin. The base rate under the 2029 Term Loan Facility is equal to the greatest of the BMO Harris Bank prime rate, the federal funds rate plus 0.50% or one month LIBOR plus 1.00%. The applicable margin for the 2029 Term Loan Facility is leverage-based and ranges from 1.85% to 2.30% for LIBOR loans and 0.85% to 1.30% for base rate loans; provided that after such time as the Company achieves an investment grade rating from at least two rating agencies, the Company may elect (but is not required to elect) that the 2029 Term Loan Facility be subject to rating-based margins ranging from 1.40% to 2.25% for LIBOR Loans and 0.40% to 1.25% for base rate loans.

On April 24, 2019, the Company also entered into an interest rate swap agreement with a notional amount of \$100.0 million that matures in April 2029 fixing the interest rate of the 2029 Term Loan Facility at an effective interest rate of 4.27%.

The Company is required to comply with the same financial covenants under the 2029 Term Loan Facility as it is with the credit facility, 2023 Term Loan Facility and the 2028 Term Loan Facility. In addition, the terms of the 2029 Term Loan Facility contain customary affirmative and negative covenants that are consistent with those contained in the 2023 Term Loan Facility and 2028 Term Loan Facility, and, among other things, limit the Company's ability to make distributions, make certain investments, incur debt, incur liens and enter into certain transactions.

2029 And 2031 Senior Unsecured Notes

On August 30, 2019, the operating partnership issued \$100.0 million of 3.98% senior unsecured notes due August 30, 2029 (the "2029 Notes") and \$50.0 million of 4.08% senior unsecured notes due August 30, 2031 (the "2031 Notes") in a private placement to certain institutional accredited investors. The senior unsecured notes are governed by a Note Purchase Agreement, dated July 30, 2019 (the "2019 Note Purchase Agreement"), by and among the operating partnership as issuer, the Company, and the purchasers of senior unsecured notes.

Interest is payable semiannually, on August 30th and February 28th of each year, commencing on February 28, 2020. The 2029 Notes and 2031 Notes are senior unsecured obligations of the Company and will be jointly and severally guaranteed by certain of the Company's subsidiaries, as subsidiary guarantors, upon issuance. The 2029 Notes and 2031 Notes rank pari passu with the credit facility, the 2023 Term Loan Facility, 2028 Term Loan Facility, 2029 Term Loan Facility, 2030 Notes and 2032 Notes (defined below). The 2019 Note Purchase Agreement contains financial covenants that are substantially similar to those described under the heading "Credit Facility" above. In addition, the terms of the 2019 Note Purchase Agreement contain customary affirmative and negative covenants that, among other things, limit the Company's ability to make distributions or certain investments, incur debt, incur liens and enter into certain transactions. At December 31, 2020, the Company was in compliance with all such covenants.

2030 And 2032 Senior Unsecured Notes

On October 22, 2020, the operating partnership issued \$150.0 million of 2.99% senior unsecured notes due August 5, 2030 (the "2030 Notes") and \$100.0 million of 3.09% senior unsecured notes due August 5, 2032 (the "2032 Notes") in a private placement to certain institutional investors. The senior unsecured notes are governed by a Note Purchase Agreement dated August 4, 2020 (the "2020 Note Purchase Agreement"), by and among the operating partnership as issuer, the Company, and the purchasers of the senior unsecured notes.

Interest is payable semiannually, on August 30th and February 28th of each year, commencing on February 28, 2021. The senior unsecured notes are senior unsecured obligations of the Company and are jointly and severally guaranteed by certain of the Company's subsidiaries, as subsidiary guarantors. The senior unsecured notes rank pari passu with the credit facility, 2023 Term Loan Facility, 2028 Term Loan Facility, 2029 Term Loan Facility, 2029 Notes and 2031 Notes. The 2020 Note Purchase Agreement contains financial covenants that are substantially similar to those of the Company's credit facility. In addition, the terms of the 2020 Note Purchase Agreement contain customary affirmative and negative covenants that, among other things, limit the Company's ability to make

distributions or certain investments, incur debt, incur liens and enter into certain transactions. At December 31, 2020, the Company was in compliance with all such covenants.

Fixed Rate Mortgages Payable

Fixed rate mortgages have scheduled maturities at various dates through October 2031, and have effective interest rates that range from 3.63% to 5.00%. Principal and interest are generally payable monthly or in monthly interest-only payments with balloon payments due at maturity.

Future Debt Maturities

Based on existing debt agreements in effect as of December 31, 2020, the scheduled principal and maturity payments for the Company's outstanding borrowings are presented in the table below (in thousands):

Year Ending December 31,	Scheduled Principal and Maturity Payments	Premium Amortization and Unamortized Debt Issuance Costs	Total
2021	\$ 7,670	\$ (1,675)	\$ 5,995
2022	4,374	(1,665)	2,709
2023	376,813	(1,312)	375,501
2024	445,964	(943)	445,021
2025	227,185	(371)	226,814
Thereafter	860,608	323	860,931
	<u>\$ 1,922,614</u>	<u>\$ (5,643)</u>	<u>\$ 1,916,971</u>

9. EQUITY-BASED AWARDS

The Company grants awards in the form of LTIP units and restricted common shares to provide equity based incentive compensation to members of its senior management team, independent trustees, advisers, consultants, other personnel, and as consideration for self storage property acquisitions.

LTIP units were first granted under the 2013 Long-Term Incentive Plan (the "2013 Plan"), which authorized up to 2.5 million LTIP units for issuance. In connection with the Company's initial public offering, the Company terminated the 2013 Plan but the awards granted thereunder remained outstanding after its termination. Restricted common shares were first granted under the 2015 National Storage Affiliates Trust Equity Incentive Plan (the "2015 Plan"), which authorizes the Company's compensation, nominating, and corporate governance committee to grant share options, restricted common shares, phantom shares, dividend equivalent rights, LTIP units and other restricted limited partnership units issued by its operating partnership and other equity-based awards up to an aggregate of 5% of the common shares issued and outstanding from time to time on a fully diluted basis (assuming, if applicable, the exercise of all outstanding options and the conversion of all warrants and convertible securities, including OP units and LTIP units, into common shares).

As of December 31, 2020, the Company did not have outstanding under its equity compensation plan, any options, warrants or rights to purchase the Company's common shares.

LTIP Units

Through December 31, 2020, an aggregate of 2,474,710 LTIP units have been issued under the 2013 Plan, 996,562 LTIP units have been issued under the 2015 Plan, and 373,353 LTIP units have been issued under the LP Agreement. Some of the granted LTIP units vested immediately or upon completion of the Company's initial public offering. Others vest upon the contribution of self storage properties or along a schedule at certain times through February 19, 2024.

Compensatory Grants

The Company grants two types of compensatory LTIP units, time-based LTIP unit awards that are subject to time-based vesting typically over a period of one to three years from the grant date, so long as such person remains an employee or trustee, and performance-based LTIP unit awards, which are designed to align the interests of the Company's executive officers with those of the Company's shareholders in a pay-for-performance structure. The

performance-based LTIP unit awards vest contingent upon the achievement of performance criteria measured over a period of three years from the grant date, which is based on the Company's total shareholder return ("TSR") relative to the TSR of the companies in the Morgan Stanley Capital International US REIT Index and the Company's TSR relative to the TSR of its peers in the self storage industry. The value of the performance-based LTIP unit awards takes into consideration the probability that the awards will ultimately vest; therefore previously recorded compensation expense is not adjusted in the event that the performance criteria is not achieved.

Compensation expense related to compensatory LTIP units granted to members of the Company's senior management team, the Company's independent trustees, advisers, consultants and other personnel is included in general and administrative expense in the accompanying statements of operations. Total compensation cost recognized for the compensatory LTIP unit awards was \$3.9 million, \$4.2 million and \$3.6 million for the years ended December 31, 2020, 2019 and 2018, respectively. At December 31, 2020, total unvested compensation cost not yet recognized was \$4.4 million. The Company expects to recognize this compensation cost over a period of approximately 3.2 years. If the grantee has a termination of service for any reason during the vesting period, the unvested LTIP units will be forfeited.

Time-based LTIP unit awards are granted with a fair value equal to the closing market price of the Company's common shares on the date of grant. The following table summarizes activity for the time-based LTIP unit awards for the years ended December 31, 2020, 2019 and 2018:

	Time-Based LTIP Unit Awards					
	2020		2019		2018	
	Number of LTIP units	Weighted Average Grant-Date Fair Value	Number of LTIP units	Weighted Average Grant-Date Fair Value	Number of LTIP units	Weighted Average Grant-Date Fair Value
Outstanding unvested at beginning of year	181,937	\$ 26.55	223,812	\$ 23.54	227,766	\$ 20.37
Granted	111,898	30.14	101,167	27.80	100,176	27.08
Vested	(115,935)	26.52	(138,028)	22.59	(104,130)	20.18
Forfeited	(7,635)	26.72	(5,014)	26.25	—	—
Unvested at end of year	170,265	\$ 28.93	181,937	\$ 26.55	223,812	\$ 23.54

The aggregate fair value of the time-based LTIP unit awards that vested during the years ended December 31, 2020, 2019 and 2018 was \$1.1 million, \$3.1 million and \$2.1 million, respectively.

The following table summarizes activity for the performance-based LTIP unit awards granted during the year ended December 31, 2020, 2019 and 2018, including the minimum, target and maximum number of LTIP units that may be earned upon the achievement of the performance criteria measured over the period of three years from the grant date.

	Performance-Based LTIP Unit Awards			
	Minimum	Target	Maximum	Weighted Average Grant-Date Fair Value
Outstanding unvested at December 31, 2017	—	40,390	90,874	\$ 27.63
Granted	—	46,017	69,025	24.67
Outstanding unvested at December 31, 2018	—	86,407	159,899	\$ 26.35
Granted	—	53,128	106,252	29.76
Outstanding unvested at December 31, 2019	—	139,535	266,151	\$ 27.71
Granted	—	53,835	107,667	35.67
Vested	—	(40,390)	(90,874)	27.63
Forfeited	—	(18,493)	(32,930)	27.53
Outstanding unvested at December 31, 2020	—	134,487	250,014	\$ 30.69

The aggregate fair value of the performance-based LTIP unit awards that vested during the year ended December 31, 2020 was \$1.1 million. The fair value of the performance-based LTIP unit awards, which have a

market condition, is estimated on the date of grant using a Monte Carlo simulation. The simulation requires assumptions for expected volatility, risk-free rate of return, and dividend yield. The following table summarizes the assumptions used to value the performance-based LTIP unit awards granted during the years ended December 31, 2020, 2019 and 2018:

	2020	2019	2018
Risk-free interest rate	1.37 %	2.51 %	2.04 %
Dividend yield	4.13 %	4.54 %	4.11 %
Expected volatility	24.43 %	25.40 %	24.44 %

Acquisition Consideration Grants

On December 31, 2013, the Company granted 1,683,560 LTIP units under the 2013 Plan and on January 23, 2020 the Company granted 28,894 LTIP units under the LP Agreement as part of the consideration for self storage property acquisitions and contributions. The following table summarizes activity for acquisition grants during the years ended December 31, 2020, 2019 and 2018:

	Total LTIP units
Total unvested units, December 31, 2017	224,000
Units vested in 2017	—
Total unvested units, December 31, 2018	224,000
Units vested in 2018	—
Total unvested units, December 31, 2019	224,000
Units vested in 2020	—
Units granted in 2020	28,894
Total unvested units, December 31, 2020	252,894

As of December 31, 2020, the remaining unvested LTIP units will vest as additional self storage properties are contributed or sourced. The fair value of such LTIP units will be recorded as additional acquisition consideration based on the fair value in the period such acquisitions are completed.

Grants to Consultants

During the years ended December 31, 2020, 2019 and 2018, the Company issued 28,892, 5,714 and 174 LTIP units, respectively, that were immediately vested to consultants that provided acquisition services. During the years ended December 31, 2020, 2019 and 2018, the self storage properties acquired were accounted for as asset acquisitions and accordingly, the acquisition costs related to the LTIP units granted to consultants were capitalized as part of the basis of the acquired properties. The aggregate fair value of the LTIP units was \$1.0 million, \$0.2 million and less than \$0.1 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Restricted Common Shares

Through December 31, 2020, an aggregate of 94,215 restricted common shares have been issued under the 2015 Plan. These restricted common shares vest over a weighted average period of approximately 3.1 years. Restricted common shares are granted with a fair value equal to the closing market price of the Company's common shares on the date of grant.

The following table summarizes activity for restricted common shares for the years ended December 31, 2020, 2019 and 2018:

	Year Ended December 31,					
	2020		2019		2018	
	Number of Restricted Common Shares	Weighted Average Grant-Date Fair Value	Number of Restricted Common Shares	Weighted Average Grant-Date Fair Value	Number of Restricted Common Shares	Weighted Average Grant-Date Fair Value
Outstanding at beginning of year	25,779	\$ 26.26	22,589	\$ 24.83	21,585	\$ 22.43
Granted	21,861	36.19	18,218	26.46	12,311	27.26
Vested	(12,471)	25.85	(10,734)	23.54	(8,041)	21.88
Forfeited	(5,240)	32.00	(4,294)	25.61	(3,266)	25.35
Unvested at end of year	29,929	\$ 32.68	25,779	\$ 26.26	22,589	\$ 24.83

The aggregate fair value of restricted common shares that vested during the years ended December 31, 2020, 2019 and 2018 was \$0.3 million, \$0.3 million and \$0.2 million respectively. Total compensation cost recognized for restricted common shares during the years ended December 31, 2020, 2019 and 2018 was \$0.4 million, \$0.3 million and \$0.3 million, respectively. At December 31, 2020, total unvested compensation cost not yet recognized was \$0.6 million. The Company expects to recognize this compensation cost over a period of approximately 3.1 years. If the grantee has a termination of service for any reason during the vesting period, the unvested restricted common shares will be forfeited. Compensation expense related to restricted common shares is included in general and administrative expense in the accompanying statements of operations.

10. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings (loss) per common share for the years ended December 31, 2020, 2019 and 2018 (in thousands, except per share amounts):

	Year Ended December 31,		
	2020	2019	2018
Earnings (loss) per common share - basic and diluted			
Numerator			
Net income	\$ 79,478	\$ 66,013	\$ 56,326
Net income attributable to noncontrolling interests	(30,869)	(62,030)	(42,217)
Net income attributable to National Storage Affiliates Trust	48,609	3,983	14,109
Distributions to preferred shareholders	(13,097)	(12,390)	(10,350)
Distributed and undistributed earnings allocated to participating securities	(44)	(35)	(27)
Net income (loss) attributable to common shareholders - basic and diluted	\$ 35,468	\$ (8,442)	\$ 3,732
Denominator			
Weighted average shares outstanding - basic	66,547	58,208	53,293
Effect of dilutive securities:			
Weighted average effect of outstanding forward offering agreement	60	—	—
Weighted average shares outstanding - diluted	66,607	58,208	53,293
Earnings (loss) per share - basic and diluted	\$ 0.53	\$ (0.15)	\$ 0.07
Dividends declared per common share	\$ 1.35	\$ 1.27	\$ 1.16

As discussed in Note 2, the Company allocates GAAP income (loss) utilizing the HLBV method, in which the Company allocates income or loss based on the change in each unitholders' claim on the net assets of its operating partnership at period end after adjusting for any distributions or contributions made during such period. Due to the stated liquidation priorities and because the HLBV method incorporates non-cash items such as depreciation expense, in any given period, income or loss may be allocated disproportionately to National Storage Affiliates Trust and noncontrolling interests, resulting in volatile fluctuations of basic and diluted earnings (loss) per share.

Outstanding equity interests of the Company's operating partnership and DownREIT partnerships are considered potential common shares for purposes of calculating diluted earnings (loss) per share as the unitholders may, through the exercise of redemption rights, obtain common shares, subject to various restrictions. Basic earnings per share is calculated based on the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by further adjusting for the dilutive impact using the treasury stock method for invested LTIP units subject to a service condition outstanding during the period and the if-converted method for any convertible securities outstanding during the period.

Generally, following certain lock-out periods, OP units in the Company's operating partnership are redeemable for cash or, at the Company's option, exchangeable for common shares on a one-for-one basis, subject to certain adjustments and DownREIT OP units are redeemable for cash or, at the Company's option, exchangeable for OP units in its operating partnership on a one-for-one basis, subject to certain adjustments in each case.

LTIP units may also, under certain circumstances, be convertible into OP units on a one-for-one basis, which are then exchangeable for common shares as described above. Vested LTIP units and unvested LTIP units that vest based on a service condition are allocated income or loss in a similar manner as OP units. Unvested LTIP units subject to a service condition are excluded from the calculation of diluted earnings (loss) per share as they are not dilutive to earnings (loss) per share. For the year ended December 31, 2020, 420,280 unvested LTIP units that vest based on a service condition are excluded from the calculation of diluted earnings (loss) per share as they are not dilutive to earnings (loss) per share. For the year ended December 31, 2020, 252,894 unvested LTIP units that vest upon the future acquisition of properties are excluded from the calculation of diluted earnings (loss) per share because the contingency for the units to vest has not been attained as of the end of the reported period.

Subordinated performance units may also, under certain circumstances, be convertible into OP units which are exchangeable for common shares as described above, and DownREIT subordinated performance units may, under certain circumstances, be exchangeable for subordinated performance units on a one-for-one basis. Subordinated performance units are only convertible into OP units, after a two year lock-out period and then generally (i) at the holder's election only upon the achievement of certain performance thresholds relating to the properties to which such subordinated performance units relate or (ii) at the Company's election upon a retirement event of a PRO that holds such subordinated performance units or upon certain qualifying terminations. Although subordinated performance units may only be convertible after a two year lock-out period, the Company assumes a hypothetical conversion of each subordinated performance unit (including each DownREIT subordinated performance unit) into OP units (with subsequently assumed redemption into common shares) for the purposes of calculating diluted weighted average common shares. This hypothetical conversion is calculated using historical financial information, and as a result, is not necessarily indicative of the results of operations, cash flows or financial position of the Company upon expiration of the two-year lock out period on conversions.

For the years ended December 31, 2020, 2019 and 2018, potential common shares totaling 48.2 million, 54.2 million and 50.6 million, respectively, related to OP units, DownREIT OP units, subordinated performance units, DownREIT subordinated performance units and vested LTIP units have been excluded from the calculation of diluted earnings (loss) per share as they are not dilutive to earnings (loss) per share.

Participating securities, which consist of unvested restricted common shares, receive dividends equal to those received by common shares. The effect of participating securities for the periods presented above is calculated using the two-class method of allocating distributed and undistributed earnings.

11. RELATED PARTY TRANSACTIONS

Supervisory and Administrative Fees

For the self storage properties that are managed by the PROs, the Company has entered into asset management agreements with the PROs to provide leasing, operating, supervisory and administrative services. The asset management agreements generally provide for fees ranging from 5% to 6% of gross revenue for the managed self

storage properties. During the years ended December 31, 2020, 2019 and 2018, the Company incurred \$16.4 million, \$20.0 million and \$16.9 million, respectively, for supervisory and administrative fees to the PROs. Such fees are included in general and administrative expenses in the accompanying statements of operations.

Payroll Services

For the self storage properties that are managed by the PROs, the employees responsible for operation of the self storage properties are generally employees of the PROs who charge the Company for the costs associated with the respective employees. For the years ended December 31, 2020, 2019 and 2018, the Company incurred \$25.9 million, \$32.0 million and \$29.5 million, respectively, for payroll and related costs reimbursable to these PROs. Such costs are included in property operating expenses in the accompanying statements of operations.

Due Diligence Costs

During the years ended December 31, 2020, 2019 and 2018, the Company incurred \$0.5 million, \$0.7 million and \$0.4 million, respectively, of expenses payable to certain PROs related to self storage property acquisitions sourced by the PROs. These expenses, which are based on the volume of transactions sourced by the PROs, are intended to reimburse the PROs for due diligence costs incurred in the sourcing and underwriting process. For the years ended December 31, 2020, 2019 and 2018 these due diligence costs are capitalized as part of the basis of the acquired self storage properties.

Notes Receivable

In connection with the acquisition of 16 self storage properties from PROs during the year ended December 31, 2014, the Company assumed certain mortgages that provided for interest at above-market rates. The sellers of the self storage properties agreed to reimburse the Company for the difference between the fair value and the contractual value of the assumed mortgages which amounted to \$5.2 million. Due to the structure of the transaction, the amount owed to the Company was considered a receivable for the issuance of equity and was recorded as an offset against equity. During the years ended December 31, 2020 and 2019, the Company received above-market interest reimbursements from the sellers totaling \$1.0 million and \$1.3 million, respectively.

In addition, in exchange for \$1.0 million and \$1.3 million of principal payment reimbursements received related to these assumed mortgages during the years ended December 31, 2020 and 2019, the Company issued 28,467 and 37,770 common shares to the sellers during the years ended December 31, 2020 and 2019, respectively.

Self Storage Property Acquisitions

During the year ended December 31, 2020, the Company acquired one self storage property for \$7.5 million from an entity that was partially owned by Arlen Nordhagen, the Company's executive chairman and former chief executive officer, and David Cramer, the Company's chief operating officer. Of the total consideration paid, Mr. Nordhagen's and Mr. Cramer's interest was approximately 58,376 OP Units with a value of \$1.5 million and 29,689 OP Units with a value \$0.7 million, respectively.

During the year ended December 31, 2020, the Company acquired one self storage property for \$8.3 million from a company in which an entity controlled by J. Timothy Warren, a trustee of the Company, was an investor. Mr. Warren's adult children held an ownership interest in such entity. Of the total consideration paid, the interest of Mr. Warren's children was approximately 16,620 OP Units with a value of \$0.5 million.

During the year ended December 31, 2019, the Company issued 11,100 subordinated performance units to an affiliate of Personal Mini (the Company's executive chairman and former chief executive officer, Arlen D. Nordhagen, has a noncontrolling minority ownership interest in this affiliate of Personal Mini), for \$0.4 million of co-investment related to the acquisition of a self storage property from an unrelated third party.

During the year ended December 31, 2019, the Company acquired one self storage property from the 2016 Joint Venture for \$4.1 million.

Acquisition of Interest in Reinsurance Company and Related Cash Flows

On June 1, 2019, the Company, as acquirer, and Ground Up Development LLC ("Ground Up"), an affiliate of SecurCare and of the Company's executive chairman and former chief executive officer, Arlen D. Nordhagen, entered into a Contribution and Purchase Agreement (the "Ground Up Contribution Agreement") whereby the Company acquired Ground Up's ownership interest (approximately 5.5%) in SBOA TI Reinsurance Ltd. (the "Reinsurance Company"), a Cayman Islands exempted company. The Reinsurance Company provides reinsurance

for a self storage tenant insurance program issued by a licensed insurance company, whereby tenants of the Company's self storage facilities and tenants of other operators participating in the program can purchase insurance to cover damage or destruction to their personal property while stored at such facilities. The Company will now be entitled to receive its share of distributions of any profits generated by the Reinsurance Company, depending on actual losses incurred by the program. As part of the transaction, the Company also acquired the rights to the access fees previously earned by Ground Up associated with the tenant insurance-related arrangements. For the Company's properties managed by SecurCare, in addition to the tenant insurance revenues the Company received directly from the program insurer, the Company also receives these additional access fees.

The consideration paid for the interest in the Reinsurance Company was \$15.1 million, which consisted of \$6.6 million of cash and 285,512 OP units totaling \$8.5 million. Of the total consideration transferred, Arlen D. Nordhagen received \$2.2 million of cash and 95,170 OP Units totaling approximately \$2.8 million. The Ground Up Contribution Agreement contains customary representations, warranties, covenants and agreements of the Company and Ground Up.

The Company allocated the total purchase price to the estimated fair value of the assets acquired, consisting of \$0.5 million of equity interest in the Reinsurance Company and \$14.6 million as an intangible related to the acquired access fees and rights to control the tenant insurance-related arrangements. These assets are reported in other assets, net in the Company's consolidated balance sheets. The intangible asset is amortized on a straight-line basis over 25 years, which approximates the weighted average remaining useful life of the SecurCare-managed properties, and is recorded in depreciation and amortization expense in the Company's consolidated statements of operations.

12. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is subject to litigation, claims, and assessments that may arise in the ordinary course of its business activities. Such matters include contractual matters, employment related issues, and regulatory proceedings. Although occasional adverse decisions or settlements may occur, the Company believes that the final disposition of such matters will not have a material adverse effect on the Company's financial position, results of operations, or liquidity.

13. LEASES

The Company determines if a contractual arrangement is a lease at inception. As a lessee, the Company has non-cancelable lease agreements for real estate and its corporate office space that are classified as operating leases. The Company's operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities in its consolidated balance sheets. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Company's operating leases do not provide an implicit rate, the Company used its incremental borrowing rate based on the information available at commencement date in determining the discount rate for the present value of the lease payments. To the extent that the lease agreements provide for fixed increases throughout the term of the lease, the Company recognizes lease expense on a straight-line basis over the expected lease terms.

Real Estate Leasehold Interests

The Company has eight properties that are subject to non-cancelable leasehold interest agreements with remaining lease terms ranging from 14 to 72 years, inclusive of extension options that the Company anticipates exercising. Rent expense under these leasehold interest agreements is included in property operating expenses in the accompanying consolidated statements of operations and amounted to \$1.8 million, \$1.6 million and \$1.6 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Office Leases

The Company has entered into non-cancelable lease agreements for its corporate office space with remaining lease terms ranging from two to eight years. Rent expense related to these office leases is included in general and administrative expenses in the accompanying consolidated statements of operations and amounted to \$0.4 million, \$0.3 million and \$0.2 million for the years ended December 31, 2020, 2019 and 2018, respectively.

The weighted-average remaining lease term and the weighted-average discount rate for the Company's operating leases as of December 31, 2020 are as follows:

	December 31, 2020
Weighted-average remaining lease term	
Real estate leasehold interests	28 years
Office leases	6 years
Weighted-average remaining discount rate	
Real estate leasehold interests	4.9 %
Office leases	3.8 %

As of December 31, 2020, the future minimum lease payments under the Company's operating leases, for which the Company is a lessee, are as follows (in thousands):

Year Ending December 31,	Real Estate Leasehold Interests	Office Leases	Total
2021	\$ 1,444	\$ 471	\$ 1,915
2022	1,459	465	1,924
2023	1,464	430	1,894
2024	1,470	450	1,920
2025	1,521	456	1,977
2026 through 2092	35,206	624	35,830
Total lease payments	\$ 42,564	\$ 2,896	\$ 45,460
Less imputed interest	(20,374)	(330)	(20,704)
Total	\$ 22,190	\$ 2,566	\$ 24,756

As of December 31, 2019, the future minimum lease payments under the Company's operating leases, for which the Company is a lessee, are as follows (in thousands):

Year Ending December 31,	Real Estate Leasehold Interests	Office Leases	Total
2020	\$ 1,419	\$ 286	\$ 1,705
2021	1,444	387	1,831
2022	1,459	381	1,840
2023	1,464	346	1,810
2024	1,470	353	1,823
2025 through 2092	36,728	691	37,419
Total lease payments	\$ 43,984	\$ 2,444	\$ 46,428
Less imputed interest	(21,440)	(323)	(21,763)
Total	\$ 22,544	\$ 2,121	\$ 24,665

14. FAIR VALUE MEASUREMENTS***Recurring Fair Value Measurements***

The Company sometimes limits its exposure to interest rate fluctuations by entering into interest rate swap agreements. The interest rate swap agreements moderate the Company's exposure to interest rate risk by effectively converting the interest on variable rate debt to a fixed rate. The Company measures its interest rate swap derivatives at fair value on a recurring basis. The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges are recorded in accumulated other comprehensive income (loss) and are subsequently reclassified into earnings in the period that the hedged transaction affects earnings. The ineffective portion of the change in fair value of the derivatives is recognized directly into earnings.

Information regarding the Company's interest rate swaps measured at fair value, which are classified within Level 2 of the GAAP fair value hierarchy, is presented below (dollars in thousands):

	Interest Rate Swaps Designated as Cash Flow Hedges
Fair value at December 31, 2018	\$ 14,247
Cash flow hedge ineffectiveness included in accumulated other comprehensive income	68
Gains on interest rate swaps reclassified into interest expense from accumulated other comprehensive income	(3,337)
Unrealized losses on interest rate swaps included in accumulated other comprehensive income	(29,941)
Fair value at December 31, 2019	\$ (18,963)
Fair value at December 31, 2019	\$ (18,963)
Cash flow hedge ineffectiveness included in accumulated other comprehensive income	69
Losses on interest rate swaps reclassified into interest expense from accumulated other comprehensive income	14,520
Unrealized losses on interest rate swaps included in accumulated other comprehensive income	(73,544)
Fair value at December 31, 2020	\$ (77,918)

As of December 31, 2020 and 2019, the Company had outstanding interest rate swaps designated as cash flow hedges with aggregate notional amounts of \$1,125.0 million and \$1,125.0 million, respectively. As of December 31, 2020, the Company's swaps had a weighted average remaining term of 3.3 years. The fair value of these swaps are presented within other assets and accounts payable and accrued liabilities in the accompanying balance sheets, and the Company recognizes any changes in the fair value as an adjustment of accumulated other comprehensive income (loss) within equity to the extent of their effectiveness. If the forward rates at December 31, 2020 remain constant, the Company estimates that during the next 12 months, the Company would reclassify into earnings approximately \$20.0 million of the unrealized losses included in accumulated other comprehensive income (loss). If market interest rates increase above the 1.90% weighted average fixed rate under these interest rate swaps the Company will benefit from net cash payments due to it from its counterparty to the interest rate swaps.

There were no transfers between levels during the years ended December 31, 2020 and 2019. For financial assets and liabilities that utilize Level 2 inputs, the Company utilizes both direct and indirect observable price quotes, including LIBOR yield curves. The Company uses valuation techniques for Level 2 financial assets and liabilities which include LIBOR yield curves at the reporting date as well as assessing counterparty credit risk. Counterparties to these contracts are highly rated financial institutions. Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with the Company's derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by the Company and the counterparties. As of December 31, 2020 and 2019, the Company determined that the effect of credit valuation adjustments on the overall valuation of its derivative positions are not significant to the overall valuation of its derivatives. Therefore, the Company has determined that its derivative valuations are appropriately classified in Level 2 of the fair value hierarchy.

Fair Value Disclosures

The carrying values of cash and cash equivalents, restricted cash, trade receivables, accounts payable and accrued liabilities and equity securities reflected in the balance sheets at December 31, 2020 and 2019, approximate fair value due to the short term nature of these financial assets and liabilities. The carrying value of variable rate debt financing reflected in the balance sheets at December 31, 2020 and 2019 approximates fair value as the changes in their associated interest rates reflect the current market and credit risk is similar to when the loans were originally obtained.

The fair values of fixed rate mortgages were estimated using the discounted estimated future cash payments to be made on such debt; the discount rates used approximated current market rates for loans, or groups of loans, with similar maturities and credit quality (categorized within Level 2 of the fair value hierarchy). The combined principal balance of the Company's fixed rate mortgages payable was approximately \$223.6 million as of December 31, 2020 with a fair value of approximately \$249.7 million. In determining the fair value, the Company estimated a weighted average market interest rate of approximately 2.12%, compared to the weighted average contractual interest rate of 4.69%. The combined principal balance of the Company's fixed rate mortgages was approximately \$264.3 million as of December 31, 2019 with a fair value of approximately \$280.9 million. In determining the fair value as of December 31, 2019, the Company estimated a weighted average market interest rate of approximately 3.28%, compared to the weighted average contractual interest rate of 4.81%.

15. SUBSEQUENT EVENTS

Self Storage Property Acquisitions

In January and February 2021, the Company acquired 13 self storage properties for approximately \$84.5 million. Consideration for these acquisitions included approximately \$78.1 million of net cash, the assumption of \$0.6 million of other working capital liabilities and OP equity of approximately \$5.8 million (consisting of the issuance of 126,867 OP Units and 31,119 subordinated performance units). In connection with these acquisitions, the Company reimbursed the PROs for approximately \$0.2 million of due diligence costs related to the self storage properties sourced by the PROs.

Subordinated Performance Unit To OP Unit Conversions

Subordinated performance units are convertible into OP units after a two year lock-out period and then generally (i) at the holder's election only upon the achievement of certain performance thresholds relating to the properties to which such subordinated performance units relate (a "voluntary conversion") or (ii) at the Company's election upon a retirement event of a PRO that holds such subordinated performance units or upon certain qualifying terminations.

Following such lock-out period, a holder of subordinated performance units in the Company's operating partnership may elect a voluntary conversion one time each year prior to December 1st to convert a pre-determined portion of such subordinated performance units into OP units in the Company's operating partnership, with such conversion effective January 1st of the following year with each subordinated performance unit being converted into the number of OP units determined by dividing the average cash available for distribution, or CAD, per unit on the series of specific subordinated performance units over the one-year period prior to conversion by 110% of the CAD per unit on the OP units determined over the same period. CAD per unit on the series of specific subordinated performance units and OP units is determined by the Company based generally upon the application of the provisions of the operating partnership agreement applicable to the distributions of operating cash flow and capital transactions proceeds.

During the year ended December 31, 2020, the Company received notices requesting the conversion of 32,741 subordinated performance units. Effective January 1, 2021, the Company issued 63,033 OP units in satisfaction of such conversion requests.

NATIONAL STORAGE AFFILIATES TRUST
SCHEDULE III-REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2020
(dollars in thousands)

Location		Initial Cost to Company			Gross Carrying Amount at Year-End			Accumulated Depreciation	Date Acquired
MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total ⁽²⁾		
Mobile	AL	\$ 991	\$ 4,874	\$ 806	\$ 991	\$ 5,680	\$ 6,671	\$ 1,532	4/12/2016
Lake Havasu City-Kingman	AZ	671	1,572	300	671	1,872	2,543	582	4/1/2014
Lake Havasu City-Kingman	AZ	722	2,546	82	722	2,628	3,350	1,007	7/1/2014
Lake Havasu City-Kingman	AZ	711	5,438	7	711	5,445	6,156	46	10/29/2020
Phoenix-Mesa-Scottsdale	AZ	1,089	6,607	106	1,089	6,713	7,802	1,963	6/30/2014
Phoenix-Mesa-Scottsdale	AZ	3,813	7,831	98	3,813	7,929	11,742	1,780	9/30/2014
Phoenix-Mesa-Scottsdale	AZ	1,375	2,613	105	1,375	2,718	4,093	1,085	9/30/2014
Phoenix-Mesa-Scottsdale	AZ	1,653	7,531	60	1,653	7,591	9,244	1,483	10/1/2014
Phoenix-Mesa-Scottsdale	AZ	1,661	3,311	105	1,661	3,416	5,077	846	10/1/2014
Phoenix-Mesa-Scottsdale	AZ	1,050	5,359	59	1,050	5,418	6,468	843	1/1/2015
Phoenix-Mesa-Scottsdale	AZ	1,198	1,921	52	1,198	1,973	3,171	533	5/1/2015
Phoenix-Mesa-Scottsdale	AZ	1,324	3,626	91	1,324	3,717	5,041	820	5/1/2015
Phoenix-Mesa-Scottsdale	AZ	3,816	4,348	56	3,816	4,404	8,220	938	5/1/2015
Phoenix-Mesa-Scottsdale	AZ	5,576	6,746	307	5,576	7,053	12,629	1,729	5/19/2016
Phoenix-Mesa-Scottsdale	AZ	1,506	2,881	297	1,609	3,178	4,787	545	7/29/2016
Phoenix-Mesa-Scottsdale	AZ	2,120	5,442	29	2,120	5,471	7,591	721	2/13/2017
Phoenix-Mesa-Scottsdale	AZ	1,809	4,787	80	1,809	4,867	6,676	602	1/4/2018
Phoenix-Mesa-Scottsdale	AZ	840	5,274	33	840	5,307	6,147	639	1/4/2018
Phoenix-Mesa-Scottsdale	AZ	2,111	7,963	37	2,111	8,000	10,111	888	1/4/2018
Phoenix-Mesa-Scottsdale	AZ	748	4,027	215	748	4,242	4,990	562	1/11/2018
Phoenix-Mesa-Scottsdale	AZ	676	4,098	91	676	4,189	4,865	486	1/11/2018
Phoenix-Mesa-Scottsdale	AZ	1,011	3,453	76	1,011	3,529	4,540	401	1/11/2018
Phoenix-Mesa-Scottsdale	AZ	1,125	3,554	81	1,125	3,635	4,760	485	1/11/2018
Phoenix-Mesa-Scottsdale	AZ	949	7,351	84	949	7,435	8,384	718	1/11/2018
Phoenix-Mesa-Scottsdale	AZ	1,419	5,504	73	1,419	5,577	6,996	640	1/11/2018
Phoenix-Mesa-Scottsdale	AZ	1,117	5,918	228	1,117	6,146	7,263	596	2/1/2018
Phoenix-Mesa-Scottsdale	AZ	1,231	5,107	58	1,231	5,165	6,396	384	1/1/2019
Phoenix-Mesa-Scottsdale	AZ	806	4,041	234	806	4,275	5,081	240	6/19/2019
Tucson	AZ	421	3,855	127	421	3,982	4,403	825	8/29/2013
Tucson	AZ	716	1,365	29	716	1,394	2,110	516	8/29/2013
Tucson	AZ	358	2,047	518	358	2,565	2,923	394	1/4/2018
Tucson	AZ	439	2,501	62	439	2,563	3,002	330	1/4/2018
Tucson	AZ	606	2,580	424	606	3,004	3,610	433	1/4/2018
Bakersfield	CA	511	2,804	213	511	3,017	3,528	621	8/1/2016

Location		Initial Cost to Company		Subsequent Additions	Gross Carrying Amount at Year-End			Accumulated Depreciation	Date Acquired
MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements		Land	Buildings and Improvements	Total ⁽²⁾		
Bakersfield	CA	1,409	3,907	204	1,228	4,111	5,339	756	8/1/2016
Bakersfield	CA	1,882	3,858	115	1,882	3,973	5,855	841	8/1/2016
Bakersfield	CA	1,355	4,678	315	1,355	4,993	6,348	985	8/1/2016
Bakersfield	CA	1,306	3,440	149	1,306	3,589	4,895	921	8/1/2016
Bakersfield	CA	1,016	3,638	127	1,016	3,765	4,781	650	8/1/2016
Bakersfield	CA	1,579	3,357	132	1,579	3,489	5,068	757	8/1/2016
Bakersfield	CA	750	5,802	131	750	5,933	6,683	1,072	8/1/2016
Fresno	CA	840	7,502	503	840	8,005	8,845	1,956	8/1/2016
Los Angeles-Long Beach-Anaheim	CA	1,530	5,799	321	1,530	6,120	7,650	810	8/1/2016
Los Angeles-Long Beach-Anaheim	CA	2,345	6,820	712	2,345	7,532	9,877	1,015	8/1/2016
Los Angeles-Long Beach-Anaheim	CA	1,350	11,266	176	1,350	11,442	12,792	1,723	8/1/2016
Los Angeles-Long Beach-Anaheim	CA	763	6,258	262	763	6,520	7,283	1,009	8/1/2016
Los Angeles-Long Beach-Anaheim	CA	6,641	8,239	94	6,641	8,333	14,974	1,773	4/1/2014
Los Angeles-Long Beach-Anaheim	CA	1,122	1,881	83	1,122	1,964	3,086	559	6/30/2014
Los Angeles-Long Beach-Anaheim	CA	14,109	23,112	396	14,109	23,508	37,617	6,153	9/17/2014
Los Angeles-Long Beach-Anaheim	CA	7,186	12,771	297	7,186	13,068	20,254	3,328	9/17/2014
Los Angeles-Long Beach-Anaheim(4)	CA	—	7,106	99	—	7,205	7,205	1,774	9/17/2014
Los Angeles-Long Beach-Anaheim	CA	2,366	4,892	142	2,366	5,034	7,400	1,348	9/17/2014
Los Angeles-Long Beach-Anaheim(3)	CA	2,871	3,703	56	2,871	3,759	6,630	860	10/7/2014
Los Angeles-Long Beach-Anaheim(3)	CA	5,448	10,015	363	5,448	10,378	15,826	2,766	10/7/2014
Los Angeles-Long Beach-Anaheim(4)	CA	—	13,150	56	—	13,206	13,206	2,669	1/1/2015
Los Angeles-Long Beach-Anaheim(4)	CA	—	10,084	134	—	10,218	10,218	976	10/3/2017
Modesto	CA	1,526	12,032	68	1,526	12,100	13,626	1,995	11/10/2016
Modesto	CA	773	5,655	19	773	5,674	6,447	783	11/10/2016
Nonmetropolitan Area	CA	425	7,249	22	425	7,271	7,696	1,086	11/10/2016
Riverside-San Bernardino-Ontario	CA	1,842	3,420	56	1,842	3,476	5,318	730	1/1/2015
Riverside-San Bernardino-Ontario	CA	1,981	3,323	95	1,981	3,418	5,399	891	1/1/2015
Riverside-San Bernardino-Ontario(3)	CA	3,418	9,907	145	3,418	10,052	13,470	1,955	8/5/2015
Riverside-San Bernardino-Ontario(3)	CA	1,913	6,072	85	1,913	6,157	8,070	1,417	8/5/2015
Riverside-San Bernardino-Ontario(3)	CA	772	4,044	108	772	4,152	4,924	1,133	8/5/2015
Riverside-San Bernardino-Ontario(3)	CA	597	5,464	94	597	5,558	6,155	1,106	8/5/2015
Riverside-San Bernardino-Ontario(3)	CA	3,022	8,124	105	3,022	8,229	11,251	1,869	8/5/2015
Riverside-San Bernardino-Ontario(3)	CA	2,897	5,725	677	2,467	6,402	8,869	1,849	8/5/2015
Riverside-San Bernardino-Ontario(3)	CA	2,835	5,589	859	2,164	6,448	8,612	1,698	8/5/2015
Riverside-San Bernardino-Ontario(3)	CA	2,484	5,903	86	2,484	5,989	8,473	1,084	8/5/2015

Location		Initial Cost to Company			Subsequent Additions	Gross Carrying Amount at Year-End			Accumulated Depreciation	Date Acquired
MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements	Land		Buildings and Improvements	Total ⁽²⁾			
Riverside-San Bernardino-Ontario(3)	CA	1,139	5,054	36	1,139	5,090	6,229	1,094	10/1/2015	
Riverside-San Bernardino-Ontario(3)	CA	1,401	4,577	30	1,401	4,607	6,008	769	10/1/2015	
Riverside-San Bernardino-Ontario(3)	CA	925	3,459	52	925	3,511	4,436	782	10/1/2015	
Riverside-San Bernardino-Ontario(3)	CA	1,174	2,556	108	1,174	2,664	3,838	698	10/1/2015	
Riverside-San Bernardino-Ontario(3)	CA	1,506	2,913	47	1,506	2,960	4,466	618	10/1/2015	
Riverside-San Bernardino-Ontario(3)	CA	631	2,307	82	631	2,389	3,020	669	10/1/2015	
Riverside-San Bernardino-Ontario(3)	CA	1,318	2,394	60	1,318	2,454	3,772	659	10/1/2015	
Riverside-San Bernardino-Ontario(3)	CA	1,942	2,647	37	1,942	2,684	4,626	845	10/1/2015	
Riverside-San Bernardino-Ontario(3)	CA	1,339	2,830	64	1,339	2,894	4,233	705	10/1/2015	
Riverside-San Bernardino-Ontario(3)	CA	1,105	2,672	59	1,105	2,731	3,836	799	10/1/2015	
Riverside-San Bernardino-Ontario(3)	CA	1,542	2,127	44	1,542	2,171	3,713	631	10/1/2015	
Riverside-San Bernardino-Ontario(3)	CA	1,478	4,534	51	1,478	4,585	6,063	788	10/1/2015	
Riverside-San Bernardino-Ontario	CA	3,245	4,420	1,461	3,245	5,881	9,126	1,700	5/16/2016	
Riverside-San Bernardino-Ontario	CA	670	8,613	463	670	9,076	9,746	1,389	8/1/2016	
Riverside-San Bernardino-Ontario	CA	538	3,921	392	538	4,313	4,851	713	8/1/2016	
Riverside-San Bernardino-Ontario	CA	382	3,442	415	382	3,857	4,239	628	8/1/2016	
Riverside-San Bernardino-Ontario	CA	806	3,852	570	806	4,422	5,228	736	8/1/2016	
Riverside-San Bernardino-Ontario	CA	570	4,238	388	570	4,626	5,196	720	8/1/2016	
Riverside-San Bernardino-Ontario	CA	345	3,270	200	345	3,470	3,815	601	8/1/2016	
Riverside-San Bernardino-Ontario	CA	252	4,419	406	252	4,825	5,077	764	9/1/2016	
Riverside-San Bernardino-Ontario	CA	2,691	3,950	217	2,691	4,167	6,858	633	9/1/2016	
Riverside-San Bernardino-Ontario	CA	302	4,169	128	302	4,297	4,599	680	5/8/2017	
Riverside-San Bernardino-Ontario	CA	896	6,397	604	896	7,001	7,897	1,081	5/31/2017	
Riverside-San Bernardino-Ontario(3)	CA	552	3,010	130	552	3,140	3,692	1,035	5/16/2008	
Riverside-San Bernardino-Ontario	CA	1,342	4,446	286	1,342	4,732	6,074	1,845	4/1/2013	
Riverside-San Bernardino-Ontario	CA	1,672	2,564	74	1,672	2,638	4,310	749	4/1/2014	
Riverside-San Bernardino-Ontario	CA	978	1,854	316	978	2,170	3,148	860	5/30/2014	
Riverside-San Bernardino-Ontario	CA	1,068	2,609	249	1,068	2,858	3,926	909	5/30/2014	
Riverside-San Bernardino-Ontario	CA	1,202	2,032	109	1,202	2,141	3,343	632	6/30/2014	
Riverside-San Bernardino-Ontario	CA	1,803	2,758	252	1,803	3,010	4,813	1,111	6/30/2014	
Riverside-San Bernardino-Ontario	CA	1,337	4,489	80	1,337	4,569	5,906	1,201	6/30/2014	
Riverside-San Bernardino-Ontario	CA	846	2,508	130	846	2,638	3,484	974	7/1/2014	
Riverside-San Bernardino-Ontario	CA	1,026	4,552	96	1,026	4,648	5,674	1,162	9/17/2014	
Riverside-San Bernardino-Ontario	CA	1,878	5,104	101	1,878	5,205	7,083	1,162	9/17/2014	
Riverside-San Bernardino-Ontario	CA	3,974	6,962	151	3,974	7,113	11,087	2,254	10/1/2014	

Location		Initial Cost to Company			Gross Carrying Amount at Year-End			Accumulated Depreciation	Date Acquired
MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total ⁽²⁾		
Riverside-San Bernardino-Ontario	CA	2,018	3,478	751	2,018	4,229	6,247	1,742	10/1/2014
Riverside-San Bernardino-Ontario	CA	1,644	2,588	64	1,644	2,652	4,296	366	5/17/2018
Sacramento-Roseville-Arden-Arcade	CA	1,195	8,407	37	1,195	8,444	9,639	1,134	11/10/2016
Sacramento-Roseville-Arden-Arcade	CA	1,652	9,510	227	1,652	9,737	11,389	1,004	9/26/2018
San Diego-Carlsbad	CA	4,318	19,775	1,113	4,323	20,888	25,211	2,761	8/1/2016
San Diego-Carlsbad(3)	CA	3,703	5,582	140	3,703	5,722	9,425	1,299	9/17/2014
San Diego-Carlsbad	CA	3,544	4,915	342	3,544	5,257	8,801	1,294	10/1/2014
San Diego-Carlsbad(4)	CA	—	5,568	178	—	5,746	5,746	970	1/1/2015
San Diego-Carlsbad(4)	CA	—	4,041	77	—	4,118	4,118	1,269	1/31/2015
Stockton-Lodi	CA	559	5,514	15	559	5,529	6,088	772	11/10/2016
Stockton-Lodi	CA	1,710	8,995	53	1,710	9,048	10,758	1,441	11/10/2016
Stockton-Lodi	CA	1,637	11,901	55	1,637	11,956	13,593	1,293	7/31/2017
Colorado Springs	CO	455	1,351	65	455	1,416	1,871	501	8/29/2007
Colorado Springs	CO	588	2,162	1,140	588	3,302	3,890	1,072	3/26/2008
Colorado Springs	CO	632	3,118	420	632	3,538	4,170	1,259	3/26/2008
Colorado Springs	CO	414	1,535	378	414	1,913	2,327	678	5/1/2008
Colorado Springs(3)	CO	300	1,801	129	300	1,930	2,230	575	6/1/2009
Colorado Springs	CO	766	5,901	681	766	6,582	7,348	862	10/19/2017
Colorado Springs	CO	1,499	6,088	7	1,499	6,095	7,594	156	3/27/2020
Colorado Springs	CO	1,724	6,432	7	1,724	6,439	8,163	179	5/20/2020
Colorado Springs	CO	236	661	3	236	664	900	9	9/8/2020
Colorado Springs	CO	1,220	2,374	12	1,220	2,386	3,606	36	9/8/2020
Colorado Springs	CO	1,041	2,961	—	1,041	2,961	4,002	5	12/17/2020
Denver-Aurora-Lakewood	CO	868	128	2,306	868	2,434	3,302	655	6/22/2009
Denver-Aurora-Lakewood	CO	938	8,449	42	938	8,491	9,429	1,021	11/1/2016
Fort Collins	CO	3,213	3,087	244	3,213	3,331	6,544	1,148	8/29/2007
Fort Collins	CO	2,514	1,786	117	2,514	1,903	4,417	651	8/29/2007
Pueblo	CO	156	2,797	17	156	2,814	2,970	473	2/17/2016
Norwich-New London	CT	852	6,006	14	852	6,020	6,872	8	12/2/2020
Cape Coral-Fort Myers(3)	FL	4,122	8,453	81	4,122	8,534	12,656	1,437	4/1/2016
Crestview-Fort Walton Beach-Destin	FL	684	12,857	40	684	12,897	13,581	667	1/1/2019
Crestview-Fort Walton Beach-Destin	FL	2,001	12,948	34	2,001	12,982	14,983	624	6/21/2019
Crestview-Fort Walton Beach-Destin	FL	813	3,509	89	813	3,598	4,411	137	12/17/2019
Crestview-Fort Walton Beach-Destin	FL	1,285	5,292	215	1,285	5,507	6,792	231	12/17/2019
Crestview-Fort Walton Beach-Destin	FL	407	14,655	160	407	14,815	15,222	412	1/14/2020

Location		Initial Cost to Company			Subsequent Additions	Gross Carrying Amount at Year-End			Accumulated Depreciation	Date Acquired
MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements	Land		Buildings and Improvements	Total ⁽²⁾			
Crestview-Fort Walton Beach-Destin	FL	1,179	8,405	328	1,179	8,733	9,912	309	1/16/2020	
Deltona-Daytona Beach-Ormond Beach	FL	1,778	8,489	32	1,778	8,521	10,299	179	6/8/2020	
Gainesville	FL	1,072	4,698	111	1,072	4,809	5,881	588	1/10/2018	
Gainesville	FL	264	2,369	108	264	2,477	2,741	233	12/18/2018	
Gainesville	FL	457	2,120	350	457	2,470	2,927	141	12/19/2019	
Jacksonville	FL	2,087	19,473	238	2,087	19,711	21,798	2,400	11/10/2016	
Jacksonville	FL	1,629	4,929	359	1,629	5,288	6,917	882	11/10/2016	
Jacksonville	FL	527	2,434	940	527	3,374	3,901	655	12/20/2017	
Lakeland-Winter Haven(3)	FL	972	2,159	168	972	2,327	3,299	543	5/4/2015	
Naples-Immokalee-Marco Island(3)	FL	3,849	16,688	446	3,849	17,134	20,983	2,411	4/1/2016	
North Port-Sarasota-Bradenton(3)	FL	2,211	5,682	84	2,211	5,766	7,977	942	4/1/2016	
North Port-Sarasota-Bradenton(3)	FL	2,488	7,282	171	2,488	7,453	9,941	1,157	4/1/2016	
North Port-Sarasota-Bradenton(3)	FL	1,767	5,955	60	1,767	6,015	7,782	1,058	4/1/2016	
North Port-Sarasota-Bradenton	FL	2,143	5,005	3,890	3,373	8,895	12,268	1,849	10/11/2016	
North Port-Sarasota-Bradenton(3)	FL	1,924	4,514	316	1,924	4,830	6,754	910	4/1/2016	
North Port-Sarasota-Bradenton	FL	1,176	3,421	20	1,176	3,441	4,617	563	4/1/2016	
North Port-Sarasota-Bradenton(3)	FL	1,839	8,377	69	1,839	8,446	10,285	1,179	4/1/2016	
North Port-Sarasota-Bradenton(3)	FL	2,507	7,766	82	2,507	7,848	10,355	1,200	4/1/2016	
North Port-Sarasota-Bradenton(3)	FL	1,685	5,439	112	1,685	5,551	7,236	931	4/1/2016	
North Port-Sarasota-Bradenton(3)	FL	437	5,128	199	437	5,327	5,764	923	4/1/2016	
North Port-Sarasota-Bradenton	FL	1,015	3,031	53	1,015	3,084	4,099	480	4/1/2016	
North Port-Sarasota-Bradenton	FL	1,985	4,299	905	1,985	5,204	7,189	793	1/31/2017	
North Port-Sarasota-Bradenton	FL	1,336	4,085	4	1,336	4,089	5,425	486	4/6/2017	
North Port-Sarasota-Bradenton	FL	2,105	8,217	45	2,105	8,262	10,367	657	1/1/2019	
Orlando-Kissimmee-Sanford	FL	2,426	9,314	173	2,426	9,487	11,913	1,352	11/10/2016	
Orlando-Kissimmee-Sanford	FL	2,166	4,672	119	2,166	4,791	6,957	770	11/10/2016	
Orlando-Kissimmee-Sanford	FL	4,583	8,752	148	4,583	8,900	13,483	1,587	11/10/2016	
Orlando-Kissimmee-Sanford	FL	4,181	4,268	215	4,181	4,483	8,664	697	6/30/2017	
Palm Bay-Melbourne-Titusville	FL	1,125	4,362	25	1,125	4,387	5,512	293	1/1/2019	
Panama City	FL	2,332	6,847	23	2,332	6,870	9,202	389	6/21/2019	
Panama City	FL	810	3,105	45	810	3,150	3,960	148	8/22/2019	
Pensacola-Ferry Pass-Brent	FL	1,025	8,157	185	1,025	8,342	9,367	879	10/3/2017	
Pensacola-Ferry Pass-Brent	FL	841	5,075	258	841	5,333	6,174	650	2/20/2018	
Pensacola-Ferry Pass-Brent	FL	644	4,785	176	644	4,961	5,605	424	12/12/2018	
Pensacola-Ferry Pass-Brent	FL	1,182	5,008	33	1,182	5,041	6,223	282	6/21/2019	

Location		Initial Cost to Company			Subsequent Additions	Gross Carrying Amount at Year-End			Accumulated Depreciation	Date Acquired
MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements	Land		Buildings and Improvements	Total ⁽²⁾			
Punta Gorda(3)	FL	1,157	2,079	816	1,157	2,895	4,052	413	4/27/2017	
Tampa-St. Petersburg-Clearwater(3)	FL	5,436	10,092	67	5,436	10,159	15,595	1,716	4/1/2016	
Tampa-St. Petersburg-Clearwater(3)	FL	361	1,238	120	361	1,358	1,719	419	5/4/2015	
Tampa-St. Petersburg-Clearwater	FL	3,581	2,612	190	3,581	2,802	6,383	564	5/1/2017	
Tampa-St. Petersburg-Clearwater	FL	4,708	13,984	160	4,708	14,144	18,852	1,643	5/24/2017	
Tampa-St. Petersburg-Clearwater	FL	2,063	5,351	207	2,063	5,558	7,621	429	8/28/2018	
Tampa-St. Petersburg-Clearwater	FL	1,248	2,937	14	1,248	2,951	4,199	110	12/18/2019	
The Villages	FL	897	6,132	61	897	6,193	7,090	599	1/1/2019	
Albany	GA	785	3,917	6	785	3,923	4,708	6	12/18/2020	
Atlanta-Sandy Springs-Roswell	GA	515	687	137	515	824	1,339	308	8/29/2007	
Atlanta-Sandy Springs-Roswell	GA	272	1,357	538	272	1,895	2,167	627	8/29/2007	
Atlanta-Sandy Springs-Roswell	GA	702	1,999	583	702	2,582	3,284	934	8/29/2007	
Atlanta-Sandy Springs-Roswell	GA	1,413	1,590	216	1,413	1,806	3,219	667	8/29/2007	
Atlanta-Sandy Springs-Roswell	GA	341	562	152	341	714	1,055	295	8/29/2007	
Atlanta-Sandy Springs-Roswell	GA	553	847	184	553	1,031	1,584	422	8/29/2007	
Atlanta-Sandy Springs-Roswell	GA	85	445	305	85	750	835	327	9/28/2007	
Atlanta-Sandy Springs-Roswell(3)	GA	494	2,215	284	494	2,499	2,993	862	9/28/2007	
Atlanta-Sandy Springs-Roswell	GA	1,614	2,476	1,732	1,614	4,208	5,822	676	7/29/2015	
Atlanta-Sandy Springs-Roswell	GA	1,595	2,143	2,062	1,595	4,205	5,800	741	7/29/2015	
Atlanta-Sandy Springs-Roswell	GA	666	5,961	369	666	6,330	6,996	820	7/17/2017	
Atlanta-Sandy Springs-Roswell	GA	1,028	7,041	101	1,028	7,142	8,170	1,095	10/19/2017	
Atlanta-Sandy Springs-Roswell	GA	748	3,382	103	748	3,485	4,233	474	10/19/2017	
Atlanta-Sandy Springs-Roswell	GA	703	4,014	133	703	4,147	4,850	555	10/19/2017	
Atlanta-Sandy Springs-Roswell	GA	1,873	9,109	135	1,873	9,244	11,117	1,137	10/19/2017	
Atlanta-Sandy Springs-Roswell	GA	547	4,073	63	547	4,136	4,683	540	10/19/2017	
Atlanta-Sandy Springs-Roswell	GA	1,499	5,279	91	1,499	5,370	6,869	707	10/19/2017	
Atlanta-Sandy Springs-Roswell	GA	763	5,135	92	763	5,227	5,990	573	10/19/2017	
Atlanta-Sandy Springs-Roswell	GA	795	2,941	87	600	3,028	3,628	394	10/19/2017	
Atlanta-Sandy Springs-Roswell	GA	1,356	7,516	75	1,356	7,591	8,947	953	10/19/2017	
Atlanta-Sandy Springs-Roswell	GA	912	5,074	113	912	5,187	6,099	582	10/19/2017	
Atlanta-Sandy Springs-Roswell	GA	570	3,477	156	570	3,633	4,203	495	10/19/2017	
Atlanta-Sandy Springs-Roswell	GA	1,052	7,102	104	1,052	7,206	8,258	794	10/19/2017	
Atlanta-Sandy Springs-Roswell	GA	430	3,470	75	430	3,545	3,975	672	3/29/2016	
Atlanta-Sandy Springs-Roswell	GA	972	2,342	68	972	2,410	3,382	420	8/17/2016	
Atlanta-Sandy Springs-Roswell	GA	919	3,899	116	919	4,015	4,934	414	5/21/2018	

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Atlanta-Sandy Springs-Roswell	GA	520	3,708	50	520	3,758	4,278	284	1/4/2019	
Atlanta-Sandy Springs-Roswell	GA	765	2,872	69	765	2,941	3,706	230	1/4/2019	
Atlanta-Sandy Springs-Roswell	GA	686	3,821	69	686	3,890	4,576	249	1/4/2019	
Atlanta-Sandy Springs-Roswell	GA	527	10,404	71	527	10,475	11,002	428	7/24/2019	
Augusta-Richmond County	GA	84	539	232	84	771	855	290	8/29/2007	
Augusta-Richmond County	GA	205	686	230	205	916	1,121	327	8/29/2007	
Augusta-Richmond County	GA	1,424	10,439	170	1,424	10,609	12,033	674	2/5/2019	
Augusta-Richmond County	GA	875	6,231	110	875	6,341	7,216	368	5/28/2019	
Augusta-Richmond County	GA	1,277	7,494	152	1,277	7,646	8,923	485	5/28/2019	
Columbus(3)	GA	169	342	171	169	513	682	179	5/1/2009	
Macon	GA	180	840	70	180	910	1,090	316	9/28/2007	
Savannah	GA	1,741	1,160	487	1,741	1,647	3,388	505	8/29/2007	
Savannah(3)	GA	597	762	194	597	956	1,553	352	9/28/2007	
Savannah	GA	409	1,335	76	409	1,411	1,820	557	1/31/2014	
Savannah	GA	811	1,181	217	811	1,398	2,209	576	6/25/2014	
Savannah	GA	1,280	7,211	144	1,280	7,355	8,635	471	5/15/2019	
Savannah	GA	642	3,135	53	642	3,188	3,830	120	1/7/2020	
Valdosta	GA	1,321	3,320	40	1,321	3,360	4,681	237	1/1/2019	
Nonmetropolitan Area	GA	599	3,714	30	599	3,744	4,343	196	8/30/2019	
Coeur d Alene	ID	868	5,011	—	868	5,011	5,879	8	12/23/2020	
Coeur d Alene	ID	401	1,005	—	401	1,005	1,406	2	12/23/2020	
Nonmetropolitan Area	ID	1,133	5,634	34	1,133	5,668	6,801	493	4/1/2019	
Nonmetropolitan Area	ID	362	2,523	26	362	2,549	2,911	171	6/24/2019	
Nonmetropolitan Area	ID	413	2,114	35	413	2,149	2,562	129	6/24/2019	
St. Louis	IL	225	4,394	203	225	4,597	4,822	614	8/28/2017	
St. Louis	IL	179	5,154	338	179	5,492	5,671	761	8/28/2017	
St. Louis	IL	226	3,088	253	226	3,341	3,567	514	8/28/2017	
St. Louis	IL	174	3,338	274	174	3,612	3,786	499	9/25/2017	
Indianapolis-Carmel-Anderson	IN	855	7,273	46	855	7,319	8,174	1,259	2/16/2016	
Indianapolis-Carmel-Anderson	IN	815	3,844	22	815	3,866	4,681	825	2/16/2016	
Indianapolis-Carmel-Anderson	IN	688	3,845	51	688	3,896	4,584	836	2/16/2016	
Indianapolis-Carmel-Anderson	IN	626	4,049	59	626	4,108	4,734	775	2/25/2016	
Indianapolis-Carmel-Anderson	IN	1,118	4,444	295	1,118	4,739	5,857	1,174	2/25/2016	
Indianapolis-Carmel-Anderson	IN	614	5,487	59	614	5,546	6,160	925	2/25/2016	
Indianapolis-Carmel-Anderson	IN	619	2,140	25	619	2,165	2,784	516	11/10/2016	

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Indianapolis-Carmel-Anderson	IN	689	6,944	48	689	6,992	7,681	1,007	11/10/2016	
Indianapolis-Carmel-Anderson	IN	609	3,172	43	609	3,215	3,824	640	11/10/2016	
Indianapolis-Carmel-Anderson	IN	532	5,441	45	532	5,486	6,018	784	11/10/2016	
Indianapolis-Carmel-Anderson	IN	433	5,817	28	433	5,845	6,278	798	11/10/2016	
Indianapolis-Carmel-Anderson	IN	688	5,413	51	688	5,464	6,152	906	11/10/2016	
Indianapolis-Carmel-Anderson	IN	575	5,168	80	575	5,248	5,823	816	11/10/2016	
Indianapolis-Carmel-Anderson	IN	522	5,366	39	522	5,405	5,927	787	11/10/2016	
Indianapolis-Carmel-Anderson	IN	528	2,877	34	528	2,911	3,439	459	10/19/2017	
Indianapolis-Carmel-Anderson	IN	1,257	6,694	46	1,257	6,740	7,997	889	10/19/2017	
Kansas City	KS	816	5,432	145	816	5,577	6,393	768	10/19/2017	
Kansas City	KS	975	6,967	208	975	7,175	8,150	1,043	10/19/2017	
Kansas City	KS	719	5,143	177	719	5,320	6,039	666	10/19/2017	
Kansas City(3)	KS	521	5,168	207	521	5,375	5,896	573	3/1/2018	
Kansas City	KS	640	3,367	159	640	3,526	4,166	394	5/31/2018	
Kansas City	KS	533	3,138	127	533	3,265	3,798	345	5/31/2018	
Kansas City	KS	499	4,041	152	499	4,193	4,692	458	5/31/2018	
Kansas City	KS	724	4,245	162	724	4,407	5,131	437	5/31/2018	
Wichita(3)	KS	1,156	5,662	186	1,156	5,848	7,004	675	3/1/2018	
Wichita(3)	KS	721	3,395	177	721	3,572	4,293	423	3/1/2018	
Wichita(3)	KS	443	3,635	98	443	3,733	4,176	405	3/1/2018	
Wichita	KS	630	7,264	150	630	7,414	8,044	657	3/1/2018	
Wichita	KS	430	1,740	65	430	1,805	2,235	208	3/1/2018	
Wichita	KS	655	1,831	134	655	1,965	2,620	238	5/31/2018	
Wichita	KS	393	3,950	163	393	4,113	4,506	443	5/31/2018	
Wichita	KS	1,353	2,241	273	1,353	2,514	3,867	354	8/28/2018	
Wichita	KS	989	2,824	—	989	2,824	3,813	6	12/30/2020	
Wichita	KS	370	623	—	370	623	993	2	12/30/2020	
Louisville/Jefferson County	KY	2,174	3,667	49	2,174	3,716	5,890	799	5/1/2015	
Baton Rouge	LA	386	1,744	127	386	1,871	2,257	349	4/12/2016	
Baton Rouge	LA	1,098	5,208	583	1,098	5,791	6,889	1,146	4/12/2016	
Baton Rouge	LA	1,203	3,156	292	1,203	3,448	4,651	696	7/21/2016	
Baton Rouge	LA	755	2,702	296	755	2,998	3,753	596	7/21/2016	
New Orleans-Metairie	LA	1,287	6,235	166	1,287	6,401	7,688	1,118	4/12/2016	
New Orleans-Metairie	LA	1,076	6,677	68	1,076	6,745	7,821	1,065	1/10/2019	
New Orleans-Metairie	LA	1,274	1,987	41	1,274	2,028	3,302	252	1/10/2019	

Location		Initial Cost to Company			Gross Carrying Amount at Year-End			Accumulated Depreciation	Date Acquired
MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total ⁽²⁾		
New Orleans-Metairie	LA	994	8,548	35	994	8,583	9,577	477	1/10/2019
New Orleans-Metairie	LA	607	9,211	274	607	9,485	10,092	544	1/10/2019
New Orleans-Metairie	LA	819	4,291	289	819	4,580	5,399	368	1/10/2019
New Orleans-Metairie	LA	327	4,423	84	327	4,507	4,834	278	1/10/2019
New Orleans-Metairie	LA	852	4,138	40	852	4,178	5,030	290	1/10/2019
New Orleans-Metairie	LA	633	870	36	633	906	1,539	119	1/10/2019
New Orleans-Metairie	LA	682	4,790	483	682	5,273	5,955	392	1/10/2019
New Orleans-Metairie	LA	773	7,056	49	773	7,105	7,878	404	1/10/2019
New Orleans-Metairie	LA	742	3,278	24	742	3,302	4,044	279	1/10/2019
New Orleans-Metairie(4)	LA	96	3,615	23	96	3,638	3,734	201	9/18/2019
Shreveport-Bossier City	LA	971	3,474	171	1,549	5,055	6,604	934	5/5/2015
Shreveport-Bossier City	LA	964	3,573	105	964	3,678	4,642	948	5/5/2015
Shreveport-Bossier City	LA	772	2,906	133	772	3,039	3,811	775	5/5/2015
Shreveport-Bossier City	LA	479	1,439	72	479	1,511	1,990	408	5/5/2015
Shreveport-Bossier City	LA	475	854	103	475	957	1,432	309	5/5/2015
Shreveport-Bossier City	LA	645	2,004	70	645	2,074	2,719	453	10/19/2017
Shreveport-Bossier City	LA	654	3,589	82	654	3,671	4,325	443	10/19/2017
Shreveport-Bossier City	LA	906	3,618	71	906	3,689	4,595	489	10/19/2017
Shreveport-Bossier City(4)	LA	—	5,113	94	—	5,207	5,207	535	10/19/2017
Boston-Cambridge-Newton	MA	696	5,830	81	696	5,911	6,607	255	1/16/2020
Springfield	MA	1,036	5,131	129	1,036	5,260	6,296	294	9/17/2019
Springfield	MA	891	4,944	123	891	5,067	5,958	258	9/17/2019
Worcester	MA	414	4,122	105	414	4,227	4,641	560	6/30/2017
Baltimore-Columbia-Towson	MD	2,219	8,271	—	2,219	8,271	10,490	175	6/30/2020
California-Lexington Park	MD	827	4,936	130	827	5,066	5,893	643	2/16/2018
California-Lexington Park	MD	965	6,738	145	965	6,883	7,848	1,052	7/31/2017
California-Lexington Park	MD	550	2,409	121	550	2,530	3,080	441	9/6/2017
Washington-Arlington-Alexandria	MD	717	3,303	69	717	3,372	4,089	334	1/3/2019
Minneapolis-St. Paul-Bloomington	MN	840	2,913	—	840	2,913	3,753	5	12/29/2020
Kansas City	MO	541	4,874	227	541	5,101	5,642	578	5/31/2018
Kansas City	MO	461	5,341	139	461	5,480	5,941	557	5/31/2018
Kansas City	MO	341	3,748	207	341	3,955	4,296	422	5/31/2018
St. Louis	MO	1,675	10,606	269	1,675	10,875	12,550	1,135	9/26/2018
St. Louis	MO	352	7,100	309	352	7,409	7,761	1,057	8/28/2017
St. Louis	MO	163	1,025	54	163	1,079	1,242	165	8/28/2017

Location		Initial Cost to Company			Subsequent Additions	Gross Carrying Amount at Year-End			Accumulated Depreciation	Date Acquired
MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements	Land		Buildings and Improvements	Total ⁽²⁾			
St. Louis	MO	354	4,034	146	354	4,180	4,534	590	8/28/2017	
St. Louis	MO	634	3,886	147	634	4,033	4,667	148	12/18/2019	
St. Louis	MO	1,012	3,328	146	1,012	3,474	4,486	153	12/18/2019	
St. Louis	MO	1,247	11,431	—	1,247	11,431	12,678	17	12/29/2020	
Gulfport-Biloxi-Pascagoula	MS	645	2,413	288	645	2,701	3,346	763	4/12/2016	
Nonmetropolitan Area(3)	MS	224	1,052	159	224	1,211	1,435	368	5/1/2009	
Nonmetropolitan Area(3)	MS	382	803	202	382	1,005	1,387	316	5/1/2009	
Charlotte-Concord-Gastonia	NC	1,871	4,174	117	1,871	4,291	6,162	931	5/1/2015	
Charlotte-Concord-Gastonia(3)	NC	1,108	3,935	97	1,108	4,032	5,140	890	5/4/2015	
Charlotte-Concord-Gastonia(3)	NC	2,301	4,458	256	2,301	4,714	7,015	1,147	5/4/2015	
Charlotte-Concord-Gastonia(3)	NC	1,862	3,297	112	1,862	3,409	5,271	869	9/2/2015	
Durham-Chapel Hill	NC	1,711	4,180	137	1,711	4,317	6,028	835	5/1/2015	
Durham-Chapel Hill	NC	390	1,025	270	390	1,295	1,685	484	8/29/2007	
Durham-Chapel Hill(3)	NC	663	2,743	282	663	3,025	3,688	1,062	9/28/2007	
Durham-Chapel Hill	NC	1,024	1,383	430	1,024	1,813	2,837	633	9/28/2007	
Fayetteville(3)	NC	1,195	2,072	26	1,195	2,098	3,293	413	10/1/2015	
Fayetteville(3)	NC	830	3,710	114	830	3,824	4,654	624	10/1/2015	
Fayetteville	NC	636	2,169	1,687	636	3,856	4,492	1,305	8/29/2007	
Fayetteville(3)	NC	151	5,392	492	151	5,884	6,035	1,976	9/28/2007	
Fayetteville	NC	1,319	3,444	51	1,319	3,495	4,814	837	10/10/2013	
Fayetteville	NC	772	3,406	69	772	3,475	4,247	754	10/10/2013	
Fayetteville(3)	NC	1,276	4,527	70	1,276	4,597	5,873	927	12/20/2013	
Greensboro-High Point	NC	873	769	215	873	984	1,857	404	8/29/2007	
Jacksonville	NC	1,265	2,123	299	1,265	2,422	3,687	736	5/1/2015	
Nonmetropolitan Area	NC	530	2,394	23	530	2,417	2,947	558	12/11/2014	
Nonmetropolitan Area	NC	667	2,066	22	667	2,088	2,755	513	12/11/2014	
Nonmetropolitan Area(3)	NC	689	3,153	46	689	3,199	3,888	702	5/6/2015	
Nonmetropolitan Area	NC	2,093	2,045	96	2,093	2,141	4,234	432	8/4/2017	
Nonmetropolitan Area	NC	173	2,193	36	173	2,229	2,402	317	7/17/2018	
Raleigh	NC	396	1,700	198	396	1,898	2,294	702	8/29/2007	
Raleigh	NC	393	1,190	230	393	1,420	1,813	510	8/29/2007	
Raleigh	NC	907	2,913	155	907	3,068	3,975	1,063	8/29/2007	
Raleigh	NC	1,578	4,678	116	1,578	4,794	6,372	926	5/4/2015	
Raleigh	NC	1,075	6,716	9	1,075	6,725	7,800	10	12/22/2020	
Wilmington	NC	1,881	4,618	67	1,881	4,685	6,566	954	5/1/2015	

Location		Initial Cost to Company			Gross Carrying Amount at Year-End			Accumulated Depreciation	Date Acquired
MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total ⁽²⁾		
Wilmington	NC	1,283	1,747	343	1,141	2,090	3,231	711	8/29/2007
Wilmington(3)	NC	860	828	104	860	932	1,792	330	9/28/2007
Wilmington	NC	1,720	9,032	123	1,720	9,155	10,875	634	11/7/2018
Wilmington	NC	2,021	8,136	116	2,021	8,252	10,273	625	11/7/2018
Wilmington	NC	3,083	12,487	106	3,083	12,593	15,676	811	11/7/2018
Winston-Salem	NC	362	529	96	362	625	987	233	8/29/2007
Boston-Cambridge-Newton	NH	899	3,863	58	899	3,921	4,820	722	9/22/2015
Boston-Cambridge-Newton	NH	1,488	7,300	155	1,488	7,455	8,943	1,952	7/1/2014
Boston-Cambridge-Newton	NH	1,597	3,138	126	1,597	3,264	4,861	671	2/22/2016
Boston-Cambridge-Newton	NH	1,445	2,957	4,916	1,445	7,873	9,318	667	2/22/2016
Manchester-Nashua	NH	1,786	6,100	100	1,786	6,200	7,986	1,075	2/22/2016
Manchester-Nashua	NH	1,395	5,573	46	1,395	5,619	7,014	911	2/22/2016
Nonmetropolitan Area	NH	632	1,040	474	632	1,514	2,146	524	6/24/2013
Nonmetropolitan Area	NH	197	901	84	197	985	1,182	395	6/24/2013
Nonmetropolitan Area	NH	2,053	5,425	52	2,053	5,477	7,530	853	6/15/2017
Nonmetropolitan Area	NH	1,528	2,686	54	1,528	2,740	4,268	658	2/22/2016
Nonmetropolitan Area	NH	1,344	4,872	187	1,344	5,059	6,403	410	3/8/2019
New York-Newark-Jersey City	NJ	742	3,810	25	742	3,835	4,577	400	3/1/2019
New York-Newark-Jersey City	NJ	831	6,318	70	831	6,388	7,219	583	3/1/2019
New York-Newark-Jersey City	NJ	1,449	7,560	442	1,449	8,002	9,451	313	3/20/2020
Vineland-Bridgeton	NJ	180	5,831	279	180	6,110	6,290	463	4/15/2019
Albuquerque	NM	1,089	2,845	199	1,089	3,044	4,133	771	8/31/2016
Albuquerque	NM	854	3,436	88	854	3,524	4,378	610	9/19/2016
Albuquerque	NM	1,247	2,753	158	1,247	2,911	4,158	218	3/21/2019
Albuquerque	NM	2,448	11,065	178	2,448	11,243	13,691	541	5/20/2019
Albuquerque	NM	2,386	7,658	123	2,386	7,781	10,167	463	5/20/2019
Carson City	NV	985	1,438	412	995	1,850	2,845	259	12/13/2018
Las Vegas-Henderson-Paradise	NV	1,757	4,223	78	1,757	4,301	6,058	820	9/20/2016
Las Vegas-Henderson-Paradise	NV	1,121	1,510	236	1,121	1,746	2,867	414	9/20/2016
Las Vegas-Henderson-Paradise	NV	2,160	4,544	288	2,160	4,832	6,992	699	11/17/2016
Las Vegas-Henderson-Paradise	NV	1,047	7,413	359	1,047	7,772	8,819	811	4/11/2018
Las Vegas-Henderson-Paradise	NV	1,169	3,616	240	1,169	3,856	5,025	1,589	12/23/2013
Las Vegas-Henderson-Paradise	NV	389	2,850	214	389	3,064	3,453	882	4/1/2014
Las Vegas-Henderson-Paradise	NV	794	1,406	293	794	1,699	2,493	611	7/1/2014
Las Vegas-Henderson-Paradise	NV	2,362	8,445	189	2,362	8,634	10,996	931	8/15/2017

Location		Initial Cost to Company			Gross Carrying Amount at Year-End			Accumulated Depreciation	Date Acquired
MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total ⁽²⁾		
Las Vegas-Henderson-Paradise	NV	2,157	2,753	118	2,157	2,871	5,028	444	8/15/2017
Las Vegas-Henderson-Paradise	NV	1,296	8,039	235	1,296	8,274	9,570	853	8/15/2017
Las Vegas-Henderson-Paradise	NV	828	2,030	283	828	2,313	3,141	404	8/29/2017
Las Vegas-Henderson-Paradise	NV	3,864	2,870	1,028	3,976	3,898	7,874	817	8/29/2017
New York-Newark-Jersey City	NY	1,191	11,389	3	1,191	11,392	12,583	17	12/22/2020
Canton-Massillon	OH	83	2,911	53	83	2,964	3,047	498	11/10/2016
Canton-Massillon	OH	292	2,107	113	292	2,220	2,512	751	11/10/2016
Cincinnati	OH	2,059	11,660	53	2,059	11,713	13,772	1,130	9/6/2018
Cleveland-Elyria	OH	169	2,702	57	169	2,759	2,928	442	11/10/2016
Cleveland-Elyria	OH	193	3,323	46	193	3,369	3,562	484	11/10/2016
Cleveland-Elyria	OH	490	1,050	33	490	1,083	1,573	278	11/10/2016
Cleveland-Elyria	OH	845	4,916	42	845	4,958	5,803	829	11/10/2016
Cleveland-Elyria	OH	842	2,044	42	842	2,086	2,928	557	11/10/2016
Oklahoma City	OK	388	3,142	249	388	3,391	3,779	1,210	5/29/2007
Oklahoma City	OK	213	1,383	114	213	1,497	1,710	540	5/29/2007
Oklahoma City	OK	561	2,355	634	561	2,989	3,550	1,182	5/29/2007
Oklahoma City	OK	349	2,368	630	349	2,998	3,347	1,175	5/29/2007
Oklahoma City	OK	466	2,544	123	466	2,667	3,133	953	5/29/2007
Oklahoma City	OK	144	1,576	232	144	1,808	1,952	688	5/29/2007
Oklahoma City	OK	168	1,696	302	168	1,998	2,166	748	5/29/2007
Oklahoma City	OK	220	1,606	144	220	1,750	1,970	635	5/30/2007
Oklahoma City	OK	376	1,460	70	376	1,530	1,906	530	5/30/2007
Oklahoma City	OK	337	2,788	104	337	2,892	3,229	1,024	5/30/2007
Oklahoma City	OK	814	3,161	1,244	814	4,405	5,219	1,276	5/30/2007
Oklahoma City	OK	590	1,502	1,827	590	3,329	3,919	1,084	8/29/2007
Oklahoma City	OK	205	1,772	605	205	2,377	2,582	886	5/1/2009
Oklahoma City	OK	701	4,926	12	701	4,938	5,639	699	9/1/2016
Oklahoma City	OK	1,082	4,218	30	1,082	4,248	5,330	747	1/1/2016
Oklahoma City	OK	736	2,925	18	736	2,943	3,679	628	1/1/2016
Oklahoma City	OK	1,135	3,759	30	1,135	3,789	4,924	702	1/1/2016
Oklahoma City	OK	888	4,310	—	888	4,310	5,198	7	12/29/2020
Oklahoma City	OK	591	1,413	—	591	1,413	2,004	3	12/30/2020
Oklahoma City	OK	1,771	4,973	—	1,771	4,973	6,744	10	12/31/2020
Tulsa	OK	548	1,892	113	548	2,005	2,553	700	8/29/2007
Tulsa	OK	764	1,386	452	764	1,838	2,602	695	8/29/2007

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MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total ⁽²⁾		
Tulsa	OK	1,305	2,533	173	1,305	2,706	4,011	964	8/29/2007
Tulsa	OK	940	2,196	385	940	2,581	3,521	931	8/29/2007
Tulsa	OK	59	466	389	59	855	914	327	8/29/2007
Tulsa	OK	426	1,424	300	426	1,724	2,150	679	8/29/2007
Tulsa	OK	250	667	259	250	926	1,176	335	8/29/2007
Tulsa(3)	OK	944	2,085	62	944	2,147	3,091	711	2/14/2008
Tulsa(3)	OK	892	2,421	32	892	2,453	3,345	807	2/14/2008
Tulsa	OK	492	1,343	202	492	1,545	2,037	493	4/1/2008
Tulsa	OK	505	1,346	734	505	2,080	2,585	888	4/1/2008
Tulsa	OK	466	1,270	159	466	1,429	1,895	494	4/1/2008
Tulsa(3)	OK	1,103	4,431	475	1,103	4,906	6,009	2,249	6/10/2013
Bend-Redmond	OR	295	1,369	71	295	1,440	1,735	519	4/1/2013
Bend-Redmond	OR	1,692	2,410	79	1,692	2,489	4,181	1,077	4/1/2013
Bend-Redmond(3)	OR	571	1,917	29	571	1,946	2,517	579	6/10/2013
Bend-Redmond(3)	OR	397	1,180	159	397	1,339	1,736	604	6/10/2013
Bend-Redmond	OR	690	1,983	854	690	2,837	3,527	766	5/1/2014
Bend-Redmond	OR	722	2,151	16	722	2,167	2,889	635	5/1/2014
Bend-Redmond	OR	800	2,836	14	800	2,850	3,650	836	5/1/2014
Bend-Redmond	OR	2,688	10,731	87	2,688	10,818	13,506	1,905	4/15/2016
Corvallis	OR	382	1,465	50	382	1,515	1,897	552	12/30/2013
Eugene	OR	710	1,539	115	710	1,654	2,364	591	4/1/2013
Eugene	OR	842	1,674	49	842	1,723	2,565	657	4/1/2013
Eugene(3)	OR	414	1,990	11	414	2,001	2,415	512	6/10/2013
Eugene(3)	OR	1,149	2,061	158	1,149	2,219	3,368	642	6/10/2013
Eugene	OR	728	3,230	157	728	3,387	4,115	788	12/30/2013
Eugene	OR	1,601	2,686	173	1,601	2,859	4,460	1,206	4/1/2014
Nonmetropolitan Area	OR	997	1,874	17	997	1,891	2,888	483	12/1/2014
Portland-Vancouver-Hillsboro	OR	2,670	8,709	92	2,670	8,801	11,471	1,290	8/10/2015
Portland-Vancouver-Hillsboro	OR	771	4,121	5	771	4,126	4,897	422	11/15/2017
Portland-Vancouver-Hillsboro	OR	2,002	14,445	245	2,002	14,690	16,692	1,794	12/14/2017
Portland-Vancouver-Hillsboro	OR	851	2,063	29	851	2,092	2,943	565	4/1/2013
Portland-Vancouver-Hillsboro	OR	1,704	2,313	212	1,704	2,525	4,229	886	4/1/2013
Portland-Vancouver-Hillsboro	OR	1,254	2,787	67	1,254	2,854	4,108	768	4/1/2013
Portland-Vancouver-Hillsboro	OR	2,808	4,437	53	2,808	4,490	7,298	1,417	4/1/2013
Portland-Vancouver-Hillsboro	OR	1,015	2,184	10	1,015	2,194	3,209	616	4/1/2013

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MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total ⁽²⁾		
Portland-Vancouver-Hillsboro(3)	OR	1,077	3,008	193	1,077	3,201	4,278	822	6/10/2013
Portland-Vancouver-Hillsboro(3)	OR	1,072	2,629	99	1,072	2,728	3,800	811	6/10/2013
Portland-Vancouver-Hillsboro(3)	OR	2,217	3,766	25	2,217	3,791	6,008	982	6/10/2013
Portland-Vancouver-Hillsboro(3)	OR	1,334	2,324	144	1,334	2,468	3,802	763	6/10/2013
Portland-Vancouver-Hillsboro(3)	OR	996	2,525	182	996	2,707	3,703	795	6/10/2013
Portland-Vancouver-Hillsboro	OR	1,496	3,372	331	1,496	3,703	5,199	907	6/24/2013
Portland-Vancouver-Hillsboro	OR	954	3,026	142	954	3,168	4,122	736	6/24/2013
Portland-Vancouver-Hillsboro	OR	1,627	2,388	101	1,627	2,489	4,116	691	6/24/2013
Portland-Vancouver-Hillsboro	OR	2,509	4,200	256	2,509	4,456	6,965	1,204	12/30/2013
Portland-Vancouver-Hillsboro	OR	787	1,915	89	787	2,004	2,791	533	12/30/2013
Portland-Vancouver-Hillsboro	OR	1,703	4,729	46	1,703	4,775	6,478	1,156	4/1/2014
Portland-Vancouver-Hillsboro	OR	738	2,483	12	738	2,495	3,233	606	4/1/2014
Portland-Vancouver-Hillsboro	OR	1,690	2,995	245	1,690	3,240	4,930	613	4/1/2014
Portland-Vancouver-Hillsboro	OR	1,200	9,531	396	1,200	9,927	11,127	3,289	5/30/2014
Portland-Vancouver-Hillsboro	OR	401	3,718	120	401	3,838	4,239	1,042	5/30/2014
Portland-Vancouver-Hillsboro	OR	1,160	3,291	42	1,160	3,333	4,493	877	6/30/2014
Portland-Vancouver-Hillsboro	OR	1,435	4,342	24	1,435	4,366	5,801	1,152	6/30/2014
Portland-Vancouver-Hillsboro	OR	1,478	4,127	14	1,478	4,141	5,619	1,085	6/30/2014
Portland-Vancouver-Hillsboro	OR	1,402	3,196	51	1,402	3,247	4,649	811	6/30/2014
Portland-Vancouver-Hillsboro	OR	3,538	4,938	32	3,398	4,012	7,410	1,048	6/30/2014
Portland-Vancouver-Hillsboro	OR	1,501	3,136	31	1,501	3,167	4,668	827	6/30/2014
Portland-Vancouver-Hillsboro	OR	1,746	3,393	43	1,746	3,436	5,182	920	8/27/2014
Portland-Vancouver-Hillsboro	OR	1,014	3,017	31	1,014	3,048	4,062	847	8/27/2014
Portland-Vancouver-Hillsboro	OR	2,202	3,477	282	2,202	3,759	5,961	1,038	10/20/2014
Portland-Vancouver-Hillsboro	OR	1,764	7,360	31	1,764	7,391	9,155	1,651	12/16/2014
Portland-Vancouver-Hillsboro	OR	860	3,740	4	860	3,744	4,604	486	1/11/2017
Portland-Vancouver-Hillsboro	OR	410	622	182	410	804	1,214	193	7/14/2016
Portland-Vancouver-Hillsboro	OR	1,258	6,298	12	1,258	6,310	7,568	764	11/21/2016
Portland-Vancouver-Hillsboro	OR	2,334	7,726	67	2,339	7,793	10,132	1,175	12/6/2016
Portland-Vancouver-Hillsboro	OR	1,048	3,549	40	1,048	3,589	4,637	413	8/16/2018
Nonmetropolitan Area	OR	427	1,648	25	427	1,673	2,100	432	8/27/2014
Nonmetropolitan Area(3)	OR	474	1,789	163	474	1,952	2,426	585	6/10/2013
Salem	OR	472	2,880	4	472	2,884	3,356	211	10/24/2018
Salem	OR	1,405	2,650	432	1,405	3,082	4,487	1,151	4/1/2014
Salem	OR	492	1,248	78	492	1,326	1,818	321	4/20/2016

Location		Initial Cost to Company			Subsequent Additions	Gross Carrying Amount at Year-End			Accumulated Depreciation	Date Acquired
MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements	Land		Buildings and Improvements	Total ⁽²⁾			
Salem	OR	408	2,221	62	408	2,283	2,691	198	2/1/2019	
Salem	OR	1,709	6,225	2	1,709	6,227	7,936	161	4/24/2020	
Nonmetropolitan Area	OR	1,108	2,100	20	1,108	2,120	3,228	584	12/5/2014	
Nonmetropolitan Area	OR	658	4,572	91	658	4,663	5,321	201	1/31/2020	
Lancaster	PA	1,393	6,642	3	1,393	6,645	8,038	559	3/1/2019	
Lancaster	PA	712	3,821	11	712	3,832	4,544	350	3/1/2019	
Lancaster	PA	599	4,712	9	599	4,721	5,320	291	3/1/2019	
Lancaster	PA	520	2,135	19	520	2,154	2,674	160	3/1/2019	
Lancaster	PA	671	5,098	—	671	5,098	5,769	91	7/14/2020	
Lancaster	PA	1,706	11,180	19	1,706	11,199	12,905	137	9/16/2020	
Philadelphia-Camden-Wilmington	PA	625	7,377	223	625	7,600	8,225	515	4/15/2019	
York-Hanover	PA	586	3,266	14	586	3,280	3,866	349	3/1/2019	
Ponce	PR	745	4,813	31	745	4,844	5,589	518	9/6/2018	
San Juan-Carolina-Caguas	PR	1,095	8,073	63	1,095	8,136	9,231	670	9/6/2018	
San Juan-Carolina-Caguas	PR	1,205	9,967	89	1,205	10,056	11,261	717	9/6/2018	
San Juan-Carolina-Caguas	PR	1,266	15,805	93	1,266	15,898	17,164	967	9/6/2018	
San Juan-Carolina-Caguas	PR	356	1,892	90	356	1,982	2,338	210	9/6/2018	
San Juan-Carolina-Caguas	PR	573	2,373	341	573	2,714	3,287	307	9/6/2018	
Charlotte-Concord-Gastonia(3)	SC	924	3,086	76	924	3,162	4,086	666	5/4/2015	
Greenville-Anderson-Mauldin	SC	82	838	179	82	1,017	1,099	360	8/29/2007	
Greenville-Anderson-Mauldin	SC	92	976	162	92	1,138	1,230	427	8/29/2007	
Spartanburg	SC	535	1,934	35	535	1,969	2,504	453	11/12/2015	
Memphis	TN	533	8,943	—	533	8,943	9,476	16	12/17/2020	
Amarillo(3)	TX	80	877	114	80	991	1,071	317	5/1/2009	
Amarillo(3)	TX	78	697	166	78	863	941	293	5/1/2009	
Amarillo(3)	TX	147	810	159	147	969	1,116	311	5/1/2009	
Austin-Round Rock	TX	936	6,446	207	692	6,653	7,345	662	10/19/2017	
Austin-Round Rock	TX	937	5,319	113	937	5,432	6,369	1,242	6/24/2013	
Austin-Round Rock	TX	1,395	2,790	43	1,395	2,833	4,228	988	6/24/2013	
Austin-Round Rock	TX	768	1,923	367	768	2,290	3,058	633	10/29/2014	
Austin-Round Rock	TX	1,783	17,579	112	1,783	17,691	19,474	1,133	6/7/2019	
Austin-Round Rock	TX	605	8,703	34	605	8,737	9,342	459	6/7/2019	
Austin-Round Rock	TX	1,014	7,645	—	1,014	7,645	8,659	10	12/29/2020	
Austin-Round Rock	TX	2,022	6,547	—	2,022	6,547	8,569	11	12/29/2020	
Austin-Round Rock	TX	1,243	8,266	—	1,243	8,266	9,509	10	12/29/2020	

Location		Initial Cost to Company			Gross Carrying Amount at Year-End			Accumulated Depreciation	Date Acquired
MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total ⁽²⁾		
Brownsville-Harlingen	TX	845	2,364	77	845	2,441	3,286	555	9/4/2014
Brownsville-Harlingen	TX	639	1,674	121	639	1,795	2,434	500	9/4/2014
Brownsville-Harlingen	TX	386	2,798	220	386	3,018	3,404	592	5/2/2016
Brownsville-Harlingen	TX	1,577	7,825	71	1,577	7,896	9,473	246	1/23/2020
Brownsville-Harlingen	TX	920	4,040	39	920	4,079	4,999	131	1/23/2020
Brownsville-Harlingen	TX	958	7,665	41	958	7,706	8,664	284	1/23/2020
Brownsville-Harlingen	TX	721	5,605	43	721	5,648	6,369	179	1/23/2020
Brownsville-Harlingen	TX	677	4,220	52	677	4,272	4,949	127	1/23/2020
Brownsville-Harlingen	TX	896	5,990	49	896	6,039	6,935	168	1/23/2020
Brownsville-Harlingen	TX	320	1,612	34	320	1,646	1,966	58	1/23/2020
Brownsville-Harlingen	TX	1,203	6,005	44	1,203	6,049	7,252	183	1/23/2020
Brownsville-Harlingen	TX	981	4,851	41	981	4,892	5,873	149	1/23/2020
Brownsville-Harlingen	TX	1,008	5,968	66	1,008	6,034	7,042	205	1/23/2020
Brownsville-Harlingen	TX	1,308	7,426	225	1,308	7,651	8,959	237	1/23/2020
Brownsville-Harlingen	TX	490	3,163	33	490	3,196	3,686	111	1/23/2020
Brownsville-Harlingen	TX	445	1,804	29	445	1,833	2,278	16	10/16/2020
College Station-Bryan	TX	618	2,512	143	618	2,655	3,273	903	8/29/2007
College Station-Bryan	TX	551	349	282	551	631	1,182	250	8/29/2007
College Station-Bryan	TX	295	988	187	295	1,175	1,470	378	4/1/2008
College Station-Bryan	TX	51	123	81	51	204	255	82	4/1/2008
College Station-Bryan	TX	110	372	195	110	567	677	173	4/1/2008
College Station-Bryan	TX	62	208	26	62	234	296	79	4/1/2008
Dallas-Fort Worth-Arlington	TX	164	865	54	164	919	1,083	325	8/29/2007
Dallas-Fort Worth-Arlington	TX	155	105	56	155	161	316	69	9/28/2007
Dallas-Fort Worth-Arlington	TX	98	282	219	98	501	599	199	9/28/2007
Dallas-Fort Worth-Arlington	TX	264	106	166	264	272	536	137	9/28/2007
Dallas-Fort Worth-Arlington(3)	TX	376	803	138	376	941	1,317	359	9/28/2007
Dallas-Fort Worth-Arlington(3)	TX	338	681	109	338	790	1,128	282	9/28/2007
Dallas-Fort Worth-Arlington	TX	1,388	4,195	61	1,388	4,256	5,644	1,090	6/24/2013
Dallas-Fort Worth-Arlington	TX	1,859	5,293	156	1,859	5,449	7,308	1,348	7/25/2013
Dallas-Fort Worth-Arlington	TX	379	2,212	143	379	2,355	2,734	826	7/25/2013
Dallas-Fort Worth-Arlington	TX	1,397	5,250	114	1,397	5,364	6,761	1,264	7/25/2013
Dallas-Fort Worth-Arlington	TX	3,587	10,424	116	3,587	10,540	14,127	1,574	7/25/2013
Dallas-Fort Worth-Arlington	TX	649	1,637	184	649	1,821	2,470	761	7/25/2013
Dallas-Fort Worth-Arlington	TX	396	1,411	340	396	1,751	2,147	627	4/29/2015

Location		Initial Cost to Company			Gross Carrying Amount at Year-End			Accumulated Depreciation	Date Acquired
MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total ⁽²⁾		
Dallas-Fort Worth-Arlington	TX	1,263	3,346	186	1,263	3,532	4,795	955	10/19/2015
Dallas-Fort Worth-Arlington	TX	1,421	2,349	559	1,421	2,908	4,329	732	6/1/2016
Dallas-Fort Worth-Arlington	TX	710	3,578	147	710	3,725	4,435	584	10/19/2017
Dallas-Fort Worth-Arlington	TX	421	2,668	172	421	2,840	3,261	407	10/19/2017
Dallas-Fort Worth-Arlington	TX	3,034	5,862	19	3,034	5,881	8,915	13	12/8/2020
El Paso	TX	338	1,275	46	338	1,321	1,659	460	8/29/2007
El Paso	TX	94	400	172	94	572	666	213	8/29/2007
Houston-The Woodlands-Sugar Land	TX	698	2,648	298	698	2,946	3,644	670	7/20/2015
Houston-The Woodlands-Sugar Land	TX	1,042	3,061	530	1,042	3,591	4,633	828	1/22/2016
Houston-The Woodlands-Sugar Land	TX	1,426	2,910	136	1,426	3,046	4,472	541	6/13/2017
Houston-The Woodlands-Sugar Land	TX	826	3,683	253	826	3,936	4,762	590	1/4/2018
Houston-The Woodlands-Sugar Land	TX	649	4,077	77	649	4,154	4,803	582	1/4/2018
Houston-The Woodlands-Sugar Land	TX	291	4,980	42	291	5,022	5,313	268	5/7/2019
Houston-The Woodlands-Sugar Land	TX	539	2,664	16	539	2,680	3,219	165	6/7/2019
Houston-The Woodlands-Sugar Land	TX	4,004	4,991	108	4,004	5,099	9,103	505	6/7/2019
Houston-The Woodlands-Sugar Land	TX	2,959	5,875	78	2,959	5,953	8,912	419	6/7/2019
Houston-The Woodlands-Sugar Land	TX	799	4,769	73	799	4,842	5,641	283	6/7/2019
Houston-The Woodlands-Sugar Land	TX	687	3,668	92	687	3,760	4,447	253	6/7/2019
Houston-The Woodlands-Sugar Land	TX	295	2,403	64	295	2,467	2,762	139	6/7/2019
Houston-The Woodlands-Sugar Land	TX	2,613	10,645	—	2,613	10,645	13,258	15	12/29/2020
Houston-The Woodlands-Sugar Land	TX	2,545	9,051	—	2,545	9,051	11,596	13	12/29/2020
Houston-The Woodlands-Sugar Land	TX	2,163	7,364	—	2,163	7,364	9,527	12	12/29/2020
Houston-The Woodlands-Sugar Land	TX	4,719	9,290	—	4,719	9,290	14,009	13	12/29/2020
Houston-The Woodlands-Sugar Land	TX	1,430	5,283	—	1,430	5,283	6,713	8	12/29/2020
Houston-The Woodlands-Sugar Land	TX	1,582	7,451	—	1,582	7,451	9,033	11	12/29/2020
Houston-The Woodlands-Sugar Land	TX	695	4,464	—	695	4,464	5,159	6	12/31/2020
Killeen-Temple	TX	203	4,065	259	203	4,324	4,527	582	2/2/2017
Killeen-Temple	TX	1,128	6,149	244	1,128	6,393	7,521	872	8/8/2017
Killeen-Temple	TX	721	4,166	27	721	4,193	4,914	165	12/13/2019
Longview(3)	TX	651	671	109	651	780	1,431	252	5/1/2009
Longview(3)	TX	104	489	167	104	656	760	205	5/1/2009
Longview(3)	TX	310	966	213	310	1,179	1,489	368	5/1/2009
Longview	TX	2,466	3,559	227	2,466	3,786	6,252	925	6/19/2014
McAllen-Edinburg-Mission	TX	1,217	2,738	330	1,243	3,068	4,311	1,062	7/31/2014
McAllen-Edinburg-Mission	TX	1,973	4,517	97	1,973	4,614	6,587	1,279	9/4/2014

Location		Initial Cost to Company			Subsequent Additions	Gross Carrying Amount at Year-End			Accumulated Depreciation	Date Acquired
MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements	Land		Buildings and Improvements	Total ⁽²⁾			
McAllen-Edinburg-Mission	TX	1,295	3,929	109	1,295	4,038	5,333	1,092	9/4/2014	
McAllen-Edinburg-Mission	TX	3,079	7,574	131	3,079	7,705	10,784	2,248	9/4/2014	
McAllen-Edinburg-Mission	TX	1,017	3,261	93	1,017	3,354	4,371	889	9/4/2014	
McAllen-Edinburg-Mission	TX	803	2,914	110	803	3,024	3,827	659	9/4/2014	
McAllen-Edinburg-Mission	TX	2,249	4,966	76	2,249	5,042	7,291	1,434	9/4/2014	
McAllen-Edinburg-Mission	TX	1,118	3,568	111	1,118	3,679	4,797	844	9/4/2014	
McAllen-Edinburg-Mission	TX	627	4,400	43	627	4,443	5,070	128	1/23/2020	
McAllen-Edinburg-Mission	TX	965	4,526	39	965	4,565	5,530	161	1/23/2020	
McAllen-Edinburg-Mission	TX	863	6,582	43	863	6,625	7,488	226	1/23/2020	
McAllen-Edinburg-Mission	TX	378	3,485	27	378	3,512	3,890	103	1/23/2020	
McAllen-Edinburg-Mission	TX	654	3,966	44	654	4,010	4,664	125	1/23/2020	
McAllen-Edinburg-Mission	TX	675	4,701	29	675	4,730	5,405	141	1/23/2020	
McAllen-Edinburg-Mission	TX	625	4,372	34	625	4,406	5,031	131	1/23/2020	
McAllen-Edinburg-Mission	TX	829	6,809	67	829	6,876	7,705	191	1/23/2020	
McAllen-Edinburg-Mission	TX	227	1,199	43	227	1,242	1,469	42	1/23/2020	
McAllen-Edinburg-Mission	TX	620	4,093	19	620	4,112	4,732	145	1/23/2020	
McAllen-Edinburg-Mission	TX	787	3,753	35	787	3,788	4,575	118	1/23/2020	
McAllen-Edinburg-Mission	TX	1,461	6,659	—	1,461	6,659	8,120	9	12/10/2020	
Midland(3)	TX	691	1,588	175	691	1,763	2,454	548	5/1/2009	
Nonmetropolitan Area	TX	959	1,640	60	959	1,700	2,659	451	6/25/2014	
Odessa(3)	TX	168	561	133	168	694	862	223	5/1/2009	
San Angelo(3)	TX	381	986	128	381	1,114	1,495	336	5/1/2009	
San Antonio-New Braunfels	TX	614	2,640	109	614	2,749	3,363	841	4/1/2014	
San Antonio-New Braunfels	TX	715	4,566	92	715	4,658	5,373	612	10/19/2017	
San Antonio-New Braunfels	TX	275	4,893	216	275	5,109	5,384	258	6/7/2019	
San Antonio-New Braunfels	TX	715	4,222	100	715	4,322	5,037	174	1/23/2020	
San Antonio-New Braunfels	TX	576	2,754	79	576	2,833	3,409	98	1/23/2020	
San Antonio-New Braunfels	TX	747	3,198	78	747	3,276	4,023	110	1/23/2020	
San Antonio-New Braunfels	TX	656	2,496	17	656	2,513	3,169	78	1/23/2020	
San Antonio-New Braunfels	TX	1,550	8,173	107	1,550	8,280	9,830	251	1/23/2020	
San Antonio-New Braunfels	TX	1,014	4,809	73	1,014	4,882	5,896	156	1/23/2020	
San Antonio-New Braunfels	TX	974	8,545	8	974	8,553	9,527	10	12/29/2020	
San Antonio-New Braunfels	TX	3,683	4,394	—	3,683	4,394	8,077	9	12/31/2020	
Washington-Arlington-Alexandria	VA	1,516	12,633	75	1,516	12,708	14,224	1,335	7/21/2017	
Nonmetropolitan Area(3)	WA	810	1,530	19	810	1,549	2,359	741	6/10/2013	

Location		Initial Cost to Company			Gross Carrying Amount at Year-End			Accumulated Depreciation	Date Acquired
MSA ⁽¹⁾	State/Territory	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total ⁽²⁾		
Nonmetropolitan Area ⁽³⁾	WA	998	1,862	119	998	1,981	2,979	893	6/10/2013
Longview	WA	448	2,356	21	448	2,377	2,825	505	9/3/2015
Portland-Vancouver-Hillsboro	WA	421	2,313	12	421	2,325	2,746	611	4/1/2013
Portland-Vancouver-Hillsboro	WA	1,903	2,239	10	1,903	2,249	4,152	727	4/1/2013
Portland-Vancouver-Hillsboro ⁽³⁾	WA	923	2,821	16	923	2,837	3,760	727	6/10/2013
Portland-Vancouver-Hillsboro	WA	935	2,045	15	935	2,060	2,995	528	4/1/2014
Portland-Vancouver-Hillsboro	WA	478	2,158	174	478	2,332	2,810	660	4/1/2014
Portland-Vancouver-Hillsboro	WA	2,023	3,484	50	2,023	3,534	5,557	1,055	8/27/2014
Portland-Vancouver-Hillsboro	WA	1,870	4,632	7	1,870	4,639	6,509	747	1/11/2017
Portland-Vancouver-Hillsboro	WA	422	2,271	11	422	2,282	2,704	245	3/29/2018
Portland-Vancouver-Hillsboro	WA	1,105	2,121	25	1,105	2,146	3,251	552	10/3/2014
Seattle-Tacoma-Bellevue	WA	770	3,203	62	770	3,265	4,035	966	4/1/2014
Seattle-Tacoma-Bellevue	WA	1,438	3,280	77	1,438	3,357	4,795	956	9/18/2014
Spokane-Spokane Valley	WA	1,463	10,075	—	1,463	10,075	11,538	17	12/23/2020
Spokane-Spokane Valley	WA	841	3,039	—	841	3,039	3,880	5	12/23/2020
Total		\$ 738,797	\$ 2,785,187	\$ 114,690	\$ 738,863	\$ 2,900,329	\$ 3,639,192	\$ 443,623	

(1) Refers to metropolitan statistical area (MSA) as defined by the U.S. Census Bureau.

(2) The aggregate cost of land and depreciable property for Federal income tax purposes was approximately \$3.2 billion (unaudited) at December 31, 2020.

(3) As of December 31, 2020, 86 of our self storage properties were encumbered by an aggregate of \$223.6 million of debt financing.

(4) Property subject to a long-term lease agreement.

Note: The Company only owns one class of real estate, which is self storage properties. The estimated useful lives of the individual assets that comprise buildings and improvements range from 3 years to 40 years. The category for buildings and improvements in the table above includes furniture and equipment.

NATIONAL STORAGE AFFILIATES TRUST
SCHEDULE III-REAL ESTATE AND ACCUMULATED DEPRECIATION
For the Years Ended December 31, 2020, 2019 and 2018
(in thousands)

	<u>2020</u>		<u>2019</u>		<u>2018</u>
Self Storage properties:					
Balance at beginning of year	\$ 3,091,719	\$	2,637,723	\$	2,275,233
Acquisitions and improvements	547,667		458,132		366,522
Reclassification from assets held for sale	—		—		—
Write-off of fully depreciated assets and other	(194)		—		(323)
Dispositions	—		(4,136)		(3,709)
Reclassification to assets held for sale	—		—		—
Balance at end of year	<u>\$ 3,639,192</u>	<u>\$</u>	<u>3,091,719</u>	<u>\$</u>	<u>2,637,723</u>
Accumulated depreciation:					
Balance at beginning of year	\$ 337,822	\$	246,261	\$	170,358
Depreciation expense	105,866		92,177		76,299
Write-off of fully depreciated assets and other	(65)		—		—
Dispositions	—		(616)		(396)
Assets held for sale	—		—		—
Balance at end of year	<u>\$ 443,623</u>	<u>\$</u>	<u>337,822</u>	<u>\$</u>	<u>246,261</u>

**PARTNERSHIP UNIT DESIGNATION OF SERIES BL
CLASS B OP UNITS OF
NSA OP, LP**

This Partnership Unit Designation (this "**Partnership Unit Designation**") is made as of December 30, 2020 by National Storage Affiliates Trust, a Maryland real estate investment trust and the general partner (the "**General Partner**") of NSA OP, LP, a Delaware limited partnership (the "**Partnership**").

WHEREAS, the General Partner has determined that it is necessary to establish a series of Class B OP Units in the Partnership designated as Series BL Class B OP Units (the "**Series BL Class B OP Units**") in accordance with Section 4.3(a) of the Third Amended and Restated Agreement of Limited Partnership, as amended (the "**Partnership Agreement**").

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the General Partner hereby establishes the Series BL Class B OP Units as follows:

Article I

Series BL Class B OP Units

Section 1.1 **Creation and Designation.** A series of Class B OP Units is hereby created and is designated as "Series BL Class B OP Units."

Section 1.2 **Separate Series.** The Series BL Class B OP Units is considered a separate series of Class B OP Units for purposes of the Partnership Agreement, entitling the holders thereof, except as provided below, with the rights and obligations of the holders of the Series BL Class B OP Units as specified in the Partnership Agreement and in this Partnership Unit Designation.

Article II

Definitions

For purposes of this Partnership Unit Designation, the following terms shall have the respective meanings indicated in this Article II, and capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed thereto in the Partnership Agreement:

"**Actual FCCR**" has the meaning set forth in the Facilities Portfolio Management Agreement relating to the Series BL Facilities Portfolio.

"**Allocated Portfolio Capital Expense Reserve**" means the annual capital reserve funds allocated to capital improvements for the Series BL Facilities Portfolio. Such allocation shall be equal to the greater of (a) \$0.15 per average annual square feet (calculated on a per day basis) for the Series BL Facilities Portfolio and (b) total capital reserves as determined by a Property Condition Audit for each property in the Series BL Facilities Portfolio (as adjusted annually based on the consumer price index), divided by the average annual square feet (calculated on a per day basis) for the Series BL Facilities Portfolio.

"**Annual FCCR Assessment**" has the meaning set forth in the Facilities Portfolio Management Agreement relating to the Series BL Facilities Portfolio.

"**Applicable Percentage**" shall equal 110%, except that, (i) upon termination of the Facilities Portfolio Management Agreement pursuant to (a) Section 4.4 (Termination following FCCR Non-Compliance) of the Facilities Portfolio Management Agreement or (b) Section 4.6 (Termination for Breach of Certain Provisions) of the Facilities Portfolio Management Agreement, the Applicable Percentage shall be 120%; and (ii) in connection with a Retirement Event occurring during the period that (a) begins on December 30, 2022 and ends on the day immediately prior to December 30, 2023, the Applicable Percentage shall be 120%; and (b) begins on December 30, 2023 and ends on the day immediately prior to December 30, 2024, the Applicable Percentage shall be 115%.

"**Cash Available For Distribution**" means with respect to the Partnership or the Class A OP Units of the Partnership, the Facilities Portfolio Available Revenues from all Facilities Portfolios held by the Partnership, together with all amounts comparable to Facilities Portfolio Available Revenue generated by other assets, properties, operations and businesses of the Partnership, and with respect to the Series BL Facilities Portfolio or the Series BL Class B OP Units, the Facilities Portfolio Available Revenues from the Series BL Facilities Portfolio, in each case as adjusted to exclude the impact of reserves to meet anticipated operating expenditures, debt service or other liabilities of the General Partner, with all such amounts to be determined by the General Partner in accordance with the General Partner's audited financial statements for the applicable year.

"**Conversion Effective Date**" means the immediately succeeding January 1 following receipt by the General Partner of a Notice of Conversion on or before the immediately preceding December 1.

"**Converted Units**" has the meaning set forth in Section 4.1(a) hereof.

"**Converting Partner**" has the meaning set forth in Section 4.1(a) hereof.

"**Facilities Portfolio Management Agreement**" means the Facilities Portfolio Management Agreement dated as of December 30, 2020 by and among (i) the Partnership, (ii) the property owners (or holders of an interest in real property, as the case may be) listed as "Owners" on the signature page thereto, (iii) the property owners (or holders of an interest in real property, as the case may be) listed as "Deferred Management Property Owners" on the signature page thereto, and (iv) Blue Sky Self Storage LLC, and (v) Lee Fredrick, Benjamin Vestal, and Michael Perry.

"**FCCR Conversion Amount**" means the product of (a) the number of Converted Units multiplied by (b) the quotient obtained when dividing (1) the Cash Available For Distribution per Series BL Class B OP Units over the calendar year period prior to (but not including) the Conversion Effective Date or date of the Non-Voluntary Conversion Notice, as applicable (using the daily weighted average number of Series BL Class B OP Units outstanding over such period), by (2) the Applicable Percentage of the Cash Available For Distribution per Class A OP Unit of the Partnership as determined over the calendar year period ending prior to (but not including) the Conversion Effective Date or date of the Non-Voluntary Conversion Notice, as applicable (using the daily weighted average number of Class A OP Units outstanding over such period); provided that, if one year of audited financial statements is not yet available for purposes of the one-year period set forth in the definition of FCCR Conversion Amount, such one-year period will instead be deemed to be the shorter period for which unaudited financial statements are available.

"**General Partner**" has the meaning set forth in the recitals hereto.

"**Lockup Expiration Date**" means December 30, 2022.

"**MCFCCR**" has the meaning set forth in the Facilities Portfolio Management Agreement relating to the Series BL Facilities Portfolio.

"**Non-Voluntary Conversion**" has the meaning set forth in Section 4.1(b) hereof.

"**Non-Voluntary Conversion Notice**" has the meaning set forth in Section 4.1(b) hereof.

"**Non-Voluntary Converting Partner**" has the meaning set forth in Section 4.1(b) hereof.

"**Notice of Conversion**" has the meaning set forth in Section 4.1(a) hereof.

"**Partnership Agreement**" has the meaning set forth in the recitals hereto.

"**Partnership Unit Designation**" has the meaning set forth in the recitals hereto.

"**Property Condition Audit**" means the preparation of an assessment by an independent third-party consultant, in accordance with the American Society for Testing and Materials (ASTM) E 2018-08, Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process, of the total capital reserves required for a property over a 12 year period for replacement needs and preventive maintenance based on current construction costs.

"**Qualifying Number of Units**" means a number of Series BL Class B OP Units which, if the Converting Partner had converted such units into Class A OP Units using the conversion ratio set forth in the definition of FCCR Conversion Amount at the beginning of the applicable Annual FCCR Assessment, would have been issued in such conversion that would not have resulted in a failure to comply with the MCFCCR for the one-year period prior to conversion.

"**Retirement Event**" has the meaning set forth in the Facilities Portfolio Management Agreement relating to the Series BL Facilities Portfolio.

"**Retirement Trigger Date**" has the meaning set forth in the Facilities Portfolio Management Agreement relating to the Series BL Facilities Portfolio.

"**Series BL Class B OP Units**" has the meaning set forth in the recitals hereto.

"**Series BL Facilities Portfolio Subsidiary**" shall mean any entity that owns any, all or any part of any of the properties set forth on Schedule B, such Schedule B to be amended from time to time by the General Partner without the consent of any limited partners.

"**Series BL Facilities Portfolio**" means the Properties set forth on Schedule B to this Partnership Unit Designation, as the same may be amended from time to time by the General Partner, which are owned directly or indirectly by the Partnership, through a Series BL Facilities Portfolio Subsidiary or otherwise. The Series BL Facilities Portfolio shall constitute a Facilities Portfolio within the meaning of the Partnership Agreement, and the Series BL Facilities Portfolio shall correspond to the Series BL Class B OP Units for purposes of the Partnership Agreement.

"**Voluntary Conversion**" has the meaning set forth in Section 4.1(a) hereof.

Article III

Capital Contributions

Section 3.1 **Initial Capital Contributions.** Set forth on Schedule A to this Partnership Unit Designation is the amount of capital contributions initially allocated to the holders of the Class A OP Units and the holders of the Series BL Class B OP Units of the Partnership in respect of the Series BL Facilities Portfolio.

Section 3.2 **Changes in Allocated Capital Contribution Amounts.** The amount of capital contributions allocated to the holders of the Class A OP Units and the Series BL Class B OP Units in respect of the Series BL Facilities Portfolio shall be subject to adjustment as provided in Section 4.4(c) of the Partnership Agreement.

Section 3.3 **Notice of Changes in Allocated Capital Contribution Amounts.** The General Partner shall at least annually notify the holders of the Series BL Class B OP Units of any change in the amount of capital contributions attributed to the holders of the Class A OP Units or the Series BL Class B OP Units in respect of the Series BL Facilities Portfolio.

Article IV

Conversion

Section 4.1 Conversion of Series BL Class B OP Units for Class A OP Units.

(a) On or after the Lockup Expiration Date, each holder of Series BL Class B OP Units shall have the right (subject to the terms and conditions set forth herein and in any other such agreement, as applicable) to require the Partnership to convert all or a portion of the Series BL Class B OP Units held by such holder (such Series BL Class B OP Units being hereafter referred to as "**Converted Units**") into Class A OP Units (a "**Voluntary Conversion**"). All such Voluntary Conversions shall be made in accordance with the terms and conditions of this Article IV. All Voluntary Conversions shall be exercised pursuant to a written notice, which must be received by the General Partner at or before 5:00 pm, Mountain time, on December 1 of each calendar year, from the holder of Series BL Class B OP Units who is exercising the conversion right (the "**Converting Partner**") indicating such holder's irrevocable intent to effectuate the Voluntary Conversion and the number of Series BL Class B OP Units which are subject to the Voluntary Conversion (a "**Notice of Conversion**"). To the extent that the number of Series BL Class B OP Units specified in a Notice of Conversion exceeds the maximum Qualifying Number of Units, the number of Series BL Class B OP Units specified in the Notice of Conversion will instead be deemed to be the maximum Qualifying Number of Units. Each holder of Series BL Class B OP Units may deliver no more than one Voluntary Conversion in each fiscal year. All Voluntary Conversions shall be deemed effective as of the Conversion Effective Date. A Notice of Conversion shall constitute an irrevocable obligation of the Converting Partner to convert the applicable number of such Converting Partner's Series BL Class B OP Units as of the Conversion Effective Date and the Converting Partner shall not be permitted to withdraw the Notice of Conversion, at any time, without the express prior written consent of the General Partner, which the General Partner may withhold in its discretion. The Converting Partner shall have no right, with respect to any Series BL Class B OP Units so converted, to receive any distributions with respect to the Series BL Class B OP Units declared on or after the Conversion Effective Date but shall be entitled to any distributions declared but

not paid prior the Conversion Effective Date. Class A OP Units to be issued to the Converting Partner in the Voluntary Conversion shall be equal to the FCCR Conversion Amount.

(b) Upon (i) a termination of the Facilities Portfolio Management Agreement pursuant to (A) Section 4.4 (Termination following FCCR Non-Compliance) thereof or (B) Section 4.6 (Termination for Breach of Certain Provisions) thereof or (ii) a Retirement Trigger Date (each of the conversions described in clauses (i) and (ii) of this Section 4.1(b) shall be referred to herein as a "**Non-Voluntary Conversion**"), the General Partner, in its discretion, may deliver a written notice (the "**Non-Voluntary Conversion Notice**") requiring all holders of Series BL Class B OP Units to convert all of such holders' Series BL Class B OP Units for Class A OP Units in the Partnership (each, a "**Non-Voluntary Conversion**"), in accordance with the terms and conditions of this Article IV. Upon delivery of such Non-Voluntary Conversion Notice by the General Partner, each holder of Series BL Class B OP Units (the "**Non-Voluntary Converting Partner**") shall be deemed to have irrevocably agreed to convert such holders' Series BL Class OP Units. Non-Voluntary Conversions will be deemed effective as of the date of the Non-Voluntary Conversion Notice. The holders of Series BL Class B OP Units shall have no right, with respect to any Series BL Class B OP Units so converted, to receive any distributions with respect to the Series BL Class B OP Units declared on or after the date of the Non-Voluntary Conversion Notice but shall be entitled to any distributions declared but not paid prior to the date of the Non-Voluntary Conversion Notice. Class A OP Units to be issued to the holder of Series BL Class B OP Units in the Non-Voluntary Conversion shall be equal to the FCCR Conversion Amount.

(c) Class A OP Units equal to the FCCR Conversion Amount shall be delivered to the Converting Partner or Non-Voluntary Converting Partner, respectively, as duly authorized, validly issued, fully paid and non-assessable Class A OP Units and free of any pledge, lien, encumbrance or restriction, other than those provided in the Partnership Agreement, the Securities Act, relevant state securities or blue sky laws and any other applicable agreement with respect to such Class A OP Units entered into by the Converting Partner or Non-Voluntary Converting Partner, respectively. Notwithstanding any delay in such delivery (but subject to Sections 4.1(d) and 4.1(e)), each Converting Partner and Non-Voluntary Converting Partner, respectively, shall be deemed owners of such Class A OP Units for all purposes, including without limitation, rights to vote or consent, and receive distributions declared, as of the Conversion Effective Date or the date of the Non-Voluntary Conversion Notice, respectively.

(d) Each Converting Partner and Non-Voluntary Converting Partner, as the case may be, covenants and agrees with the General Partner and the Partnership that all Converted Units shall be free and clear of all liens, claims and encumbrances whatsoever and should any such liens, claims and/or encumbrances exist or arise with respect to such Converted Units, neither the General Partner nor the Partnership shall be under any obligation to convert the same. Each Converting Partner and Non-Voluntary Converting Partner further agrees that, in the event any state or local property transfer tax is payable as a result of the Conversion, such Converting Partner or Non-Voluntary Converting Partner, respectively, shall assume and pay such transfer tax.

(e) Notwithstanding the provisions of Sections 4.1(a), 4.1(b), 4.1(c) or any other provision of this Partnership Unit Designation, a holder of Series BL Class B OP Units shall have no rights under this Partnership Unit Designation to acquire Class A OP Units which would otherwise be prohibited under the Partnership Agreement or this Partnership Unit Designation. To the extent any attempted Voluntary Conversion or Non-Voluntary Conversion would be in violation of this Section 4.1(e), it shall be null and void *ab initio* and such holder of Series BL Class B OP Units shall not acquire

any rights or economic interest in the Class A OP Units otherwise issuable upon such Voluntary Conversion or Non-Voluntary Conversion.

(f) Notwithstanding anything herein to the contrary (but subject to Section 4.1(e)):

(i) a holder of Series BL Class B OP Units may effect a Voluntary Conversion only if the Annual FCCR Assessment resulted in the Actual FCCR being in excess of the MCFCCR;

(ii) no holder of Series BL Class B OP Units may effect a Voluntary Conversion for less than 1,000 Series BL Class B OP Units or, if such holder holds less than 1,000 Series BL Class B OP Units, all of the Series BL Class B OP Units held by such Limited Partner;

(iii) no conversion will be effective until the expiration or termination of the applicable waiting period, if any, under the Hart Scott-Rodino Antitrust Improvements Act of 1976, as amended; and

(iv) each Converting Partner or Non-Voluntary Converting Partner, as the case may be, shall continue to own all Series BL Class B OP Units subject to any Voluntary Conversion or Non-Voluntary Conversion, respectively, and be treated as a Holder of the applicable Series BL Class B OP Units for all purposes of the Partnership Agreement and this Partnership Unit Designation, until the Conversion Effective Date or the date of the Non-Voluntary Conversion Notice, respectively.

(g) In the event that the Partnership issues additional Partnership Interests to any Additional Limited Partner, pursuant to Section 5.3 of the Partnership Agreement, the General Partner shall make such revisions to this Section 4.1 as it determines are necessary or desirable, if any, to reflect the issuance of such additional Partnership Interests.

Article V

RESTRICTION ON SALE OF PROPERTIES

Section 5.1 **Sale of the Series BL Facilities Portfolio Properties** . Except for sales, dispositions or other transfers of Properties to wholly owned Subsidiaries of the Partnership, until March 31, 2023, the Partnership shall not, and shall cause its Subsidiaries not to, sell, dispose or otherwise transfer any of the Properties (or the interest of the Partnership or any Subsidiary thereof, as the case may be in such Properties) comprising the Series BL Facilities Portfolio without the consent of holders of (a) at least 50% of the then outstanding Class A OP Units and (b) at least 50% of the then outstanding Series BL Class B OP Units.

Article VI

Miscellaneous

Section 6.1 **Construction**. This Partnership Unit Designation shall be construed and enforced in accordance with and governed by the laws of the State of Delaware, without regard to conflicts of law. If any provision of this Partnership Unit Designation is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby. Each reference to "hereof," "herein," "hereunder," and

"hereby" shall, from and after the date hereof, refer to the Partnership Agreement as amended by this Partnership Unit Designation.

Section 6.2 **Partnership Records.** The General Partner shall amend Exhibit A to the Partnership Agreement from time to time to the extent necessary to reflect accurately the grant and any subsequent redemption or conversion of, or other event having an effect on the ownership of, the Series BL Class B OP Units. The General Partner shall amend Schedule A and Schedule B to this Partnership Unit Designation from time to time to the extent necessary to reflect accurately any changes, including changes in Capital Contributions and the Series BL Facilities Portfolio.

Section 6.3 **Amendments.** This Partnership Unit Designation may only be amended with the written consent of the General Partner together with the holders of a majority in interest of holders of Series BL Class B OP Units or in the case of substantially similar amendments or amendments with substantially similar effects being adopted by the General Partner in respect of all other series of Class B OP Units established by the Partnership from time to time by a majority in interest of all holders of Class B OP Units, except that, the General Partner may amend the Schedules hereto in a manner permitted under the Partnership Agreement or this Partnership Unit Designation, or to make any amendments that are clerical or ministerial in nature and do not impact the substantive rights of the holders of Series BL Class B OP Units. Majority in interest shall be calculated on an as converted into Class A OP Units basis, with the number of votes to be cast by each holder of Class B OP Units being equal to the number of Class A OP Units such holder would receive had they converted their Class B OP Units into Class A OP Units, assuming that any conversion lock-up would not apply.

* * * * *

Subsidiaries

Subsidiary	d/b/a	Jurisdiction
2016 JV Property Holdings, LLC		Delaware
2016 MHC, LLC		Delaware
All Stor Asheville, LLC		Delaware
All Stor Carolina Beach, LLC		Delaware
All Stor Durham, LLC		Delaware
All Stor Indian Trail, LLC		Delaware
All Stor MH		Delaware
All Stor NC, LLC		Delaware
All Stor Prospect, LLC		Delaware
All Stor Swansboro, LLC		Delaware
All Stor Swansboro II, LLC		Delaware
Allen Storage Partners LLC	StoreMore Self Storage	Texas
American Mini Storage-San Antonio, LLC		Delaware
Banning Storage, LLC	StoreMore Self Storage	Nevada
Bend-Eugene Storage, LLC		Oregon
Big Bend Xpress Holdings, LLC		Florida
Big Bend Xpress Storage, LLC		Florida
Bishop Road Mini Storage, LLC		Washington
Broadway Storage Solutions, L.L.C.		Arizona
Buck Investors, LP		Pennsylvania
Bullhead Freedom Storage, L.L.C.	StoreMore Self Storage; Freedom Storage	Arizona
Chelmsford, LLC		Delaware
Corona Universal Self Storage, a California Limited Partnership		California
Eagle Bow Wakefield, LLC	Eagle Storage	Delaware
Eastpointe Storage, LLC		Delaware
Fletcher Heights Storage Solutions, L.L.C.		Arizona
Fontana Universal Self Storage, a California Limited Partnership		California
Forest Grove Mini Storage, LLC		Oregon
Forney Storage Partners LLC	StoreMore Self Storage	Texas
GAK, LLC	Cypress Mini Storage	California
Grand Prairie Storage Partners LLC	StoreMore Self Storage	Texas
Great American Storage Partners, LLC	Great America Storage	Delaware
Gresham Storage, LLC		Oregon
Hesperia Universal Self Storage, a California Limited Partnership		California
Hide Away SPE, LLC		Delaware
Hide Away Storage Holdings, LLC		Delaware
Highway 97 Mini Storage, LLC		Oregon
Highway 99 Mini Storage, LLC		Oregon
ICDC II, LLC		Oregon
iStorage JV, LLC		Delaware
iStorage JV Bridgewater, LLC		Delaware
iStorage JV DuPont Highway, LLC		Delaware
iStorage JV Hickman Road, LLC		Delaware
iStorage JV Rancho Cordova, LLC		Delaware
iStorage JV Ridge Road, LLC		Delaware
iStorage JV Sunrise Monier, LLC		Delaware
iStorage Mezz, LLC		Delaware
iStorage PO, LLC		Delaware
iStorage TRS JV, LLC		Delaware
Keepers Storage, LLC		Washington
Lewisville Storage LLC		Washington

Loma Linda Universal Self Storage, a California Limited Partnership		California
Madison Brookhaven, LLC		Delaware
Madison Eagle Drive, LLC		Delaware
Maizeland Storage, LLC		Colorado
Mini I, Limited		California
Moove In Partners-Centerville, LP		Pennsylvania
Moove In Partners-Lancaster, L.P.		Pennsylvania
Moove-in of Manheim, LLC		Wyoming
Moove-in of New Jersey, LLC		Wyoming
Moovein Properties II, LLC		Wyoming
Moovein, LLC		Wyoming
Murphy Storage Partners LLC	StoreMore Self Storage	Texas
National Storage Affiliates Management Company, LLC		Delaware
National Storage Insurance Solutions, Inc.		Delaware
Northwest II Chief Manager, LLC		Delaware
NSA Acquisition Holdings, LLC		Delaware
NSA All Stor, LLC		Delaware
NSA All Stor Chief Manager, LLC		Delaware
NSA Americor Holdings, LLC		Delaware
NSA Buck GP, LLC		Delaware
NSA BV DR, LLC		Delaware
NSA Centerville GP, LLC		Delaware
NSA Colton DR GP, LLC	A-1 Self Storage; StorAmerica Arcadia; El Camino Self Storage; All American Self Storage	Delaware
NSA Colton DR, LLC	Plano Self Storage; Crown Valley Self Storage; Paramount Self Storage; StorAmerica Duarte	Delaware
NSA Fanning Springs, LLC		Delaware
NSA GSC DR GP, LLC	Irvine Self Storage	Delaware
NSA GSC DR, LLC	StorAmerica Palm Springs I; Carlsbad Airport Self Storage; StorAmerica Indio	Delaware
NSA HHF JV, LLC		Delaware
NSA HHF JV Tennessee Holdco, LLC		Delaware
NSA HHF Member, LLC		Delaware
NSA HHF Non-Member Manager, LLC		Delaware
NSA HHF TRS, LLC		Delaware
NSA Holding Company I, LLC		Delaware
NSA Holding Company II, LLC		Delaware
NSA iStorage Member, LLC		Delaware
NSA iStorage TRS Member, LLC		Delaware
NSA Lancaster GP, LLC		Delaware
NSA MGMT CO GP, LLC		Delaware
NSA Northwest CMBS II, LLC		Delaware
NSA Northwest Holdings II, LLC	Old Mill Self Storage; AllStar Storage; A-1 Westside Storage	Delaware
NSA Northwest Holdings, LLC		Delaware
NSA OP, LP		Delaware
NSA OV PM, LLC		Delaware
NSA PM, LLC		Delaware
NSA Puerto Rico, LLC		Delaware
NSA Property Holdings, LLC		Delaware
NSA SecurCare CMBS I, LLC		Delaware
NSA SecurCare Holdings, LLC		Delaware
NSA Security Storage, LLC	NSA Security, LLC	Delaware
NSA SS PM, LLC		Delaware
NSA Storage Solutions, LLC		Delaware
NSA TI Licensing, LLC		Delaware
NSA TRS, LLC		Delaware
NSA Tustin Gateway GP, LLC		Delaware

NSA Universal DR, LLC		Delaware
NSA Villages Storage GP, LLC		Delaware
NSA-C Holdings, LLC	StorAmerica Hawaiian Gardens; StorAmerica Victorville-2; Statewide Storage; Country Club Self Storage	Delaware
NSA-Colton Holdings, LLC		Delaware
NSA-G Holdings, LLC	StorAmerica Montclair; Allsafe Freeway Storage; Leave It/Lock It Self Storage; StorAmerica Ontario; StorAmerica Palm Desert; StorAmerica Oceanside; StorAmerica Victorville	Delaware
NSA-GSC Colton Holdings, LLC		Delaware
NSA-GSC Holdings, LLC		Delaware
NSA-Northwest II, LLC		Delaware
NSA-Optivest Acquisition Holdings, LLC	StoreMore Self Storage; Fort Mohave Storage	Delaware
NSA-Optivest, LLC		Delaware
NSA-SecurCare Acquisition Holdings, LLC		Delaware
NSA-SecurCare, LLC		Delaware
NWSS Stor Rite LLC		Oregon
Oklahoma Self Storage GP, LLC		Delaware
Oklahoma Self Storage LP	SecurCare Self Storage	Colorado
Optivest Storage Partners of Austin, LLC	StoreMore Self Storage	Texas
PCB South, LLC		Florida
Rev Smart, L.P.		Florida
Safeguard Mini Storage, LLC		Oregon
SAG Arcadia, LP		California
SAP-II YSI #1,LLC		Delaware
SecurCare American Portfolio, LLC		Delaware
SecurCare American Properties II, LLC		Delaware
SecurCare Colorado III, LLC	SecurCare Self Storage	Delaware
SecurCare Fayetteville I, LLC		Delaware
SecurCare Management, LLC		Colorado
SecurCare Moreno Valley, LLC		Delaware
SecurCare Moveit McAllen, LLC	Move It Self Storage	Delaware
SecurCare Oklahoma I, LLC	SecurCare Self Storage	Delaware
SecurCare Oklahoma II, LLC	SecurCare Self Storage	Delaware
SecurCare Operating Company, LLC		Delaware
SecurCare Portfolio Holdings, LLC		Delaware
SecurCare Properties I, LLC	SecurCare Self Storage	Delaware
SecurCare Properties II R, LLC	SecurCare Self Storage	Delaware
SecurCare Properties II, LLC	SecurCare Self Storage	Delaware
SecurCare Value Properties R, LLC	SecurCare Self Storage	Delaware
Series Americor Insurance Company, a series of Endeavor Assurance Company, LLC		Delaware
Shreve Storage Equities, L.L.C.		Louisiana
Simply Storage Caguas, LLC		Louisiana
Simply Storage Clarksville, LLC		Delaware
Simply Storage Franklin, LLC		Delaware
Simply Storage Gallatin, LLC		Delaware
Simply Storage Harrah Drive, LLC		Delaware
Simply Storage Hendersonville, LLC		Delaware
Simply Storage Hermitage, LLC		Delaware
Simply Storage Maddox Simpson Parkway, LLC		Delaware
Simply Storage Mezz, LLC		Delaware
Simply Storage Partners REIT II LLC		Delaware
Simply Storage Quarry Loop Road, LLC		Delaware
Simply Storage White House, LLC		Delaware
Southern Self Storage, LLC		Florida
Southern Self Storage of Arizona, LLC		Arizona
Southern Self Storage of Destin, LLC		Florida
Southern Self Storage of Edgewater, LLC		Florida

Southern Self Storage of Florida, LLC	Florida
Southern Self Storage of Grayton, LLC	Florida
Southern Self Storage of PCB, LLC	Florida
Southern Self Storage of Pensacola, LLC	Florida
Springfield Mini Storage, LLC	Oregon
Square Foot Springhill, LLC	Ohio
SS 22195 Timberlake Road, LLC	Delaware
SS 8117 Timberlake Road, LLC	Delaware
SS Bayport, LLC	Delaware
SS Beeline, LLC	Delaware
SS Billy Williamson Drive, LLC	Delaware
SS Bloomfield, LLC	Delaware
SS Blue Ash, LLC	Delaware
SS Brighton MA, LLC	Delaware
SS Brookside, LLC	Delaware
SS Catano, LLC	Delaware
SS Chevoit, LLC	Delaware
SS Cleveland Heights, LLC	Delaware
SS Cliffwood, LLC	Delaware
SS Deerfield, LLC	Delaware
SS Detroit, LLC	Delaware
SS Downtown Tulsa, LLC	Delaware
SS Eastpointe II, LLC	Delaware
SS Ferndale, LLC	Delaware
SS Fields Ertel, LLC	Delaware
SS Forest Park, LLC	Delaware
SS Fort Walton Beal Parkway, LLC	Delaware
SS Fort Walton Harrelson Drive, LLC	Delaware
SS Glenview, LLC	Delaware
SS Greensville, LLC	Delaware
SS Guaynabo, LLC	Delaware
SS Hall Road, LLC	Delaware
SS Hargrove Drive, LLC	Delaware
SS Hiawatha II, LLC	Delaware
SS Highland Park, LLC	Delaware
SS Highway 150, LLC	Delaware
SS Highway 280, LLC	Delaware
SS Hingham, LLC	Delaware
SS Hoffman Estates, LLC	Delaware
SS Huber Heights, LLC	Delaware
SS Ivy Hill, LLC	Delaware
SS Ivy Hill, LP	Pennsylvania
SS Kettering, LLC	Delaware
SS Kingsland, LLC	Delaware
SS Lakeside Drive, LLC	Delaware
SS Lincoln Park, LLC	Delaware
SS Macon Road, LLC	Delaware
SS MAMNOH, LLC	Delaware
SS Mezz, LLC	Delaware
SS Michigan, LLC	Delaware
SS Midtown Tulsa, LLC	Delaware
SS Millville, LLC	Delaware
SS Minnesota II, LLC	Delaware
SS MITX, LLC	Delaware
SS MNMI, LLC	Delaware
SS MNRI, LLC	Delaware
SS Moellering, LLC	Delaware
SS North Bend, LLC	Delaware

SS North Fort Myers, LLC		Delaware
SS Norwood, LLC		Delaware
SS Palm City, LLC		Delaware
SS Peake Road, LLC		Delaware
SS Ponce, LLC		Delaware
SS Reading, LLC		Delaware
SS Riverside Drive, LLC		Delaware
SS San Juan, LLC		Delaware
SS Sheridan, LLC		Delaware
SS South Amherst, LLC		Delaware
SS South Euclid, LLC		Delaware
SS Storage Court, LLC		Delaware
SS Titusville Access, LLC		Delaware
SS Toa Baja, LLC		Delaware
SS Trinity Church, LLC		Delaware
SS Ward and Citation, LLC		Delaware
SS West Point, LLC		Delaware
SS Whitesville Road, LLC		Delaware
SS Williamstown, LLC		Delaware
SS Yale, LLC		Delaware
Storage Management and Leasing Co. LLC		Florida
Storage Management and Repair Co., LLC		Florida
StoreMore Self Storage-Pecos Road, LLC	StoreMore Self Storage	Delaware
Supreme Storage, LLC		Oregon
Terrell Storage Partners, LLC	StoreMore Self Storage	Texas
Town Center Self Storage, LLC		Colorado
Troutdale Mini Storage, LLC		Oregon
Tustin Gateway LP		California
Universal Self Storage Hesperia LLC, a California limited liability company		California
Universal Self Storage Highland, a California Limited Partnership		California
Universal Self Storage San Bernardino LLC, a California limited liability company		California
Upland Universal Self Storage, a California Limited Partnership		California
Villages Storage Partners, Ltd.		Florida
Washington Murrieta II, LLC	StorAmerica Scottsdale	California
Washington Murrieta III, LLC	StorAmerica Phoenix 24th	Arizona
Washington Murrieta IV, LLC	StorAmerica Phoenix 52nd	California
WCAL, LLC	StoreMore Self Storage	Texas

Consent of Independent Registered Public Accounting Firm

The Board of Trustees
National Storage Affiliates Trust:

We consent to the incorporation by reference in the registration statements on Form S-3 (No. 333-223654) and Form S-8 (No. 333-208602) of National Storage Affiliates Trust of our reports dated February 26, 2021, with respect to the consolidated balance sheets of National Storage Affiliates Trust and subsidiaries as of December 31, 2020 and 2019, and the related consolidated statements of operations, comprehensive income (loss), changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2020 and the related notes and Schedule III – Real Estate and Accumulated Depreciation, and the effectiveness of internal control over financial reporting as of December 31, 2020, which reports appear in the December 31, 2020 annual report on Form 10-K of National Storage Affiliates Trust.

/s/ KPMG LLP

Denver, Colorado
February 26, 2021

Chief Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Tamara D. Fischer, certify that:

1. I have reviewed this Annual Report on Form 10-K of National Storage Affiliates Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2021

By: /s/ Tamara D. Fischer
Tamara D. Fischer
President and Chief Executive Officer

Chief Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Brandon S. Togashi, certify that:

1. I have reviewed this Annual Report on Form 10-K of National Storage Affiliates Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2021

By: /s/ Brandon S. Togashi
Brandon S. Togashi
Chief Financial Officer

