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

FORM 10-Q

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

For the quarterly period ended June 30, 2016

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	**46-5053858**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

5200 DTC Parkway
Suite 200
Greenwood Village, Colorado 80111
(Address of principal executive offices) (Zip code)

(720) 630-2600
(Registrant's telephone number including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-accelerated Filer	☒	Smaller Reporting Company	☐

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

As of August 8, 2016, 35,757,870 common shares of beneficial interest, $0.01 par value per share, were outstanding.

EXPLANATORY NOTE

This quarterly report of National Storage Affiliates Trust includes the results of operations and financial condition of National Storage Affiliates Trust and its consolidated subsidiaries (the "Company") prior to the completion of the Company's initial public offering on April 28, 2015 and certain of its formation transactions, which occurred on or subsequent to April 28, 2015. As a result, the condensed consolidated financial statements included in this report are not necessarily indicative of subsequent results of operations, cash flows or financial position of the Company.

NATIONAL STORAGE AFFILIATES TRUST

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ITEM 1. Financial Statements

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

	June 30, 2016	December 31, 2015
ASSETS		
Real estate		
Self storage properties	$ 1,432,118	$ 1,147,201
Less accumulated depreciation	(86,891)	(68,100)
Self storage properties, net	1,345,227	1,079,101
Cash and cash equivalents	9,939	6,665
Restricted cash	3,916	2,712
Debt issuance costs, net	3,103	1,923
Other assets, net	14,141	8,648
Total assets	$ 1,376,326	$ 1,099,049
LIABILITIES AND EQUITY		
Liabilities		
Debt financing	$ 754,661	$ 567,795
Accounts payable and accrued liabilities	24,755	9,694
Deferred revenue	7,390	5,513
Total liabilities	786,806	583,002
Commitments and contingencies (Note 10)		
Equity		
Common shares of beneficial interest, par value $0.01 per share. 250,000,000 shares authorized, 23,230,243 and 23,015,751 shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively	232	230
Additional paid-in capital	252,741	236,392
Retained (deficit) earnings	(120)	11
Accumulated other comprehensive loss	(662)	—
Total shareholders' equity	252,191	236,633
Noncontrolling interests	337,329	279,414
Total equity	589,520	516,047
Total liabilities and equity	$ 1,376,326	$ 1,099,049

See notes to condensed consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
REVENUE				
Rental revenue	$ 45,784	$ 30,632	$ 84,285	$ 58,050
Other property-related revenue	1,500	1,018	2,648	1,891
Total revenue	47,284	31,650	86,933	59,941
OPERATING EXPENSES				
Property operating expenses	15,457	10,826	28,734	20,668
General and administrative expenses	4,837	4,187	9,172	7,800
Depreciation and amortization	13,088	9,974	23,980	19,851
Total operating expenses	33,382	24,987	61,886	48,319
Income from operations	13,902	6,663	25,047	11,622
OTHER INCOME (EXPENSE)				
Interest expense	(5,844)	(4,824)	(10,785)	(11,806)
Loss on early extinguishment of debt	(136)	(914)	(136)	(914)
Acquisition costs	(1,708)	(719)	(2,996)	(1,318)
Organizational and offering expenses	—	—	—	(58)
Non-operating expense	(169)	(113)	(283)	(204)
Other income (expense)	(7,857)	(6,570)	(14,200)	(14,300)
Net income (loss)	6,045	93	10,847	(2,678)
Net loss (income) attributable to noncontrolling interests	1,325	3,371	(1,267)	6,142
Net income attributable to National Storage Affiliates Trust	$ 7,370	$ 3,464	$ 9,580	$ 3,464
Earnings (loss) per share - basic	$ 0.32	$ 0.22	$ 0.42	$ 0.44
Earnings (loss) per share - diluted	$ 0.08	$ —	$ 0.15	$ —
Weighted average shares outstanding - basic	23,078	15,517	23,041	7,802
Weighted average shares outstanding - diluted	73,531	52,565	70,763	26,327
Dividends declared per common share	$ 0.22	$ 0.15	$ 0.42	$ 0.15

See notes to condensed consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Net income (loss)	$ 6,045	$ 93	$ 10,847	$ (2,678)
Other comprehensive income (loss)				
Unrealized loss on derivative contracts	(6,542)	(104)	(8,437)	(1,270)
Reclassification of other comprehensive loss to interest expense	506	390	909	775
Other comprehensive (loss) income	(6,036)	286	(7,528)	(495)
Comprehensive income (loss)	9	379	3,319	(3,173)
Comprehensive loss attributable to noncontrolling interests	7,361	3,085	5,568	6,637
Comprehensive income attributable to National Storage Affiliates Trust	$ 7,370	$ 3,464	$ 8,887	$ 3,464

See notes to condensed consolidated financial statements.

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

	Common Shares		Additional Paid-in Capital	Retained (Deficit) Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity
	Number	Amount					
Balances, December 31, 2015	23,015,751	$ 230	$ 236,392	$ 11	$ —	$ 279,414	$ 516,047
OP equity recorded in business combinations:							
OP units and subordinated performance units, net of offering costs	—	—	—	—	—	99,491	99,491
LTIP units	—	—	—	—	—	438	438
Redemptions of OP units	206,402	2	2,258	—	(6)	(2,254)	—
Effect of changes in ownership for consolidated entities	—	—	14,031	—	37	(14,068)	—
Equity-based compensation expense	—	—	60	—	—	1,167	1,227
Issuance of LTIP units for acquisition expenses	—	—	—	—	—	56	56
Issuance of restricted common shares	8,090	—	—	—	—	—	—
Reduction in receivables from partners of OP	—	—	—	—	—	854	854
Other comprehensive loss	—	—	—	—	(693)	(6,835)	(7,528)
Common share dividends	—	—	—	(9,711)	—	—	(9,711)
Distributions to limited partners of OP	—	—	—	—	—	(22,201)	(22,201)
Net income	—	—	—	9,580	—	1,267	10,847
Balances, June 30, 2016	23,230,243	$ 232	$ 252,741	$ (120)	$ (662)	$ 337,329	$ 589,520

See notes to condensed consolidated financial statements.

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

	Six Months Ended June 30,	
	2016	**2015**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 10,847	$ (2,678)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	23,980	19,851
Amortization of debt issuance costs	1,040	1,610
Amortization of debt discount and premium, net	(1,026)	(780)
Loss on debt extinguishment	136	414
Unrealized gain on fair value of derivatives	—	(3)
LTIP units issued for acquisition expenses	56	366
Equity-based compensation expense	1,227	1,721
Change in assets and liabilities, net of effects of business combinations:		
Restricted cash	(709)	(221)
Other assets	(779)	(865)
Accounts payable and accrued liabilities	4,594	1,363
Deferred revenue	304	249
Net Cash Provided by Operating Activities	39,670	21,027
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of self storage properties	(123,932)	(47,523)
Capital expenditures	(3,972)	(2,000)
Deposits and advances for self storage property acquisitions	(1,933)	(145)
Expenditures for corporate furniture, equipment and other	(336)	(58)
Change in restricted cash designated for capital expenditures	(137)	188
Net Cash Used In Investing Activities	(130,310)	(49,538)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares in IPO	—	278,070
Borrowings under debt financings	381,500	21,000
Receipts for OP unit subscriptions	789	746
Collection of receivables from issuance of OP equity	570	575
Principal payments under debt financings	(252,586)	(257,084)
Payment of dividends to common shareholders	(9,711)	—
Distributions to noncontrolling interests	(21,725)	(14,681)
Change in restricted cash for financing activity	—	(167)
Debt issuance costs	(4,612)	(553)
Equity offering costs	(311)	(2,349)
Net Cash Provided by Financing Activities	93,914	25,557
Increase (Decrease) in Cash and Cash Equivalents	3,274	(2,954)
CASH AND CASH EQUIVALENTS		
Beginning of period	6,665	9,009
End of period	$ 9,939	$ 6,055

See notes to condensed consolidated financial statements.

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

	Six Months Ended June 30,	
	2016	**2015**
Supplemental Cash Flow Information		
Cash paid for interest	$ 10,354	$ 11,739
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Consideration exchanged in business combinations:		
Issuance of OP units and subordinated performance units	$ 99,616	$ 31,925
Deposits on acquisitions applied to purchase price	631	745
LTIP units vesting upon acquisition of properties	438	—
Assumption of mortgages payable	61,628	46,989
Note payable to related party to settle assumed mortgages	—	5,342
Other net liabilities assumed	1,796	358
Notes receivable settled upon acquisition of properties	—	1,778
Fair value of noncontrolling interests in acquired subsidiaries	—	6,770
Increase in OP unit subscription liability through reduced distributions	192	194
Settlement of acquisition receivables through reduced distributions	284	867
Increase in payables for deferred offering costs	790	1,625
Settlement of offering costs from IPO proceeds	—	20,930

See notes to condensed 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 intends to elect and qualify as a real estate investment trust ("REIT") for U.S. federal income tax purposes commencing with its taxable year ending 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 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 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 we refer 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 completed its initial public offering on April 28, 2015, pursuant to which it sold 23,000,000 of the Company's common shares of beneficial interest, $0.01 par value per share ("common shares"), at a price of $13.00 per share, which included 3,000,000 common shares sold upon the exercise in full by the underwriters of their option to purchase additional shares. These transactions resulted in net proceeds to the Company of approximately $278.1 million, after deducting the underwriting discount and before additional expenses associated with the offering.

As discussed in Note 12, on July 6, 2016, the Company closed a follow-on public offering of 12,046,250 of its common shares, which included 1,571,250 common shares sold upon the exercise in full by the underwriters of their option to purchase additional common shares, at a public offering price of $20.75 per share. The Company received aggregate net proceeds from the offering of approximately $237.7 million after deducting the underwriting discount and estimated offering expenses.

The Company owned 318 self storage properties in 18 states with approximately 18.7 million rentable square feet in approximately 149,000 storage units as of June 30, 2016. These properties are managed with local operational focus and expertise by the Company's participating regional operators ("PROs"). These PROs are SecurCare Self Storage, Inc. and its controlled affiliates ("SecurCare"), 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"), and Arizona Mini Storage Management Company d/b/a Storage Solutions and its controlled affiliates ("Storage Solutions"). On April 1, 2016, the Company completed its acquisition of a portfolio of self storage properties from parties related to Hide-Away Storage Services, Inc. ("Hide-Away") of Sarasota, Florida, and added Hide-Away as the Company's seventh PRO.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying condensed consolidated financial statements are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("GAAP") and have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") regarding interim financial reporting. Accordingly, certain information and footnote disclosures required by GAAP for complete financial statements have been condensed or omitted in accordance with such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation of the consolidated financial statements have been included.

Principles of Consolidation

The Company's 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.

During the six months ended June 30, 2016, the Company adopted Accounting Standards Update ("ASU") 2015-02 and concluded that although its operating partnership and all DownREIT partnerships now meet the criteria as a VIE, no change was required to the Company's accounting for any of its interests in less than wholly owned DownREIT partnerships or its operating partnership. 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. Accordingly, there has been no change to the recognized amounts in the Company's consolidated balance sheets and statements of operations or amounts reported in the Company's consolidated statements of cash flows.

As of June 30, 2016, 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 $258.7 million and $262.6 million as of June 30, 2016 and December 31, 2015, respectively. The carrying value of fixed rate mortgages payable held by these VIEs was $42.2 million and $43.2 million as of June 30, 2016 and December 31, 2015, 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 in the 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 operating partnership or its subsidiaries. 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 interest is adjusted is reflected as an adjustment to additional paid-in capital on the consolidated balance sheets.

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 unitholders. Accordingly, the Company allocates GAAP income (loss) utilizing the hypothetical liquidation at book value ("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. 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 attributable to National Storage Affiliates Trust during a period when the Company reports a consolidated net loss, or net income attributable to National Storage Affiliates Trust in excess of the Company's consolidated net income.

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 loss within equity, as discussed further in Note 11. 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).

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.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, Revenue from Contracts with Customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09 will replace most existing revenue recognition guidance in GAAP when it becomes effective. ASU 2014-09 is effective for the Company on January 1, 2018, with early application permitted for the Company on January 1, 2017. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

In February 2015, the FASB issued ASU 2015-02, Amendments to the Consolidation Analysis, which modifies the current consolidation guidance. Under this guidance, limited partnerships may no longer be viewed as VIEs if the limited partners hold certain rights over the general partner. Alternatively, limited partnerships not previously viewed as VIEs may now be considered VIEs in the absence of such rights. The Company adopted ASU 2015-02 during the six months ended June 30, 2016, as more fully described above, see "*–Principles of Consolidation"*.

In April 2015, the FASB issued ASU 2015-03, Interest—Imputation of Interest, which requires the presentation of debt issuance costs as a direct deduction from the carrying amount of the related debt liabilities. In August 2015, the FASB issued ASU 2015-15 that permits debt issuance costs related to line-of-credit arrangements to be presented as an asset and amortized over the term of the line-of-credit arrangement regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. The Company adopted ASUs 2015-03 and 2015-15 as of January 1, 2016. The adoption resulted in the reclassification of certain debt issuance costs from assets to a reduction in the carrying amount of the Company's debt financings applied retrospectively to all periods. These reclassifications totaled $5.5 million and $2.8 million as of June 30, 2016 and December 31, 2015, respectively. Debt issuance costs related to the Company's revolving credit facility (the "Revolver") remain classified within "Debt issuance costs, net" in the Company's consolidated balance sheets.

In February 2016, the FASB issued ASU 2016-02, Leases, which amends the existing guidance for accounting for leases, including requiring lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases and lessees to recognize most leases on-balance sheet as lease liabilities with corresponding right-of-use assets. ASU 2016-02 is effective for the Company on January 1, 2019, with early application permitted. ASU 2016-02 requires a modified retrospective approach, with entities applying the new guidance at the beginning of the earliest period presented in the financial statements in which they first apply the new standard, with certain elective transition relief. The Company is evaluating the effect that ASU 2016-02 will have on its operating leases, consolidated financial statements and related disclosures.

3. NONCONTROLLING INTERESTS

As of June 30, 2016 and December 31, 2015, units reflecting noncontrolling interests consisted of the following:

	June 30, 2016	December 31, 2015
OP units	24,722,135	21,556,006
Subordinated performance units	10,909,094	9,302,989
LTIP units	2,965,065	2,784,761
DownREIT units		
DownREIT OP units	1,834,786	1,834,786
DownREIT subordinated performance units	4,386,999	4,386,999
Total	44,818,079	39,865,541

While the Company controls its operating partnership and manages the daily operations of its operating partnership's business, the Company did not have an ownership interest or share in its operating partnership's profits and losses prior to the completion of the Company's initial public offering.

The increase in OP Units units outstanding from December 31, 2015 to June 30, 2016 was due to 3,372,531 OP units issued in connection with the acquisition of self storage properties partially offset by 206,402 OP units redeemed for common shares. The increase in subordinated performance units outstanding from December 31, 2015 to June 30, 2016 was related to the acquisition of self storage properties. The increase in LTIP units outstanding from December 31, 2015 to June 30, 2016 was due to the issuance of 180,304 compensatory LTIP units to employees, consultants and trustees during the six months ended June 30, 2016.

4. SELF STORAGE PROPERTIES

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

	June 30, 2016	December 31, 2015
Land	$ 382,484	$ 315,867
Buildings and improvements	1,046,269	829,093
Furniture and equipment	3,365	2,241
Total self storage properties	1,432,118	1,147,201
Less accumulated depreciation	(86,891)	(68,100)
Self storage properties, net	$ 1,345,227	$ 1,079,101

Depreciation expense related to self storage properties amounted to $10.1 million and $6.5 million during the three months ended June 30, 2016 and 2015, respectively, and $18.8 million and $12.8 million during the six months ended June 30, 2016 and 2015, respectively.

5. SELF STORAGE PROPERTY ACQUISITIONS

The Company acquired 42 self storage properties with an estimated fair value of $288.0 million during the six months ended June 30, 2016. Of these acquisitions, 19 self storage properties with an estimated fair value of $150.8 million were acquired by the Company from its PROs. These self storage property acquisitions were accounted for as business combinations whereby the Company recognized the estimated fair value of the acquired assets and assumed liabilities on the respective dates of such acquisitions. The Company preliminarily 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 identifiable intangible assets consisting of customer in-place leases which were recorded at estimated fair value of $7.2 million, resulting in a total fair value of $280.8 million allocated to real estate.

The following table summarizes the consideration for the business combinations completed by the Company during the six months ended June 30, 2016 (dollars in thousands):

Acquisitions Closed During the Three Months Ended:	Number of Properties	Summary of Consideration			
		Cash	Value of OP Equity[1]	Liabilities Assumed (Assets Acquired)		Total Fair Value
				Mortgages[2]	Other	
March 31, 2016	17	$ 63,300	$ 19,068	$ 5,861	$ 584	$ 88,813
June 30, 2016	25	61,263	80,986	55,767	1,212	199,228
Total	42	$ 124,563	$ 100,054	$ 61,628	$ 1,796	$ 288,041

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

(2) $12.2 million of the mortgages assumed in connection with self storage property acquisitions were subsequently repaid during the six months ended June 30, 2016.

The results of operations for these business combinations are included in the Company's statements of operations beginning on the respective closing date for each acquisition. For the three and six months ended June 30, 2016, the accompanying statements of operations includes aggregate total revenue of $7.1 million and $8.2 million, respectively, and operating income of $0.8 million and $0.8 million, respectively, related to the 42 self storage properties acquired. Acquisition costs in the accompanying statements of operations include consulting fees, transaction expenses, and other costs related to business combinations, which amounted to $1.7 million and $3.0 million for the three and six months ended June 30, 2016, respectively.

Pro Forma Financial Information

The pro forma financial information set forth below reflects incremental adjustments to the historical data of the Company to give effect to the acquisitions and related financing activities for (i) the 26 self storage properties discussed in Note 12 that were acquired subsequent to June 30, 2016, as if each acquisition had occurred on January 1, 2015, (ii) the 25 self storage properties acquired during the three months ended June 30, 2016, as if the acquisitions had occurred on January 1, 2015, (iii) 15 of the 17 self storage properties acquired during the three months ended March 31, 2016, as if the acquisitions had occurred on January 1, 2015 (pro forma financial information is not presented for two of the self storage properties acquired during the three months ended March 31, 2016 since the information required is not available to the Company), (iv) the 21 self storage properties that were acquired during the three months ended June 30, 2015, as if each acquisition had occurred on January 1, 2014, and (v) the six self storage properties that were acquired during the three months ended March 31, 2015, as if each had occurred on January 1, 2014.

As described in greater detail above, given that certain information with respect to the self storage properties the Company acquired during the six months ended June 30, 2016 and subsequent to June 30, 2016 is not available to the Company, readers of this Form 10-Q and investors are cautioned not to place undue reliance on the Company's pro forma financial information. The pro forma information presented below does not purport to represent what the actual results of operations would have been for the periods indicated, nor does it purport to represent the Company's future results of operations. The following table summarizes on a pro forma basis the results of operations for the three and six months ended June 30, 2016 and 2015 (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Pro forma revenue:				
Historical results	$ 47,284	$ 31,650	$ 86,933	$ 59,941
Acquisitions subsequent to June 30, 2016	4,193	3,762	8,239	7,514
Acquisitions during the three months ended June 30, 2016	578	4,939	5,894	9,738
Acquisitions during the three months ended March 31, 2016[1]	—	1,831	842	3,590
Acquisitions during the three months ended June 30, 2015	—	961	—	3,782

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Acquisitions during the three months ended March 31, 2015	—	—	—	86
Total	$ 52,055	$ 43,143	$ 101,908	$ 84,651
Pro forma net income (loss): [2]				
Historical results	$ 6,045	$ 93	$ 10,847	$ (2,678)
Acquisitions subsequent to June 30, 2016	414	(1,118)	747	(2,250)
Acquisitions during the three months ended June 30, 2016	1,363	(695)	3,497	(1,567)
Acquisitions during the three months ended March 31, 2016[1]	—	(384)	1,592	(2,092)
Acquisitions during the three months ended June 30, 2015	—	1,404	—	2,292
Acquisitions during the three months ended March 31, 2015	—	317	—	1,208
Total	$ 7,822	$ (383)	$ 16,683	$ (5,087)

(1) Reflects 15 of the 17 self storage properties acquired during this period because the information required with respect to the two remaining acquisitions during this period is not available to the Company.

(2) Significant assumptions and adjustments in preparation of the pro forma information include the following: (i) for the cash portion of the purchase price, the Company assumed borrowings under the Company's revolving line of credit with interest computed based on the effective interest rate of 1.87% as of June 30, 2016; (ii) for assumed debt financing directly associated with the acquisition of specific self storage properties, interest was computed for the entirety of the periods presented using the effective interest rates under such financings; and (iii) for acquisition costs of $3.0 million incurred during the six months ended June 30, 2016, pro forma adjustments give effect to these costs as if they were incurred on January 1, 2015.

6. OTHER ASSETS

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

	June 30, 2016	December 31, 2015
Customer in-place leases, net of accumulated amortization of $5,315 and $4,312, respectively	$ 6,328	$ 4,209
Receivables:		
Trade, net	1,282	1,093
PROs and other affiliates	372	232
Property acquisition deposits	2,065	763
Interest rate derivative assets	—	331
Prepaid expenses and other	2,367	1,486
Corporate furniture, equipment and other, net	752	534
Deferred offering costs	975	—
Total	$ 14,141	$ 8,648

7. DEBT FINANCING

The Company's outstanding debt as of June 30, 2016 and December 31, 2015 is summarized as follows (dollars in thousands):

	Interest Rate [1]	June 30, 2016	December 31, 2015
Credit Facility:			
Revolving line of credit	1.87%	$ 109,922	$ 187,975
Term loan A	2.61%	225,000	200,000
Term loan B	3.15%	100,000	—
Term loan facility	3.08%	100,000	—
Fixed rate mortgages payable	4.00%	213,283	176,911
Total principal		748,205	564,886
Unamortized debt issuance costs and debt premium, net		6,456	2,909
Total debt		$ 754,661	$ 567,795

(1) Represents the effective interest rate as of June 30, 2016. 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 May 6, 2016, the Company entered into an amended and restated agreement with a syndicated group of lenders with respect to its unsecured credit facility (the "credit facility"), which was originally entered into on April 1, 2014. The amendment increased the borrowing capacity of the credit facility by $125.0 million for a total credit facility of $675.0 million, consisting of three components: (i) a Revolver which provides for a total borrowing commitment up to $350.0 million, whereby the Company may borrow, repay and re-borrow amounts under the revolving line of credit, (ii) a $225.0 million tranche A term loan facility (the "Term Loan A"), and (iii) a $100.0 million tranche B term loan facility (the "Term Loan B" and together with the Revolver and the Term Loan A, the "Facilities").

The Revolver matures in May 2020; provided that the Company may elect to extend the maturity to May 2021 by paying an extension fee of 0.15% 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 May 2021 and the Term Loan B matures in May 2022. None of the Facilities is subject to any scheduled reduction or amortization payments prior to maturity.

Interest rates applicable to loans under the Facilities 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 Facilities are leverage based and range from 1.35% to 2.15% for LIBOR loans and 0.35% to 1.15% 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 Facilities are subject to the rating based on applicable margins ranging from 0.85% to 2.30% for LIBOR Loans and 0.00% to 1.30% for base rate loans. The Company is also required to pay the following usage based fees ranging from 0.15% to 0.25% with respect to the unused portion of the Revolver; provided that if the Company makes an investment grade pricing election as described in the preceding sentence, 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.

As of June 30, 2016, the Company would have had the capacity to borrow the full remaining Revolver commitments of $240.1 million while remaining in compliance with the Facilities' financial covenants described in the following paragraph.

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

- Maximum total leverage ratio not to exceed 60%

- Minimum fixed charge coverage ratio of at least 1.5x
- Minimum net worth of at least $682.6 million plus 75% of future equity issuances
- Maximum unsecured debt to unencumbered asset value ratio not to exceed 60%
- Unencumbered adjusted net operating income to unsecured interest expense of at least 2.0x

In addition, the terms of the Facilities 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 June 30, 2016, the Company was in compliance with all such covenants.

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 (the "Term Loan Facility") in an aggregate amount of $100.0 million. The Term Loan Facility matures in June 2023. 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 Term Loan Facility, which, if exercised in full, would provide for a total Term Loan Facility in an aggregate amount of $200.0 million.

Interest rates applicable to loans under the 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 Term Loan Facility in effect from time to time plus an applicable margin. The base rate under the 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 Term Loan Facility is leverage-based and ranges from 1.75% to 2.35% for LIBOR loans and 0.75% 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 Term Loan Facility is subject to the rating based on applicable margins ranging from 1.50% to 2.45% for LIBOR Loans and 0.50% to 1.45% for base rate loans.

The Company is required to comply with the same financial covenants under the Term Loan Facility as it is with the Facilities. In addition, the terms of the 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.

Fixed Rate Mortgages Payable

Fixed rate mortgages have scheduled maturities at various dates through October 2031, and have effective interest rates that range from 2.43% to 5.00%. Principal and interest are generally payable monthly or in monthly interest-only payments with balloon payments due at maturity.

Future Debt Obligations

Based on existing debt agreements in effect as of June 30, 2016, the scheduled principal and maturity payments for outstanding borrowings under the Company's credit facility and fixed rate mortgages 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
Remainder of 2016	$ 9,197	$ 544	$ 9,741
2017	17,495	630	18,125
2018	10,617	534	11,151
2019	4,983	466	5,449
2020	149,167	115	149,282
2021	232,509	10	232,519
Thereafter	324,237	4,157	328,394
	$ 748,205	$ 6,456	$ 754,661

8. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings (loss) per common share for the three and six months ended June 30, 2016 and 2015, respectively (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Earnings (loss) per common share - basic and diluted				
Numerator				
Net income (loss)	$ 6,045	$ 93	$ 10,847	$ (2,678)
Net loss (income) attributable to noncontrolling interests	1,325	3,371	(1,267)	6,142
Net income attributable to National Storage Affiliates Trust	7,370	3,464	9,580	3,464
Distributed and undistributed earnings allocated to participating securities	(5)	(3)	(9)	(3)
Net income attributable to common shareholders - basic	7,365	3,461	9,571	3,461
Effect of assumed conversion of dilutive securities	(1,356)	(3,371)	1,215	(3,371)
Net income attributable to common shareholders - diluted	$ 6,009	$ 90	$ 10,786	$ 90
Denominator				
Weighted average shares outstanding - basic	23,078	15,517	23,041	7,802
Effect of dilutive securities:				
Weighted average OP units outstanding	24,733	20,208	23,484	10,104
Weighted average DownREIT OP unit equivalents outstanding	1,835	1,415	1,835	708
Weighted average LTIP units outstanding	2,164	1,247	2,158	624
Weighted average subordinated performance units and DownREIT subordinated performance unit equivalents	21,721	14,178	20,245	7,089
Weighted average shares outstanding - diluted	73,531	52,565	70,763	26,327
Earnings (loss) per share - basic	$ 0.32	$ 0.22	$ 0.42	$ 0.44
Earnings (loss) per share - diluted	$ 0.08	$ —	$ 0.15	$ —

As discussed in Note 3, the Company did not have an ownership interest or share in its operating partnership's profits and losses prior to the completion of the Company's initial public offering. As a result, all of the operating partnership's profits and losses for the period from January 1, 2015 to April 28, 2015 were allocated to noncontrolling interests.

Outstanding equity interests of the 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 unvested 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 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 the 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, which are exchangeable for common shares as described above. Certain LTIP units vested prior to or upon the completion of the Company's initial public offering and certain LTIP units will vest upon the satisfaction of a future service condition. 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 evaluated for dilution using the treasury stock method. For the three and six months ended June 30, 2016, 386,713 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. In addition, certain LTIP units vest upon the future acquisition of properties sourced by PROs. For the three and six months ended June 30, 2016, 397,600 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 periods.

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, prior to and since the completion of the Company's initial public offering on April 28, 2015, and as a result, is not necessarily indicative of the subsequent results of operations, cash flows or financial position of the Company following the initial public offering or upon expiration of the two-year lock out period on conversions.

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.

9. RELATED PARTY TRANSACTIONS

Supervisory and Administrative Fees

The Company has entered into asset management agreements with the PROs to continue providing leasing, operating, supervisory and administrative services related to the self storage properties contributed by and acquired from the PROs. The asset management agreements generally provide for fees ranging from 5% to 6% of gross revenue for the managed self storage properties. During the three months ended June 30, 2016 and 2015, the Company incurred $2.7 million and $1.8 million, respectively, for supervisory and administrative fees to the PROs and during the six months ended June 30, 2016 and 2015, the Company incurred $4.9 million and $3.4 million, respectively, for supervisory and administrative fees to the PROs. Such fees are included in general and administrative expenses in the accompanying consolidated statements of operations.

Affiliate Payroll Services

The employees responsible for operation of the self storage properties are employees of the PROs who charge the Company for the costs associated with the respective employees. For the three months ended June 30, 2016 and 2015, the Company incurred $4.7 million and $3.2 million, respectively, for payroll and related costs reimbursable to these affiliates, and for the six months ended June 30, 2016 and 2015, the Company incurred $8.7 million and $6.1 million, respectively, for payroll and related costs reimbursable to these affiliates. Such costs are included in property operating expenses in the accompanying consolidated statements of operations.

Due Diligence Costs

During the three months ended June 30, 2016 and 2015, the Company incurred $0.2 million and $0.1 million, respectively, of expenses payable to certain PROs related to self storage property acquisitions sourced by the PROs, and during the six months ended June 30, 2016 and 2015, the Company incurred $0.3 million and $0.1 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. These expenses are included in acquisition costs in the accompanying statements of operations.

10. 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.

11. 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 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	Non-hedge Accounting Interest Rate Swaps	Total
Fair value at December 31, 2014	$ (865)	$ (207)	$ (1,072)
Unrealized losses included in interest expense	—	8	8
Losses on interest rate swaps reclassified into interest expense from accumulated other comprehensive loss	775	—	775
Unrealized losses included in accumulated other comprehensive loss	(1,270)	—	(1,270)
Fair value at June 30, 2015	$ (1,360)	$ (199)	$ (1,559)
Fair value at December 31, 2015	$ (972)	$ —	$ (972)
Swap ineffectiveness	7	—	7
Losses on interest rate swaps reclassified into interest expense from accumulated other comprehensive loss	909	—	909
Unrealized losses included in accumulated other comprehensive loss	(8,437)	—	(8,437)
Fair value at June 30, 2016	$ (8,493)	$ —	$ (8,493)

As of June 30, 2016 and December 31, 2015, the Company had outstanding interest rate swaps with aggregate notional amounts of $425.0 million and $199.4 million, respectively, designated as cash flow hedges. As of June 30, 2016, the Company's swaps had a weighted average remaining term of approximately 4.3 years. The fair value of these swaps are presented within accounts payable and accrued liabilities and other assets in the Company's balance sheets, and the Company recognizes any changes in the fair value as an adjustment of accumulated other comprehensive loss within equity to the extent of their effectiveness. If the forward rates at June 30, 2016 remain constant, the Company estimates that during the next 12 months, the Company would reclassify into earnings approximately $3.6 million of the unrealized losses included in accumulated other comprehensive loss. If market interest rates increase above the 1.34% weighted average fixed rate under these interest rate swaps the Company will benefit from net cash payments due to it from the counterparty to the interest rate swaps.

There were no transfers between levels during the six months ended June 30, 2016 and 2015. 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 June 30, 2016, 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, and accounts payable and accrued liabilities reflected in the balance sheets at June 30, 2016 and December 31, 2015, 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 June 30, 2016 and December 31, 2015 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 $213.3 million as of June 30, 2016 with a fair value of approximately $238.5 million. In determining the fair value, the Company estimated a weighted average market interest rate of approximately 2.96%, compared to the weighted average contractual interest rate of 5.28%. The combined principal balance of the Company's fixed rate mortgages was approximately $176.9 million as of December 31, 2015 with a fair value of approximately $189.3 million. In determining the fair value as of December 31, 2015, the Company estimated a weighted average market interest rate of approximately 3.41%, compared to the weighted average contractual interest rate of 5.10%.

12. SUBSEQUENT EVENTS

Self Storage Property Acquisitions

In July and August 2016, the Company acquired 26 self storage properties for approximately $167.6 million. Consideration for these acquisitions included approximately $165.8 million of cash, OP equity of approximately $1.1 million (consisting of the issuance of 49,230 OP Units) and the assumption of $0.7 million of other working capital liabilities. Of these acquisitions, one was acquired by the Company from a PRO and 25 were acquired by the Company from third-party sellers. In connection with these acquisitions, the Company incurred $0.3 million of expenses, payable to certain PROs, for due diligence costs related to the self storage properties sourced by the PROs.

Common Share Offering

On July 6, 2016, the Company closed a follow-on public offering of 12,046,250 of its common shares, which included 1,571,250 common shares sold upon the exercise in full by the underwriters of their option to purchase additional shares, at a public offering price of $20.75 per share. The Company received aggregate net proceeds from the offering of approximately $237.7 million after deducting the underwriting discount and estimated offering expenses.

The Company contributed the net proceeds from this follow-on offering to its operating partnership which used the proceeds to repay outstanding borrowings under the Revolver and to fund the acquisition of self storage properties.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

We 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.

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 the ability of our acquisitions to achieve underwritten capitalization rates and our ability to execute on our acquisition pipeline;*
- *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 contributed 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 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;*
- *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 qualify, and maintain our qualification, as a REIT for U.S. federal income tax purposes;*
- *availability of qualified personnel;*
- *the timing of conversions of subordinated performance units in our operating partnership and subsidiaries of our operating partnership into 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;*

- *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 the Company's Annual Report on Form 10-K filed with the SEC on March 10, 2016 (the "Annual Report"), 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. 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.

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 intend to elect 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 metropolitan statistical areas throughout the United States.

Our chairman and 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' contributed portfolios. This structure offers our PROs a unique opportunity to serve as regional property managers for their contributed properties and directly participate in the potential upside of those properties while simultaneously diversifying their investment to include a broader portfolio of self storage properties.

Our PROs

The Company had seven PROs as of June 30, 2016: SecurCare, Northwest, Optivest, Guardian, Move It, Storage Solutions, and Hide Away. 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 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 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 properties. 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.

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 June 30, 2016, we owned a geographically diversified portfolio of 318 self storage properties, located in 18 states, comprising approximately 18.7 million rentable square feet, configured in approximately 149,000 storage units. Of these properties, 233 were acquired by us from our PROs and 85 were acquired by us from third-party sellers.

During the six months ended June 30, 2016, we acquired 42 self storage properties with an aggregate fair value of $288.0 million, comprising approximately 3.0 million rentable square feet, configured in approximately 27,000 storage units. Of these acquisitions, 19 were acquired by us from our PROs and 23 were acquired by us from third-party sellers.

In July and August 2016, we acquired 26 self storage properties for approximately $167.6 million, comprising approximately 1.8 million rentable square feet, configured in approximately 15,000 storage units. Of these acquisitions, one was acquired by us from a PRO and 25 were acquired by us from third-party sellers.

Results of Operations

When reviewing our results of operations it is important to consider the timing of acquisition activity. We acquired 42 self storage properties during the six months ended June 30, 2016 and 58 self storage properties during the year ended December 31, 2015. 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 for the entirety of the applicable periods presented, excluding any properties we sold or where we completed a storage space expansion which caused the property's year-over-year operating results to no longer be comparable. As of June 30, 2016, our same store portfolio consisted of 222 self storage properties. We owned 96 self storage properties that did not yet meet the same store portfolio criteria as of June 30, 2016, which included 95 self storage properties that we acquired subsequent to January 1, 2015 and a property we expanded during 2015 which caused the property'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 should be read in conjunction with the accompanying consolidated financial statements in Item 1. 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.

Three Months Ended June 30, 2016 compared to the Three Months Ended June 30, 2015

Net income was $6.0 million for the three months ended June 30, 2016, compared to $0.1 million for the three months ended June 30, 2015, an increase of $5.9 million. The increase was primarily due to an increase in net operating income ("NOI") resulting from an additional 73 self storage properties acquired between July 1, 2015 and June 30, 2016 and same store NOI growth, partially offset by increases in depreciation and amortization, interest expense, and acquisition costs. For a description of NOI, see "*Non-GAAP Financial measures – NOI*".

The following table illustrates the changes in rental revenue, other property-related revenue, property operating expenses, and other expenses for the three months ended June 30, 2016 compared to the three months ended June 30, 2015 (dollars in thousands):

	Three Months Ended June 30,		
	2016	2015	Change
Rental revenue			
Same store portfolio	$ 30,815	$ 28,358	$ 2,457
Non-Same store portfolio	14,969	2,274	12,695
Total rental revenue	45,784	30,632	15,152
Other property-related revenue			
Same store portfolio	972	948	24
Non-Same store portfolio	528	70	458
Total other property-related revenue	1,500	1,018	482
Total revenue	47,284	31,650	15,634
Property operating expenses			
Same store portfolio	10,219	9,834	385
Non-Same store portfolio	5,238	992	4,246
Total property operating expenses	15,457	10,826	4,631
General and administrative expenses	4,837	4,187	650
Depreciation and amortization	13,088	9,974	3,114
Total operating expenses	33,382	24,987	8,395
Income from operations	13,902	6,663	7,239
Other (income) expense			
Interest expense	5,844	4,824	1,020
Loss on early extinguishment of debt	136	914	(778)
Acquisition costs	1,708	719	989
Non-operating expense	169	113	56
Other (income) expense	7,857	6,570	1,287
Net income	6,045	93	5,952
Net loss attributable to noncontrolling interests	1,325	3,371	(2,046)
Net income attributable to National Storage Affiliates Trust	$ 7,370	$ 3,464	$ 3,906

Total Revenue

Our total revenue increased by $15.6 million, or 49.4%, for the three months ended June 30, 2016, as compared to the three months ended June 30, 2015. This increase was primarily attributable to incremental revenue from 73 self storage properties we acquired between July 1, 2015 and June 30, 2016, increased market rates and fees, regular rental increases for in-place tenants, and an increase in total portfolio average occupancy from 87.7% to 90.4%. 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 $15.2 million, or 49.5%, for the three months ended June 30, 2016, as compared to the three months ended June 30, 2015. The increase in rental revenue was due to a $12.7 million increase in non-same store revenue which was primarily attributable to incremental rental revenue of $6.9 million from 48 self storage properties acquired between July 1, 2015 and March 31, 2016, and $4.7 million from 25 self storage properties acquired during the three months ended June 30, 2016. Same store portfolio rental revenues increased $2.5 million, or 8.7%, due to a 4.5% increase, from $10.55 to $11.03, in same store rental revenue divided by average occupied square feet

("rental revenue per occupied square foot"), driven primarily by a combination of increased contractual lease rates and fees, and a 3.4% increase in same store average occupancy from 87.5% to 90.9%.

Other Property-Related Revenue

Other property-related revenue represents ancillary income from our self storage properties, such as tenant insurance-related access fees and commissions and sales of storage supplies. Other property-related revenue increased by $0.5 million, or 47.3%, for the three months ended June 30, 2016, as compared to the three months ended June 30, 2015. This increase resulted from a $0.5 million increase in non-same store other property-related revenue which was primarily attributable to incremental other property-related revenue of $0.3 million from 48 self storage properties acquired between July 1, 2015 and March 31, 2016.

Total Operating Expenses

Total operating expenses for the three months ended June 30, 2016 were $33.4 million compared to $25.0 million for the three months ended June 30, 2015, an increase of $8.4 million, or 33.6%. As discussed below, this change was primarily due to an increase of $4.6 million in property operating expenses, $0.7 million in general and administrative expenses, and $3.1 million in depreciation and amortization.

Property Operating Expenses

Property operating expenses were $15.5 million for the three months ended June 30, 2016 compared to $10.8 million for the three months ended June 30, 2015, an increase of $4.6 million, or 42.8%. This increase resulted from a $4.2 million increase in non-same store property operating expenses that was primarily attributable to incremental property operating expenses of $2.4 million from 48 self storage properties acquired between July 1, 2015 and March 31, 2016 and $1.7 million from 25 self storage properties acquired during the three months ended June 30, 2016. In addition, same store portfolio property operating expenses increased $0.4 million, or 3.9%, due to increases in personnel and related costs, bad debt expense, property taxes and advertising costs, partially offset by decreases in maintenance expenses.

General and Administrative Expenses

General and administrative expenses increased $0.7 million, or 15.5%, for the three months ended June 30, 2016, compared to the three months ended June 30, 2015. This increase was attributable to an increase in administrative fees charged by our PROs of $0.9 million primarily as a result of incremental fees related to the 73 properties we acquired from July 1, 2015 to June 30, 2016, and $0.1 million of professional fees. These increases were partially offset by a $0.5 million decrease in equity-based compensation expense.

Depreciation and Amortization

Depreciation and amortization increased $3.1 million, or 31.2%, for the three months ended June 30, 2016, compared to the three months ended June 30, 2015. This increase was primarily attributable to incremental depreciation expense of $2.0 million from 48 self storage properties acquired between July 1, 2015 and March 31, 2016, and $1.0 million from 25 self storage properties acquired during the three months ended June 30, 2016. In addition, amortization of customer in-place leases decreased $0.4 million from $3.3 million for the three months ended June 30, 2015 to $2.9 million for the three months ended June 30, 2016. Customer in-place leases are amortized over the 12-month period following the respective acquisition dates of our self storage properties. As of June 30, 2016, the unamortized balance of customer in-place leases totaled $6.3 million.

Interest Expense

Interest expense increased $1.0 million, or 21.1%, for the three months ended June 30, 2016, compared to the three months ended June 30, 2015. The increase in interest expense was primarily attributable to the assumption of fixed-rate mortgages in connection with self storage property acquisitions and increases in outstanding borrowings, partially offset by a $0.2 million decrease in amortization of debt issuance costs and lower interest rates.

Loss On Early Extinguishment of Debt

Loss on early extinguishment of debt decreased $0.8 million, or 85.1%, for the three months ended June 30, 2016, compared to the three months ended June 30, 2015. During the three months ended June 30, 2016, in connection with the amendment to our credit facility, one of the lenders that was included in the syndicated group of lenders prior to the amendment is no longer a participating lender following the amendment, which constitutes an extinguishment of debt for accounting purposes. As a result, we wrote off $0.1 million of unamortized debt issuance costs, which is the amount attributed to the entity no longer included in the lender syndicate. Loss on early extinguishment of debt during the three months ended June 30, 2015 relates to the payoff of several debt instruments in connection with the Company's initial public offering.

Acquisition Costs

Acquisition costs increased $1.0 million, or 137.6%, for the three months ended June 30, 2016, compared to the three months ended June 30, 2015. This increase was primarily due to an increase in legal and consulting fees and other costs incurred to identify, qualify, and close on the acquisition of a large volume of properties with our PROs and other parties.

Net Loss Attributable to Noncontrolling Interests

We allocate GAAP income (loss) utilizing the hypothetical liquidation at book value ("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 loss attributable to noncontrolling interests was $1.3 million for the three months ended June 30, 2016, compared to $3.4 million for the three months ended June 30, 2015.

Six Months Ended June 30, 2016 compared to the Six Months Ended June 30, 2015

Net income was $10.8 million for the six months ended June 30, 2016, compared to net loss of $2.7 million for the six months ended June 30, 2015, an increase of $13.5 million. The increase was primarily due to an increase in NOI resulting from an additional 73 self storage properties acquired between July 1, 2015 and June 30, 2016, same store NOI growth and reductions in interest expense, partially offset by increases in depreciation and amortization, acquisition costs and general and administrative expenses.

The following table illustrates the changes in rental revenue, other property-related revenue, property operating expenses, and other expenses for the six months ended June 30, 2016 compared to the six months ended June 30, 2015 (dollars in thousands):

	Six Months Ended June 30,		
	2016	**2015**	**Change**
Rental revenue			
Same store portfolio	$ 60,425	$ 55,461	$ 4,964
Non-Same store portfolio	23,860	2,589	21,271
Total rental revenue	84,285	58,050	26,235
Other property-related revenue			
Same store portfolio	1,862	1,811	51
Non-Same store portfolio	786	80	706
Total other property-related revenue	2,648	1,891	757
Total revenue	86,933	59,941	26,992
Property operating expenses			
Same store portfolio	20,360	19,510	850
Non-Same store portfolio	8,374	1,158	7,216
Total property operating expenses	28,734	20,668	8,066
General and administrative expenses	9,172	7,800	1,372

	Six Months Ended June 30,		
	2016	2015	Change
Depreciation and amortization	23,980	19,851	4,129
Total operating expenses	61,886	48,319	13,567
Income from operations	25,047	11,622	13,425
Other (income) expense			
Interest expense	10,785	11,806	(1,021)
Loss on early extinguishment of debt	136	914	(778)
Acquisition costs	2,996	1,318	1,678
Organizational and offering expenses	—	58	(58)
Non-operating expense	283	204	79
Other (income) expense	14,200	14,300	(100)
Net income (loss)	10,847	(2,678)	13,525
Net (income) loss attributable to noncontrolling interests	(1,267)	6,142	(7,409)
Net income attributable to National Storage Affiliates Trust	$ 9,580	$ 3,464	$ 6,116

Total Revenue

Our total revenue increased by $27.0 million, or 45.0%, for the six months ended June 30, 2016, as compared to the six months ended June 30, 2015. This increase was primarily attributable to incremental rental revenue from 73 self storage properties we acquired between July 1, 2015 and June 30, 2016, an increase in average total portfolio occupancy from 86.4% to 89.6%, increased market rates and fees, and regular rental increases for in-place tenants.

Rental Revenue

Rental revenue increased by $26.2 million, or 45.2%, for the six months ended June 30, 2016, as compared to the six months ended June 30, 2015. The increase in rental revenue was primarily due to a $21.3 million increase in non-same store rental revenue which was attributable to incremental rental revenue of $9.3 million from 31 self storage properties acquired between July 1, 2015 and December 31, 2015, and $8.0 million from 42 self storage properties acquired during the six months ended June 30, 2016. Same store portfolio rental revenues increased $5.0 million, or 9.0%, due to a 4.3% increase in same store rental rental revenue per occupied square foot from $10.46 to $10.91, driven primarily by a combination of increased contractual lease rates and fees, and an increase in average occupancy from 86.3% to 90.1%.

Other Property-Related Revenue

Other property-related revenue increased by $0.8 million, or 40.0%, for the six months ended June 30, 2016, as compared to the six months ended June 30, 2015. This increase primarily resulted from a $0.7 million increase in non-same store other property-related revenue which was attributable to incremental other property-related revenue of $0.3 million from 31 self storage properties acquired between July 1, 2015 and December 31, 2015, and $0.2 million from 42 self storage properties acquired during the six months ended June 30, 2016.

Total Operating Expenses

Total operating expenses increased $13.6 million, or 28.1% for the six months ended June 30, 2016 compared to the six months ended June 30, 2015. As discussed below, this change was primarily due to an increase of $8.1 million in property operating expenses, $1.4 million in general and administrative expenses, and $4.1 million in depreciation and amortization.

Property Operating Expenses

Property operating expenses increased $8.1 million, or 39.0%, for the six months ended June 30, 2016 compared to the six months ended June 30, 2015. This increase resulted from a $7.2 million increase in non-same store property operating expenses attributable to incremental property operating expenses of $3.0 million from 31 self storage properties acquired between July 1, 2015 and December 31, 2015, and $3.0 million from 42 self storage properties acquired during the six months ended June 30, 2016. In addition, same store portfolio property operating expenses

increased $0.9 million, or 4.4%, due to increases in personnel and related costs, bad debt expense and property taxes, partially offset by decreases in maintenance expenses and utilities.

General and Administrative Expenses

General and administrative expenses increased $1.4 million, or 17.6%, for the six months ended June 30, 2016, compared to the six months ended June 30, 2015. This increase was attributable to increases in administrative fees charged by our PROs of $1.5 million, $0.3 million in salaries and benefits and $0.1 million in costs associated with periodic SEC reporting and other compliance matters. These increases were partially offset by a $0.5 million decrease in equity-based compensation expense.

Supervisory and administrative fees charged by our PROs totaled $4.9 million and $3.4 million for the six months ended June 30, 2016 and 2015, respectively, an increase of $1.5 million. The increase was primarily attributable to incremental fees related to the 73 properties we acquired from July 1, 2015 to June 30, 2016.

Depreciation and Amortization

Depreciation and amortization increased $4.1 million, or 20.8%, for the six months ended June 30, 2016, compared to the six months ended June 30, 2015. This increase was attributable to incremental depreciation expense of $2.7 million from 31 self storage properties acquired between July 1, 2015 and December 31, 2015, and $2.1 million from 42 self storage properties acquired during the six months ended June 30, 2016. In addition, amortization of customer in-place leases decreased $1.8 million from $6.9 million for the six months ended June 30, 2015 to $5.1 million for the six months ended June 30, 2016. Customer in-place leases are amortized over the 12-month period following the respective acquisition dates of our self storage properties. As of June 30, 2016, the unamortized balance of customer in-place leases totaled $6.3 million.

Interest Expense

Interest expense decreased $1.0 million, or 8.6%, for the six months ended June 30, 2016, compared to the six months ended June 30, 2015. The decrease in interest expense was primarily due to a $0.6 million decrease in amortization of debt issue costs, a $0.2 million increase in amortization of debt premiums and lower rates.

Loss On Early Extinguishment of Debt

Loss on early extinguishment of debt decreased $0.8 million, or 85.1%, for the six months ended June 30, 2016, compared to the six months ended June 30, 2015. During the six months ended June 30, 2016, in connection with the amendment to our credit facility, one of the lenders that was included in the syndicated group of lenders prior to the amendment is no longer a participating lender following the amendment, which constitutes an extinguishment of debt for accounting purposes. As a result, we wrote off $0.1 million of unamortized debt issuance costs, which is the amount attributed to the entity no longer included in the lender syndicate. Loss on early extinguishment of debt during the six months ended June 30, 2015 relates to the payoff of several debt instruments in connection with the Company's initial public offering.

Acquisition Costs

Acquisition costs increased $1.7 million, or 127.3%, for the six months ended June 30, 2016, compared to the six months ended June 30, 2015. This increase was primarily due to an increase in consulting fees and other costs incurred to identify, qualify, and close acquisition properties with our PROs and other parties.

Net Loss Attributable to Noncontrolling Interests

We allocate GAAP income (loss) utilizing the hypothetical liquidation at book value ("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 $1.3 million for the six months ended June 30, 2016, compared to a net loss of $6.1 million for the six months ended June 30, 2015. We did not have an ownership interest or share in our operating partnership's profits and losses prior to the completion of our initial public offering. As a result, all of the operating partnership's profits and losses for the period from January 1, 2015 to April 28, 2015 were allocated to noncontrolling interests.

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 April 2002 National Policy Bulletin of NAREIT, which we refer to as the White Paper, as amended, defines FFO as net income (loss) (as determined under GAAP), excluding gains (or losses) from sales of real estate and related impairment charges, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. We include amortization of customer in-place leases in real estate depreciation and amortization in the calculation of FFO because we believe the amortization of customer in-place leases is analogous to real estate depreciation, as the value of such intangibles is inextricably connected to the real estate acquired. 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 the purpose of calculating FFO attributable to common shareholders, OP unitholders, and LTIP unitholders. 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 and gains (losses) on early extinguishment of debt.

Management uses FFO and Core FFO as a key performance indicator 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 three and six months ended June 30, 2016 and 2015 (in thousands, except per share and unit amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income (loss)	**$ 6,045**	**$ 93**	**$ 10,847**	**$ (2,678)**
Add (subtract):				
Real estate depreciation and amortization	12,935	9,889	23,714	19,695
FFO attributable to subordinated performance unitholders [1]	(6,150)	(3,144)	(10,493)	(6,419)
FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	**12,830**	**6,838**	**24,068**	**10,598**
Add:				
Acquisition costs	1,708	719	2,996	1,318
Organizational and offering expenses	—	—	—	58
Loss on early extinguishment of debt	136	914	136	914
Core FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	**$ 14,674**	**$ 8,471**	**$ 27,200**	**$ 12,888**
Weighted average shares and units outstanding - FFO and Core FFO: [2]				
Weighted average shares outstanding - basic	23,078	15,517	23,041	7,802
Weighted average restricted common shares outstanding	19	—	18	—
Weighted average OP units outstanding	24,733	20,208	23,484	19,710
Weighted average DownREIT OP unit equivalents outstanding	1,835	1,415	1,835	1,401
Weighted average LTIP units outstanding [3]	2,558	1,553	2,507	781
Total weighted average shares and units outstanding - FFO and Core FFO	**52,223**	**38,693**	**50,885**	**29,694**
FFO per share and unit	**$ 0.25**	**$ 0.18**	**$ 0.47**	**$ 0.36**
Core FFO per share and unit	**$ 0.28**	**$ 0.22**	**$ 0.53**	**$ 0.43**

(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 (2) in 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) LTIP units have been excluded from the calculations of weighted average shares and units outstanding prior to April 28, 2015 because such units did not participate in distributions prior to the Company’s initial public offering.

The following table presents a reconciliation of earnings (loss) per share - diluted to FFO and Core FFO per share and unit for the three and six months ended June 30, 2016 and 2015:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Earnings (loss) per share - diluted	**$ 0.08**	**$ —**	**$ 0.15**	**$ —**
Impact of the difference in weighted average number of shares[1]	0.04	—	0.06	—
Impact of GAAP accounting for noncontrolling interests, two-class method and treasury stock method[2]	—	—	—	(0.08)
Add real estate depreciation and amortization	0.25	0.26	0.47	0.66
FFO attributable to subordinated performance unitholders	(0.12)	(0.08)	(0.21)	(0.22)
FFO per share and unit	**0.25**	**0.18**	**0.47**	**0.36**
Add acquisition costs, organizational and offering expenses, and loss on early extinguishment of debt	0.03	0.04	0.06	0.07
Core FFO per share and unit	**$ 0.28**	**$ 0.22**	**$ 0.53**	**$ 0.43**

(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 around the conversion of subordinated performance units and DownREIT subordinated performance units into OP units, see Note 8 in Item 1. 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 and the application of the two-class method and treasury stock method, as described in footnote [1].

NOI

We define NOI as net income (loss), as determined under GAAP, plus general and administrative expense, depreciation and amortization, interest expense, loss on early extinguishment of debt, acquisition costs, organizational and offering expenses, impairment of long-lived assets, losses on the sale of properties and non-operating expense and by subtracting gains on sale of properties, debt forgiveness, and non-operating income. 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 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, income from operations and net loss.

The following table presents a reconciliation of net income (loss) to NOI for the three and six months ended June 30, 2016 and 2015 (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income (loss)	**$ 6,045**	**$ 93**	**$ 10,847**	**$ (2,678)**
Add:				
General and administrative expenses	4,837	4,187	9,172	7,800
Depreciation and amortization	13,088	9,974	23,980	19,851
Interest expense	5,844	4,824	10,785	11,806
Loss on early extinguishment of debt	136	914	136	914
Acquisition costs	1,708	719	2,996	1,318
Organizational and offering expenses	—	—	—	58
Non-operating expense	169	113	283	204
Net Operating Income	**$ 31,827**	**$ 20,824**	**$ 58,199**	**$ 39,273**

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. 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; and by subtracting gains on sale of properties and debt forgiveness. 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 its usefulness as a comparative measure.

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, income from operations, and net income (loss).

The following table presents a reconciliation of net income (loss) to EBITDA and Adjusted EBITDA for the three and six months ended June 30, 2016 and 2015 (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income (loss)	**$ 6,045**	**$ 93**	**$ 10,847**	**$ (2,678)**
Add:				
Depreciation and amortization	13,088	9,974	23,980	19,851
Interest expense	5,844	4,824	10,785	11,806
Loss on early extinguishment of debt	136	914	136	914
EBITDA	**25,113**	**15,805**	**45,748**	**29,893**
Add:				
Acquisition costs	1,708	719	2,996	1,318
Organizational and offering expenses	—	—	—	58
Equity-based compensation expense (1)	630	1,083	1,228	1,721
Adjusted EBITDA	**$ 27,451**	**$ 17,607**	**$ 49,972**	**$ 32,990**

(1) Equity-based compensation expense is a non-cash item that is included in general and administrative expenses in our consolidated statements of operations.

Liquidity and Capital Resources

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 our unsecured credit facility.

Our short-term liquidity requirements consist primarily of property operating expenses, property acquisitions, capital expenditures, general and administrative expenses, acquisition pursuit costs and principal and interest on our outstanding indebtedness. A further short-term liquidity requirement relates to distributions to our shareholders and holders of OP units, subordinated performance 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.

As discussed in Note 6 in Item 1, on May 6, 2016, we entered into an amended and restated agreement with a syndicated group of lenders with respect to our credit facility. The amendment increased the borrowing capacity of the credit facility by $125.0 million for a total credit facility of $675.0 million, consisting of three components: (i) a Revolver which provides for a total borrowing commitment up to $350.0 million, whereby we may borrow, repay and re-borrow amounts under the revolving line of credit, (ii) a $225.0 million Term Loan A, and (iii) a $100.0 million Term Loan B. The Revolver matures in May 2020; provided that we may elect to extend the maturity to May 2021 by paying an extension fee of 0.15% 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 May 2021 and the Term Loan B matures in May 2022. None of the Facilities is subject to any scheduled reduction or amortization payments prior to maturity.

As of June 30, 2016, $225.0 million was outstanding under the Term Loan A with an effective interest rate of 2.61%, $100.0 million was outstanding under the Term Loan B with an effective interest rate of 3.15%, and $109.9 million was outstanding under the Revolver with an effective interest rate of 1.87%. As of June 30, 2016, we would have had the capacity to borrow the full remaining Revolver commitments of $240.1 million while remaining in compliance with the Facilities' financial covenants as described in Note 6 in Item 1.

Our long-term liquidity needs consist primarily of the repayment of debt, property acquisitions, and capital expenditures. 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. As discussed in Note 6 in Item 1, on June 30, 2016, we entered into a credit agreement with a syndicated group of lenders to make available a Term Loan Facility in an aggregate amount of $100.0 million with an effective interest rate of 3.08% as of June 30, 2016. The Term Loan Facility is expected to mature in June 2023. The entire outstanding principal amount of, and all accrued but unpaid interest, is due on the maturity date. We have an expansion option under the Term Loan Facility, which, if exercised in full, would provide for a total Term Loan Facility in an aggregate amount of $200.0 million. We are required to comply with the same financial, customary affirmative and negative covenants under the Term Loan Facility as we are with the Facilities.

We acquire properties through the use of cash, OP units and subordinated performance units in our operating partnership or DownREIT partnerships. 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, as a new public company, we cannot assure you that this will be the case.

At June 30, 2016, we had $9.9 million in cash and cash equivalents and $3.9 million of restricted cash, an increase in cash and cash equivalents of $3.3 million and an increase in restricted cash of $1.2 million from December 31, 2015. 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 1 of this report.

Cash Flows From Operating Activities

Cash provided by our operating activities was $39.7 million for the six months ended June 30, 2016 compared to $21.0 million for the six months ended June 30, 2015, an increase of $18.6 million. Our operating cash flow increased primarily due to 31 self storage properties that were acquired between July 1, 2015 and December 31, 2015 that generated cash flow for the entire six months ended June 30, 2016, and an additional 42 self storage properties acquired during the six months ended June 30, 2016. Because these 73 self storage properties were acquired after June 30, 2015, our operating results for the six months ended June 30, 2015 were not impacted by them. The increase in our operating cash flows from these acquisitions was also due to lower cash payments for interest partially offset by higher cash payments for general and administrative expenses and acquisition costs.

Cash Flows From Investing Activities

Cash used in investing activities was $130.3 million for the six months ended June 30, 2016 compared to $49.5 million for the six months ended June 30, 2015. The primary uses of cash for the six months ended June 30, 2016 were for our acquisition of 42 self storage properties for cash consideration of $123.9 million, and capital expenditures of $4.0 million. The primary uses of cash for the six months ended June 30, 2015 were for our acquisition of 27 self storage properties for cash consideration of $47.5 million and capital expenditures of $2.0 million.

Capital expenditures totaled $4.0 million and $2.0 million during the six months ended June 30, 2016 and 2015, 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;
- revenue 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.

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 six months ended June 30, 2016 and 2015, are presented below (dollars in thousands):

	Six Months Ended June 30,	
	2016	2015
Recurring capital expenditures	$ 1,506	$ 1,079
Revenue enhancing capital expenditures	930	693
Acquisitions capital expenditures	1,675	142
Total capital expenditures	4,111	1,914
Decrease in accrued capital spending	(139)	86
Capital expenditures per statement of cash flows	$ 3,972	$ 2,000

Cash Flows From Financing Activities

Cash provided by our financing activities was $93.9 million for the six months ended June 30, 2016 compared to cash provided by our financing activities of $25.6 million for the six months ended June 30, 2015. Our sources of financing cash flows for the six months ended June 30, 2016 primarily consisted of $281.5 million of borrowings under our credit facility and $100.0 million of borrowings under our Term Loan Facility. Our primary uses of financing cash flows for the six months ended June 30, 2016 were for principal payments on existing debt of $252.6 million (which included $234.5 million of principal repayments under the Revolver, $16.0 million of fixed rate mortgage principal payoffs and $2.1 million of scheduled fixed rate mortgage principal payments), distributions to noncontrolling interests of $21.7 million, and distributions to common shareholders of $9.7 million. Our sources of financing cash flows for the six months ended June 30, 2015 primarily consisted of $278.1 million of proceeds from the completion of our initial public offering and $21.0 million of borrowings under our credit facility. Our primary uses of financing cash flows for the six months ended June 30, 2015 were for principal payments on existing debt of $257.1 million and distributions to limited partners of our operating partnership of $14.7 million.

In connection with the 42 properties acquired during the six months ended June 30, 2016, we issued OP equity of $100.1 million (consisting of 3,372,531 OP units, 1,606,105 subordinated performance units and the vesting of 26,200 LTIP units previously issued), assumed mortgage with balances of $61.6 million ($12.2 million of which were subsequently repaid during the six months ended June 30, 2016), and paid cash of $124.6 million.

On May 26, 2016, our board of trustees declared a cash dividend and distribution, respectively, of $0.22 per common share and OP unit. Such distributions were paid on June 30, 2016 to shareholders and OP unitholders of record as of June 15, 2016. On June 14, 2016, our board of trustees declared cash distributions of $6.2 million, in the aggregate, to subordinated performance unitholders of record as of June 15, 2016. Such distributions were paid on June 30, 2016.

During the six months ended June 30, 2016, after receiving notices of redemption from certain holders of OP units, we elected to issue 206,402 common shares to such holders in exchange for 206,402 OP units in satisfaction of the operating partnership's redemption obligations.

On July 6, 2016, we closed a follow-on public offering of 12,046,250 of our common shares, which included 1,571,250 common shares sold upon the exercise in full by the underwriters of their option to purchase additional common shares, at a public offering price of $20.75 per share. We received aggregate net proceeds from the offering of approximately $237.7 million after deducting the underwriting discount and estimated offering expenses. We contributed the net proceeds from this follow-on offering to our operating partnership which used the proceeds to repay outstanding borrowings under the Revolver and to fund the acquisition of self storage properties.

In July and August 2016, we acquired 26 self storage properties for approximately $167.6 million. Consideration for these acquisitions included approximately $165.8 million of cash, OP equity of approximately $1.1 million (consisting of the issuance of 49,230 OP Units) and the assumption of $0.7 million of other working capital liabilities.

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 may 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 holders of OP units and to the holders of series of subordinated performance units that relate to such property portfolio as follows:

First, an amount is allocated to holders of OP units in order to provide holders of OP units (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 June 30, 2016, our operating partnership had an aggregate of $645.3 million of such unreturned capital contributions with respect to common shareholders, OP unitholders, and 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 June 30, 2016, an aggregate of $176.8 million of such unreturned capital contributions has been allocated to the various series of subordinated performance units.

Thereafter, any additional operating cash flow is allocated to holders of OP units 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 holders of the OP units 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 unit holders and subordinated performance unit holders 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 holders of OP units (or paid as dividends to holders of our common shares). Any distribution of operating cash flow allocated to the holders of OP units 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 holders of OP units 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 holders of OP units in order to provide holders of OP units (together with any prior allocations of operating cash flow) with a cumulative preferred allocation on the unreturned capital contributions attributed to the holders of OP units 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 is allocated to holders of OP units 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 holders of the OP units or may cause our operating partnership to retain such amounts to be used by our operating partnership for any purpose, including additional acquisitions through the use of 1031 exchanges. 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 unit holders and subordinated performance unit holders 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 holders of OP units (or paid as dividends to holders of our common shares). Any distribution of capital transaction proceeds allocated to the holders of OP units will be made at our discretion (and paid as dividends to holders of our common shares at the discretion of our board of trustees).

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

We do not currently 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 June 30, 2016, we have not guaranteed any obligations of unconsolidated entities nor do we have any commitments or intent to provide funding to any such entities. Accordingly, we are not materially exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in these relationships.

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.

ITEM 3. 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 June 30, 2016, we had $109.9 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 increase or decrease future earnings and cash flows by approximately $1.1 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 4. Controls and Procedures

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's chief executive officer and chief financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, the chief executive officer and chief financial officer concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this report, are effective.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

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

ITEM 1A. Risk Factors

For a discussion of our potential risks and uncertainties, see the Company's Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on March 10, 2016 under the heading Item 1A. "Risk Factors" beginning on page 13, which is accessible on the SEC's website at www.sec.gov. During the six months ended June 30, 2016, there have been no material changes to such risk factors disclosed in our Annual Report on Form 10-K filed with the SEC on March 10, 2016.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

During the three months ended June 30, 2016, we did not sell any equity securities that are not registered under the Securities Act of 1933, as amended, except as previously disclosed in Current Reports on Form 8-K.

Use of Proceeds

Not applicable.

Issuer Purchases of Equity Securities

Not applicable.

ITEM 3. Defaults Upon Senior Securities

Not applicable.

ITEM 4. Mine Safety Disclosures

Not applicable.

ITEM 5. Other Information

Not applicable.

ITEM 6. Exhibits

The following exhibits are filed with this report:

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	Amended and Restated Bylaws of National Storage Affiliates Trust (Exhibit 3.2 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, 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 by reference)
10.1*	Partnership Unit Designation of Series HA Class B OP Units of NSA OP, LP
10.2*	Facilities Portfolio Management Agreement, dated April 1, 2016, by and among (i) NSA OP, LP, (ii) the property owners listed therein (iii) the property owners listed as "Deferred Management Property Owners" therein (iv) Hide-Away Storage Services, Inc., a Florida Corporation and, (v) Stephen A. Wilson, Paul Feikema, and Meisha Wilson, each an individual
10.3*	Amended and Restated Credit Agreement dated as of May 6, 2016 by and among NSA OP, LP, and certain of its subsidiaries, as Borrowers, National Storage Affiliates Trust as Guarantor, the lenders from time to time party hereto, KeyBank National Association, as Administrative Agent, with Keybanc Capital Markets Inc. and PNC Capital Markets LLC, as Co-Bookrunners and Co-Lead Arrangers, and PNC Bank, National Association, as Syndication Agent and Wells Fargo Bank, National Association, and U.S. Bank National Association, as Co-Documentation Agents
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*	XBRL (Extensible Business Reporting Language). The following materials from NSA's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016, tagged in XBRL: ((i) condensed consolidated balance sheets; (ii) condensed consolidated statements of operations; (iii) condensed consolidated statements of comprehensive income (loss); (iv) condensed consolidated statement of changes in equity; (v) condensed consolidated statements of cash flows; and (vi) notes to condensed consolidated financial statements.

* Filed herewith.

SIGNATURES

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 thereunto duly authorized.

National Storage Affiliates Trust

By: /s/ ARLEN D. NORDHAGEN

Arlen D. Nordhagen
chairman of the board of trustees, president and chief executive officer
(principal executive officer)

By: /s/ TAMARA D. FISCHER

Tamara D. Fischer
chief financial officer
(principal accounting and financial officer)

Date: August 9, 2016

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

This Partnership Unit Designation (this "**Partnership Unit Designation**") is made as of April 1, 2016 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 HA Class B OP Units (the "**Series HA Class B OP Units**") in accordance with Section 4.3(a) of 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 HA Class B OP Units as follows:

ARTICLE I
SERIES HA 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 HA Class B OP Units."

Section 1.2 **Separate Series**. The Series HA 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 HA 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 HA Facilities Portfolio.

"**Allocated Portfolio Capital Expense Reserve**" means the annual capital reserve funds allocated to capital improvements for the Series HA 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 HA Facilities Portfolio and (b) total capital reserves as determined by a Property Condition Audit for each property in the Series HA 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 HA Facilities Portfolio.

"**Annual FCCR Assessment**" has the meaning set forth in the Facilities Portfolio Management Agreement relating to the Series HA 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 the two-year anniversary of the closing of the Initial Public Offering and ends on the day immediately prior to the three-year anniversary of the closing of the Initial Public Offering, the Applicable Percentage shall be 120%; and (b) begins on the three-year anniversary of the closing of the Initial Public Offering and ends on

the day immediately prior to the four-year anniversary of the closing of the Initial Public Offering, 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 SC Facilities Portfolio or the Series HA Class B OP Units, the Facilities Portfolio Available Revenues from the SC 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 April 1, 2016 by and among (i) NSA OP, LP, a Delaware limited 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, (iv) Hide-Away Storage Services, Inc., a Florida corporation, and (v) Stephen A. Wilson, Paul Feikema, and Meisha Wilson, each an individual.

"**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 HA 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 HA Class B 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 the date that is the earlier of (i) two years after the closing date of the Initial Public Offering of the General Partner, or (ii) in the event that no Series HA Class B OP Units were issued prior to or concurrently with the closing of the Initial Public Offering, the date that is two years after the date that Series HA Class OP Units were first issued after the Initial Public Offering.

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

"**Realization Transaction**" has the meaning set forth in the Third Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of April 28, 2015.

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

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

"**Series HA 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 HA 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 HA Facilities Portfolio Subsidiary or otherwise. The Series HA Facilities Portfolio shall constitute a Facilities Portfolio within the meaning of the Partnership Agreement, and the Series HA Facilities Portfolio shall correspond to the Series HA 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 HA Class B OP Units of the Partnership in respect of the Series HA 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 HA Class B OP Units in respect of the Series HA 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 HA Class B OP Units of any change in the amount of capital contributions attributed to the holders the Class A OP Units or the Series HA Class B OP Units in respect of the Series HA Facilities Portfolio.

ARTICLE IV
CONVERSIONS

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

(a) On or after the Lockup Expiration Date, each holder of Series HA 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 HA Class B OP Units held by such holder (such Series HA 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 HA 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 HA Class B OP Units which are subject to the Voluntary Conversion (a "**Notice of Conversion**"). To the extent that the number of Series HA Class B OP Units specified in a Notice of Conversion exceeds the maximum Qualifying Number of Units, the number of Series HA 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 HA Class B OP 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 HA Class B 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 HA Class B OP Units so converted, to receive any distributions with respect to the Series HA 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 HA Class B OP Units to convert all of such holders' Series HA 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 HA Class B OP Units (the "**Non-Voluntary Converting Partner**") shall be deemed to have irrevocably agreed to convert such holders' Series HA Class OP Units. Non-Voluntary Conversions will be deemed effective as of the date of the Non-Voluntary Conversion Notice. The holders of Series HA Class B OP Units shall have no right, with respect to any Series HA Class B OP Units so converted, to receive any distributions with respect to the Series HA 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 HA 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 HA 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 HA 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 HA 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 HA Class B OP Units may effect a Voluntary Conversion for less than 1,000 Series HA Class B OP Units or, if such holder holds less than 1,000 Series HA Class B OP Units, all of the Series HA 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 HA Class B OP Units subject to any Voluntary Conversion or Non-Voluntary Conversion, respectively, and be treated as a Holder of the applicable Series HA 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 HA 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 HA 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 HA 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 HA 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 HA Facilities Portfolio.

Section 6.3 **Amendments**. Prior to a Realization Transaction, this Partnership Unit Designation and the Schedules hereto may be amended by the General Partner without the consent of any Limited Partner, including any holder of Class A OP Units or Series HA Class B OP Units, provided that substantially similar amendments or amendments with substantially similar effects are adopted by the General Partner in respect of all other series of Class B OP Units established by the Partnership from time to time. Following a Realization Transaction, 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 HA 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 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 HA Class B OP Units. Majority in interest shall be calculated on 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.

* * * * *

FACILITIES PORTFOLIO MANAGEMENT AGREEMENT

This FACILITIES PORTFOLIO MANAGEMENT AGREEMENT (this "Agreement") dated as of April 1, 2016 (the "Effective Date") by and among (i) NSA OP, LP, a Delaware limited partnership (the "Operating 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 hereto (individually and collectively, "Owner" or "Owners"), (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 hereto (individually and collectively, the "Deferred Management Property Owner" or the "Deferred Management Property Owners"), (iv) HIDE-AWAY STORAGE SERVICES, INC., a Florida corporation ("Manager"), and (v) STEPHEN A. WILSON, PAUL FEIKEMA, and MEISHA WILSON, each an individual (together with such other Person(s) who may hereafter become a Key Person pursuant to the terms hereof, collectively, the "Key Persons", and together with Manager, collectively, the "Manager Parties"). Owners, the Deferred Management Property Owners, the Operating Partnership, Manager and the Key Persons are each referred to herein as a "Party", and collectively referred to as the "Parties".

RECITALS

A. The Operating Partnership is the operating partnership of National Storage Affiliates Trust, a Maryland real estate investment trust (the "REIT"), and owns an interest (whether directly or indirectly) in each Owner and each Deferred Management Property Owner.

B. Each Owner owns or leases the self-storage and/or mini-warehouse facilities listed alongside such Owner's name on Exhibit B-1 hereof (collectively, the "Properties" and each a "Property"). Each Deferred Management Property Owner owns or leases the self-storage and/or mini-warehouse facilities listed alongside such Deferred Management Property Owner's name on Exhibit B-2 hereof (collectively, the "Deferred Management Properties" and each a "Deferred Management Property"), which are each subject to an Existing Deferred Management Property Loan the terms of which do not permit the termination, modification or amendment of the applicable existing property management agreement without the consent of the applicable lender.

C. The Key Persons are principals of and/or key advisors to Manager.

D. Prior to the Effective Date, Manager was appointed by Owner and the Operating Partnership to manage one or more of the Properties (collectively, the "Early Contribution Properties") pursuant to the property management agreement listed on Schedule 1 hereof (the "Existing NSA Property Management Agreement").

E. On the Effective Date, Owner, the Operating Partnership and Manager desire to (i) replace the Existing NSA Property Management Agreement for each of the Early Contribution Properties with new asset management agreements in substantially the form of Exhibit D hereto, (ii) enter into new asset management agreements appointing Manager as the property manager for each of the remaining Properties in substantially the form of Exhibit D hereto, and (iii) enter into sales commission agreement with NSA TRS, LLC, a Delaware limited liability company ("NSA TRS"), a subsidiary of the Operating Partnership, appointing Manager as NSA TRS's sales representative for sales of merchandise at the Properties and the Deferred Management Properties in substantially the form of Exhibit F (the "Sales Commission Agreement").

F. Owner, the Operating Partnership and Manager also desire that, upon the applicable Loan Satisfaction Date, each Deferred Management Property shall be managed by Manager pursuant to an asset

management agreement in substantially the form of Exhibit D hereto. Each asset management agreement entered into in accordance with the terms of this Agreement shall be referred to herein, individually, as an "NSA Asset Management Agreement", and collectively, as the "NSA Asset Management Agreements".

G. The Parties also desire to set forth their agreement as to various terms and conditions affecting the entire property portfolio of the Owners and the Deferred Management Property Owners, including, without limitation, compliance with certain income thresholds, termination rights, exclusivity, and additional property acquisitions, all as more particularly set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Parties agree as follows:

ARTICLE 1

DEFINED TERMS

The definitions set forth on Exhibit A hereof shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

ARTICLE 2

COMMENCEMENT AND TERMINATION DATES; NSA ASSET MANAGEMENT AGREEMENTS; DEFERRED MANAGEMENT PROPERTIES; KEY PERSONS; COVERED TERRITORY

2.1 Term. The initial term of this Agreement shall begin on the Effective Date and shall terminate on the date that is three (3) years after the Effective Date (the "Initial Term"), unless the Initial Term is sooner terminated pursuant to the terms and conditions of this Agreement. Upon expiration of the Initial Term, this Agreement shall automatically renew for continuous successive one (1) year terms unless (i) each of the Parties agree to terminate this Agreement by mutual written agreement or (ii) this Agreement is otherwise terminated pursuant to the terms and conditions hereof. The Initial Term and any successive renewal term thereafter shall be referred to herein as the "Term".

2.2 NSA Asset Management Agreements; Sales Commission Agreement.

(a) On the Effective Date, the Parties shall enter into an NSA Asset Management Agreement for each of the Properties so that as of the Effective Date, (i) the Operating Partnership and each Owner, severally and not jointly, shall have appointed Manager as the asset manager for the applicable Owner's Property, and (ii) Manager shall have accepted such appointment thereunder.

(b) Upon the expiration or earlier termination of any one NSA Asset Management Agreement, (i) the Operating Partnership shall amend, without further action or approval by any other Party hereto, Exhibit B-1, to exclude the property subject to such NSA Asset Management Agreement, (ii) the defined term "Properties" shall thereafter exclude the property subject to such NSA Asset Management Agreement; (iii) the defined term "Owner" shall thereafter be deemed amended to exclude the Owner of such Property, and (iv) such Owner shall no longer be deemed to be a party to this Agreement; provided, however, that upon the expiration or earlier termination of all of the NSA Asset Management Agreements, the provisions of Section 4.3 shall apply.

(c) On the Effective Date, the Operating Partnership, NSA TRS, Manager, each Owner and each Deferred Management Property Owner shall also enter into the Sales Commission Agreement so that as of the Effective Date, (i) the Operating Partnership, NSA TRS, each Owner and each Deferred Management Property Owner shall have appointed Manager as NSA TRS's sales representative for the Properties and the Deferred Management Properties, and (ii) Manager shall have accepted such appointment thereunder.

2.3 Deferred Management Properties. Notwithstanding anything herein to the contrary (including the execution of this Agreement by the Deferred Management Property Owners), no NSA Asset Management Agreement shall be deemed effective as to any Deferred Management Property, and Manager shall not be deemed appointed as the property manager of any Deferred Management Property until the date on which the Existing Deferred Management Property Loan encumbering such Deferred Management Property is paid in full and the obligations thereunder are fully performed or otherwise satisfied (in each case, the "Loan Satisfaction Date"). Effective as of the applicable Loan Satisfaction Date for each Deferred Management Property, provided that this Agreement is still in effect, (A) the Operating Partnership shall amend, without further action by any other Party hereto, the following: (i) Exhibit B-1 to include such Deferred Management Property, and (ii) Exhibit B-2 to exclude such Deferred Management Property, (B) the defined term "Properties" shall be deemed amended to include such Deferred Management Property, (C) the defined term "Deferred Management Properties" shall be deemed amended to exclude such Deferred Management Property, (D) the defined term "Owner" shall be deemed amended to include the applicable Deferred Management Property Owner, (E) the defined term "Deferred Management Property Owner" shall be deemed amended to exclude the applicable Deferred Management Property Owner, and (F) Manager shall be deemed to have entered into an NSA Asset Management Agreement for such Deferred Management Property with the Operating Partnership and the applicable Deferred Management Property Owner, which the Operating Partnership shall execute on behalf of Manager pursuant the power of attorney set forth in Section 9.2 hereof.

2.4 Key Persons.

(a) As of the Effective Date, Stephen A. Wilson, Paul Feikema and Meisha Wilson shall be the only Key Persons. At any time, and from time to time, during the Term, the Manager Parties may request, by written notice to the REIT's board of trustees, that (i) one or more Key Persons be replaced by one or more other individuals specified in such notice, or (ii) additional individuals specified in such notice be appointed as Key Persons in addition to the then-existing Key Persons. If the individual or individuals specified in any such request is or are approved by the REIT's board of trustees, the Operating Partnership shall so notify the Manager Parties in writing, which notice shall request that the applicable individual, or individuals so approved execute and deliver to the Operating Partnership a joinder to this Agreement in substantially the form of Exhibit C hereto (a "Key Person Joinder"). Following the execution of a Key Person Joinder, the Operating Partnership shall amend Exhibit A to the Operating Partnership's LPA to reflect the resulting ownership of the Class B OP Units. Upon the approval by the REIT's board of trustees of any one or more individuals as a Key Person and fulfillment of each of the requirements set forth in clauses (i) and (ii) above, each of the then-existing Key Person or Key Persons, as the case may be, and each individual having been approved by the REIT's board of trustees as a Key Person in accordance with this Section 2.4, shall thereafter be deemed to be "Key Persons" hereunder.

(b) At all times during the Term, each Key Person shall remain active in and devote a sufficient portion of his or her business time to the business and affairs of the Manager with respect to the Properties and the Deferred Management Properties to operate the same in a manner consistent with past practice.

2.5 Covered Territory.

(a) Modification of Exclusive Territory. The Exclusive Territory may be modified at any time, from time to time, and in any manner, by the Operating Partnership, if the Manager Parties fail to meet at least seventy-five percent (75%) of their aggregate property acquisition targets, as set forth in the Operating Partnership's operating budgets during the immediately preceding three (3) year period.

(b) Modification of Shared Territory. The Shared Territory may be modified at any time, from time to time, and in any manner, by the Operating Partnership, subject to approval by a majority of the REIT's board of trustees including approval by a majority of the REIT's independent trustees.

(c) Modification of Non-Exclusive Territory. The Non-Exclusive Territory may be modified (including, but not limited to the designation of all or any portion of the Non-Exclusive Territory as a Shared Territory or Exclusive Territory hereunder) at any time, from time to time, and in any manner by the Operating Partnership, subject to approval by a majority of the REIT's board of trustees, including approval by a majority of the REIT's independent trustees.

ARTICLE 3

SUPERVISORY AND ADMINISTRATIVE FEE TRUE-UP

3.1 Deferred Management Properties Credit. Notwithstanding anything to the contrary herein or in any NSA Asset Management Agreement or the Sales Commission Agreement, commencing on the Effective Date until the date that all Deferred Management Properties have become Properties pursuant to Section 2.3 above, at the end of each calendar quarter, the Operating Partnership and/or the Owners be granted a credit in the amount of the Deferred Management Property Credit against the next monthly payment (and any monthly payment thereafter) of the aggregate Supervisory and Administrative Fees due and payable to Manager under all of the NSA Asset Management Agreements for the Properties until such credit is satisfied in full, or if the Deferred Management Property Credit would take longer than two (2) months to satisfy in full, then upon demand of the Operating Partnership or the Owners, Manager shall promptly (but in no event longer than ten (10) business days) pay the unsatisfied portion of the Deferred Management Property Credit directly to the Operating Partnership. The term "Deferred Management Property Credit" shall mean, for each calendar quarter, the positive amount (if any) equal to (i) the aggregate amount of property management, supervisory and/or administrative fees, or the like, payable each month during such quarterly period to Manager or its Affiliates by the Operating Partnership or any of its Affiliates (including any Deferred Management Property Owner) with respect to Manager's services as manager of any Deferred Management Property pursuant to any property or asset management agreement other than an NSA Asset Management Agreement, less (ii) the sum of (x) the aggregate property management and/or administrative fees, or the like, which would have been payable each month during such quarterly period to Manager or its Affiliates with respect to Manager's services as manager of all such Deferred Management Properties if the management of all such Deferred Management Properties were subject to NSA Asset Management Agreements during such period and (y) the Sales Commission payable under the Sales Commission Agreement for each month during such quarterly period to Manager or its Affiliates with respect to Manager's services as NSA TRS's sales representative for all such Deferred Management Properties.

3.2 After-Acquired Property Credit. Notwithstanding anything to the contrary herein or in any NSA Asset Management Agreement, in the event that the Operating Partnership has not entered into an NSA Asset Management Agreement for any After-Acquired Property that becomes a Property pursuant to the terms hereof on the date of the acquisition thereof by the Operating Partnership or its Affiliate, then from and after the date of any such acquisition until the date on which the Operating Partnership, the entity owning

or holding an interest in such After-Acquired Property and the Manager enter into an NSA Asset Management Agreement for applicable After-Acquired Property, at the end of each calendar quarter, the Operating Partnership and/or the Owners shall be granted a credit in the amount of the After-Acquired Property Credit against the next monthly payment (and any monthly payment thereafter) of the aggregate Supervisory and Administrative Fees due and payable to Manager under all of the NSA Asset Management Agreements for the Properties until such credit is satisfied in full, or if the After-Acquired Property Credit would take longer than two (2) months to satisfy in full, then upon demand of the Operating Partnership or the Owners, Manager shall promptly (but in no event longer than ten (10) business days) pay the unsatisfied portion of the After-Acquired Property Credit directly to the Operating Partnership. The term "After-Acquired Property Credit" shall mean, for each calendar quarter, the positive amount (if any) equal to (i) the aggregate amount of property management, supervisory and/or administrative fees, or the like, payable each month during such quarterly period to Manager or its Affiliates by the Operating Partnership or any of its Affiliates with respect to Manager's services as manager of any After-Acquired Property pursuant to any asset or property management agreement other than an NSA Asset Management Agreement, less (ii) the sum of (x) the aggregate property management and/or administrative fees, or the like, which would have been payable each month during such quarterly period to Manager or its Affiliates with respect to Manager's services as manager of all such After-Acquired Properties if the management of all such After-Acquired Properties were subject to NSA Asset Management Agreements during such period and (y) the Sales Commission payable under the Sales Commission Agreement for each month during such quarterly period to Manager or its Affiliates with respect to Manager's services as NSA TRS's sales representative for all such After-Acquired Properties.

ARTICLE 4

TERMINATION

4.1 Termination of the NSA Asset Management Agreements. Notwithstanding anything to the contrary in the NSA Asset Management Agreements, neither the Operating Partnership nor any Owner shall have the right to unilaterally terminate any NSA Asset Management Agreement or the Sales Commission Agreement except for the reasons set forth in this Agreement, in any of which cases Owner and/or Operating Partnership shall have the right, subject to any rights of the lender under any Loan Documents, to unilaterally terminate any or all of the NSA Asset Management Agreements and/or the Sales Commission Agreement without penalty upon thirty (30) days' prior written notice to Manager.

4.2 Termination upon Default continuing beyond Cure Period. If any Party (the "Defaulting Party") defaults in the performance of its obligations under this Agreement and fails to remedy such default within ten (10) days following written notice thereof (the "Cure Period") from any other Party (the "Non-Defaulting Party") pursuant to Article 7 hereof, the Non-Defaulting Party may terminate this Agreement immediately following the expiration of the Cure Period. Notwithstanding the foregoing, if any non-monetary default hereunder cannot practicably be remedied by the Defaulting Party within such ten (10) day period, then upon written notice thereof from the Defaulting Party to the Non-Defaulting Party, the Cure Period shall be extended for an amount of time reasonably necessary to remedy the applicable default; provided, however, that any such extension shall not exceed thirty (30) days. Notwithstanding anything herein to the contrary, (i) there shall be no cure period if any Manager Party misappropriates any funds of any Owner or has committed fraud, willful misconduct or gross negligence relating to this Agreement, any NSA Asset Management Agreement and/or any Property or Deferred Management Property, as the case may be; and (ii) there shall be no additional cure periods for any of the events described in Section 4.5 hereof, which provisions shall be limited to the cure periods expressly noted therein.

4.3 Termination upon Termination of NSA Asset Management Agreements . Without limiting any other provision of this Agreement, this Agreement shall terminate upon the termination or earlier expiration of all of the NSA Asset Management Agreements.

4.4 Termination following FCCR Non-Compliance. This Agreement shall terminate in accordance with Section 5.1(c) hereof in connection with FCCR Non-Compliance.

4.5 Termination upon Bankruptcy Event. Notwithstanding anything to the contrary in this Agreement, this Agreement shall automatically terminate, without notice, upon the occurrence of any of the following circumstances:

(a) if Manager shall admit, in writing, that it is unable to pay its debts as same become due;

(b) if Manager shall make an assignment for the benefit of creditors;

(c) if Manager shall file a voluntary petition under Title 11 of the United States Code or if such petition is filed against it, and an order for relief is entered, or if Manager shall file any petition or answer seeking, consenting to or acquiescing in any reorganization, arrangement, composition, other present or future applicable federal, state or other statute or law, or shall seek or consent to or acquiesce in or suffer the appointment of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Manager, or of all or any substantial part of its properties, or if Manager shall take any corporate action in furtherance of any action described in this Section 4.5(c);

(d) if within sixty (60) days after the commencement of any proceeding against Manager seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code or any other present or future applicable federal, state or other statute or law, such proceeding shall not have been dismissed or stayed, or if, within ninety (90) days after the appointment, without the consent or acquiescence by Manager, of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Manager or of all or any substantial part of its properties or such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within sixty (60) days after the expiration of any such stay, such appointment shall not have been vacated; or

(e) upon the dissolution or liquidation of Manager.

4.6 Termination for Breach of Certain Provisions. This Agreement may be terminated unilaterally by the Operating Partnership but with notice to Manager pursuant to Article 7 hereof, if (i) at any time during the Term, one or more of the Key Persons ceases to both (x) be the beneficial owner (directly or indirectly) of at least fifty percent (50%) of the ownership interest in Manager and (y) Control Manager, (ii) any Manager Party fails to comply with any of the provisions of Article 8 hereof, or (iii) at any time during the Term, one or more of the Key Persons cease to be the beneficial owners (directly or indirectly) of at least fifty percent (50%) of the aggregate outstanding Class B OP Units.

4.7 Termination by the Operating Partnership for Cause. This Agreement may be terminated by the Operating Partnership for Cause; provided, however, that the Operating Partnership Company shall not be permitted to terminate this Agreement for Cause except on written notice given to the Key Persons at any time within thirty (30) days following the occurrence of any of the events constituting such Cause (or, if later, the Operating Partnership's knowledge thereof). Notwithstanding anything herein to the contrary, this Agreement shall not be terminable by the Operating Partnership for Cause unless and until there shall have

been delivered to the Manager Parties a copy of a resolution duly adopted by the affirmative vote of the REIT's board of trustees at a meeting of the REIT's board of trustees called and held for such purposes (after reasonable notice to the Manager Parties and an opportunity for the applicable Key Person, together with his or her counsel, to be heard before the REIT's board of trustees), finding that in the good faith determination of the REIT's board of trustees that the applicable Key Person has engaged in acts or omissions constituting Cause.

4.8 Transfer Upon Termination. Upon any termination in accordance with the provisions of this Article 4, within fifteen (15) days of the termination, each Manager Party (by the Operating Partnership on behalf of such Manager Party pursuant to the power of attorney set forth in Section 9.2 hereof), as applicable, and the Operating Partnership (or its designee) shall, for no consideration (except to the extent provided in Section 6.1(a)) execute an assignment and assumption agreement in substantially the form attached hereto as Exhibit E, pursuant to which each such Manager Party shall assign to the Operating Partnership (or its designee) their respective right, title and interest in and to all of such Manager Party's intellectual property then owned by or registered in the name of such Manager Party, including, without limitation, all trade names, and trademarks associated with such Manager Party, the Properties and/or the Deferred Management Properties. The Operating Partnership (or its designee) may thereafter enter into a new Facilities Portfolio Management Agreement and related NSA Asset Management Agreements with any other Person.

ARTICLE 5

ANNUAL FCCR ASSESSMENT; FINANCIAL REPORTING OBLIGATIONS

5.1 Annual FCCR Assessment.

(c) The Operating Partnership, on behalf of Owner, will annually assess Actual FCCR, measured from the first day of the applicable calendar year through and including the last day of such calendar year, on or before January 31st of the following calendar year (the "Annual FCCR Assessment").

(d) In the event that the Annual FCCR Assessment discloses Actual FCCR in respect of any calendar year to be less than the Compliance FCCR, the Operating Partnership, on behalf of Owner, shall have the right, in its sole and absolute discretion, to direct Manager to take any and all remedial actions specified by the Operating Partnership in order to improve the performance of the Properties and the Deferred Management Properties, which direction may be given on a property-by-property basis. Manager shall promptly and in good faith take all such actions as directed by the Operating Partnership.

(e) The Operating Partnership shall have the right, in its sole and absolute discretion, to terminate this Agreement by written notice to the Parties, which notice shall specify the proposed termination date, if (i) Actual FCCR remains below the Compliance FCCR each year for more than two (2) consecutive calendar years or (ii) the Stable Cash Flow for any calendar year falls below a level that will enable the Operating Partnership to fund during such calendar year an amount equal to the sum of (x) the Facilities Portfolio Capital Contribution Return; (y) the aggregate amount of annual debt service payments allocated to the Properties and the Deferred Management Properties by the Operating Partnership (as contemplated by the Operating Partnership's LPA) during such calendar year; and (z) the aggregate amount of the general and administrative costs allocated by the Operating Partnership (as contemplated by the Operating Partnership's LPA) during such calendar year to the Properties and the Deferred Management Properties, which shall for purposes of this calculation be capped at one-quarter percent (0.25%) of the aggregate invested capital (including debt and equity) allocated to the Properties and the Deferred

Management Properties as determined by the Operating Partnership (the circumstances described in clauses (i) and (ii) of this sentence are each referred to herein as "FCCR Non-Compliance").

5.2 Financial Reporting Obligations. In the event that Manager fails to comply with its financial reporting obligations or other obligations pursuant to Article 4 and Section 8.6 of any NSA Asset Management Agreement, or with any similar obligations pursuant to any other asset or property management agreement with respect to any of the Deferred Management Properties, the Operating Partnership, on behalf of Owner, shall have the right, in its sole and absolute discretion, to take any and all remedial actions, or to direct Manager to take any and all remedial actions, as the Operating Partnership deems appropriate, which action or direction may be taken or given on a Property-by-Property basis, and in all cases at the sole expense of Manager. Manager shall promptly and in good faith take all such actions as directed by the Operating Partnership.

ARTICLE 6

MANAGER RETIREMENT; RESTRICTION ON MANAGER TRANSFERS

6.1 Manager Retirement Event.

(d) Each of the following events occurring during the Term shall be deemed a "Retirement Event" hereunder: (i) at any time following the date that is (x) two (2) years after the date of the initial public offering of the REIT under the Securities Act of 1933, as amended (the "Initial Public Offering"), or (y) in the event that Manager and/or any of its Affiliates did not contribute any self-storage and/or mini-warehouse facilities or any interest therein (or any ownership interest in any entities holding an interest in any self-storage and/or mini-warehouse facilities) to the Operating Partnership (or any subsidiary thereof) prior to the Initial Public Offering, two (2) years after the date (the "Initial Contribution Date") on which Manager and/or any of its Affiliates first contributed one or more self-storage and/or mini-warehouse facilities or any interest therein (or any ownership interest in any entities holding an interest in any self-storage and/or mini-warehouse facilities) to the Operating Partnership (or any subsidiary thereof), if Manager shall provide at least one hundred eighty (180) days' prior written notice to Owner pursuant to Article 7 hereof, of its desire to terminate this Agreement, which notice shall specify the proposed termination date, or (ii) at any time during the Term, any Key Person dies or is otherwise legally incapacitated and (x) the remaining Key Persons (if any) and/or any Key Persons approved in accordance with Section 2.4(a) cease to own at least fifty percent (50%) of the aggregate outstanding Class B OP Units or (y) the remaining Key Persons (if any) and/or any Key Persons approved in accordance with Section 2.4(a) cease to own at least fifty percent (50%) of Manager, and in the case of either (x) or (y), such failure continues for one hundred eighty (180) days thereafter. The first to occur of (A) the date of Manager's proposed termination date pursuant to clause (i) above, and (B) the date on which any of the events set forth in clause (ii) above occurs, shall be referred to herein as the "Retirement Trigger Date". If a Retirement Trigger Date occurs, then:

(i) within fifteen (15) days of the Retirement Trigger Date, each Manager Party (by the Operating Partnership on behalf of such Manager Party pursuant to the power of attorney set forth in Section 9.2 hereof), as applicable, and the Operating Partnership (or its designee) shall execute an assignment and assumption agreement in substantially the form attached hereto as Exhibit E, pursuant to which each such Manager Party shall assign their respective right, title and interest in and to (a) this Agreement, (b) each of the NSA Asset Management Agreements in effect as of the Retirement Trigger Date, and (c) all of such Manager Party's intellectual property then owned by or registered in the name of such Manager Party, including, without limitation, all trade names, and trademarks associated with such Manager Party, the Properties and/or the Deferred Management Properties; and

(ii) within fifteen (15) days after the determination of the Retirement Fee in accordance with Section 6.1(b) and 6.1(c) below, the Operating Partnership shall pay to the Key Persons (or their respective designees), pro rata with their respective ownership interest in the Manager, an amount (the "Retirement Fee") equal to (x) the annual Normalized EBITDA of the Properties and the Deferred Management Properties (based on Manager's financial statements for the management of the Properties and the Deferred Management Properties for the applicable years) averaged over the eight (8) calendar quarters occurring immediately prior to the Retirement Trigger Date, as reasonably determined by the Operating Partnership (or if the Retirement Trigger Date occurs less than eight (8) calendar quarters following the later of (A) the Initial Public Offering and (B) the Initial Contribution Date, the annualized Normalized EBITDA of the Properties and the Deferred Management Properties (based on Manager's financial statements for the management of the Properties and the Deferred Management Properties for any applicable full calendar year (or any annualized partial calendar year) averaged over such annualized eight (8) calendar quarter period, as reasonably determined by the Operating Partnership), multiplied by (y) four (4).

(e) Within thirty (30) days of the Retirement Trigger Date, the Operating Partnership shall provide the Manager Parties written notice setting forth its determination of the Retirement Fee and a reasonably detailed description of its calculation thereof. If Manager disagrees with the Operating Partnership's calculation of the Retirement Fee and the Operating Partnership and Manager are unable to reach an agreement as to the Retirement Fee within ten (10) days of the date of Operating Partnership's initial notice, then Manager shall independently make its own determination of the Retirement Fee within forty-five (45) days of the date of Operating Partnership's initial notice and submit such determination to the Operating Partnership. If Manager fails to timely object to the Operating Partnership's determination of the Retirement Fee in accordance with the preceding sentence, then the Operating Partnership's determination shall be deemed to be the Retirement Fee. If Manager has timely submitted its determination and the difference between the Operating Partnership's determination and Manager's determination does not exceed ten percent (10%) of the lower of such determinations, then the Retirement Fee shall be an amount equal to the average of both determinations. If the difference between the amounts of such determinations exceeds ten percent (10%) of the lower of such amounts, then the Operating Partnership and Manager shall jointly appoint a certified public accountant who is independent and unaffiliated with the Parties with at least ten (10) years of experience valuing businesses similar to the business of the Manager (an "Approved Accountant") within fifteen (15) days after the determinations have been exchanged by the Operating Partnership and Manager. If the Operating Partnership and Manager fail to appoint an Approved Accountant during such fifteen (15) day period, then either Party may request the American Arbitration Association or any successor organization thereto to appoint the Approved Accountant within fifteen (15) days after such request. If no such Approved Accountant shall have been appointed within such fifteen (15) day period, then the Operating Partnership and Manager may apply to any court having jurisdiction to have such appointment made by such court. The Approved Accountant shall, within ten (10) Business Days after receipt of the determinations of the Retirement Fee prepared by each of the Operating Partnership and Manager, be empowered only to select as the proper amount of the Retirement Fee whichever of the two determinations the Approved Accountant believes is the more accurate determination of the Retirement Fee. Without limiting the generality of the foregoing, in rendering its decision, the Approved Accountant shall not add to, subtract from or otherwise modify the provisions of this Agreement or the determinations provided by the Operating Partnership and Manager. The decision of the Approved Accountant shall be final and binding on the Parties. For the avoidance of doubt, in the event of a dispute pursuant to this Section 6.1(b), the non-prevailing Party shall reimburse the prevailing Party a reasonable sum for attorneys' fees actually incurred in connection with such dispute and the resolution thereof; provided, however, that the cost of the Approved Accountant shall be shared equally by the parties.

(f) The Retirement Fee will be paid to Manager in Class A common units of limited partnership interest in the Operating Partnership ("Class A OP Units"). The number of Class A OP Units to which the Key Persons (or their respective designees) would be entitled pursuant to this Section 6.1(c) will be equal to (i) the Retirement Fee divided by (ii) the Value of a REIT Common Share as of the Retirement Trigger Date (rounded up to the next whole number of Class A OP Units in the event that the calculation of Class A OP Units equivalent to the Retirement Fee yields any fractional amount of Class A OP Units). Upon a Retirement Trigger Date, the Manager Parties and each of their respective Affiliates shall, subject to the terms and conditions set forth in the applicable Partnership Unit Designation, convert all of their Series HA Class B common units of limited partnership interest in the Operating Partnership ("Class B OP Units") into Class A OP Units in accordance with the Partnership Unit Designation relating to the Class B OP Units.

ARTICLE 7

NOTICES

All notices, requests, demands and other communications required to or permitted to be given to any Party under this Agreement shall be in writing, sent to the address or facsimile number set forth beneath its respective signature hereto, or to such other address or facsimile number as any such Party may designate as its new address for such purpose by notice given to the other Parties in accordance with the provisions of this Article 7, and shall be conclusively deemed to have been duly given (a) upon delivery if delivered by hand; (b) five (5) days after the same have been deposited in a United States post office via certified mail/return receipt requested; (c) the next Business Day after same have been deposited with a national overnight delivery service (e.g., Federal Express); or (d) when delivered by facsimile to the Parties.

ARTICLE 8

EXCLUSIVITY; NON-COMPETE; NON-SOLICITATION; ACQUISITION PIPELINE

8.1 Exclusivity.

(f) In the event that the Operating Partnership, or any entity Controlled (whether directly or indirectly) by the Operating Partnership, as the case may be, enters into a purchase contract, contribution agreement, term sheet or offer for a ground lease, installment sales agreement or the like (any of the foregoing, a "Purchase Contract") contemplating the direct or indirect acquisition or Long-Term Lease of any After-Acquired Property located within the Covered Territory (including, without limitation, Controlled Properties and Non-Controlled Properties), the Operating Partnership shall provide written notice thereof (a "Management Opportunity Notice") to each Manager Party, which notice shall (i) reasonably identify the After-Acquired Property, (ii) identify the anticipated closing date or lease execution date, as applicable, under the applicable Purchase Contract (the "Purchase Closing Date"), (iii) identify each of (w) the purchase price or aggregate base rent during the lease term, as applicable, payable by the Operating Partnership (or the entity Controlled by the Operating Partnership, as the case may be) pursuant to the applicable Purchase Contract (the "Purchase Price"), (x) the amount and terms of any assumed debt being applied to the Purchase Price, (x) the terms and pro rata allocation of any other debt being applied to the Purchase Price, (y) the number of Class B OP Units that are, in the aggregate, determined by the Operating Partnership in its sole but reasonable discretion to be of equivalent value to such Purchase Price, and (z) the amount of the Required Capital Contribution, and (iv) offer Manager the opportunity (subject to Manager's compliance with its obligations under this Section 8.1, including, without limitation, payment of the Required Capital Contribution) to manage the After-Acquired Property.

(g) Prior to the earlier of (i) fifteen (15) days following Manager's receipt of a Management Opportunity Notice pursuant to Section 8.1(a) or Section 8.1(f), as the case may be, and (ii) ten (10) days prior to the Purchase Closing Date set forth therein, Manager shall, at its option, provide the Operating Partnership with written notice of either (x) its election to manage the After-Acquired Property described in such Management Opportunity Notice pursuant to and in accordance with the terms of this Agreement and pursuant to an NSA Asset Management Agreement for the After-Acquired Property (a " Manager Confirmation Notice") or (y) its election to not manage such After-Acquired Property (a "Manager Rejection Notice"). The failure by Manager to timely provide written notice to the Operating Partnership pursuant to the preceding sentence shall be deemed an election by Manager not manage such After-Acquired Property.

(h) If Manager timely provides a Manager Confirmation Notice pursuant to Section 8.1(b), then, upon the applicable Purchase Closing Date, provided that this Agreement is still in effect:

(i) Manager and/or one or more of the Key Persons shall make the Required Capital Contribution to the Operating Partnership;

(ii) provided that Manager has fully performed its obligations pursuant to clause (i) above, the Operating Partnership shall transfer to the Key Person or Key Persons, pro rata with their respective Required Capital Contribution, the number of Class B OP Units set forth in the applicable Management Opportunity Notice; and

(iii) (A) the Operating Partnership shall amend, without any further action by any other Party, Exhibit B-1 to include such After-Acquired Property, (B) if not already a Party hereto, the entity owning or holding a direct interest in such After-Acquired Property shall be deemed to be a Party to this Agreement, as an "Owner", (C) the defined term "Owner" shall be deemed to include the entity owning or holding a direct interest in such After-Acquired Property, (D) the defined term "Properties" shall be deemed to include such After-Acquired Property, and (E) Manager shall be deemed to have entered into an NSA Asset Management Agreement for such After-Acquired Property with the Operating Partnership and the entity owning or holding a direct interest in such After-Acquired Property, by the Operating Partnership on behalf of Manager pursuant the power of attorney set forth in Section 9.2 hereof.

(i) Upon receipt by the Operating Partnership of a Manager Rejection Notice or upon Manager's failure to timely comply with its obligations pursuant to this Section 8.1, Manager shall have no further rights with respect to the After-Acquired Property described in the relevant Management Opportunity Notice, and the Operating Partnership shall be free to enter into an alternative management arrangement with any other property manager.

(j) The obligation of the Operating Partnership to provide any Management Opportunity Notice to Manager, and the rights of Manager pursuant to Section 8.1(a) hereof, shall terminate and be of no further force and effect from and after the occurrence of any of the following: (i) if any of the Manager Parties is in default of any of their respective obligations under this Agreement, (ii) upon the expiration or earlier termination of this Agreement, (iii) upon any FCCR Non-Compliance, (iv) at any time on or after a Retirement Trigger Date, or (v) if the Manager Parties fail to meet at least seventy-five percent (75%) of their aggregate property acquisition targets, as set forth in the Operating Partnership's operating budgets during the immediately preceding three (3) year period, tested on an annual basis.

(k) Notwithstanding anything to the contrary in this Section 8.1, if the opportunity to purchase any After-Acquired Property within the Shared Territory is first brought to the Operating Partnership by any Person which is not a Manager Party under this Agreement, then (i) if such Person has rights under

another Facilities Portfolio Management Agreement with respect to the portion of the Shared Territory in which the applicable After-Acquired Property is located, the Operating Partnership shall provide a Management Opportunity Notice with respect to such After-Acquired Property to such other Person, or (ii) if such Person does not have rights under another Facilities Portfolio Management Agreement with respect to the portion of the Shared Territory in which the applicable After-Acquired Property is located (any such Person, a "Sharing PRO"), the Operating Partnership shall provide a Management Opportunity Notice with respect to such After-Acquired Property to Manager or to any Sharing PRO (which determination shall be made at the discretion of the Operating Partnership), and in either such case, the Operating Partnership shall be free to enter into an asset management arrangement with the Manager or any such Sharing PRO, as the case may be, in substantially the form of an NSA Asset Management Agreement with respect to the applicable After-Acquired Property. In the case of clause (ii) above, if the Operating Partnership elects to deliver a Management Opportunity Notice to a Sharing PRO, and such Sharing PRO delivers a Management Rejection Notice (as defined in the Facilities Portfolio Management Agreement to which such Sharing PRO is a party) or fails to act within the prescribed period under the Facilities Portfolio Management Agreement to which such Sharing PRO is a party, then the provisions of clause (ii) above shall again apply until the earlier of (x) such time as Manager has delivered a Management Rejection Notice or fails to act within the prescribed period hereunder and each Sharing PRO has delivered a Management Rejection Notice (as defined in the Facilities Portfolio Management Agreement to which such Sharing PRO is a party) or fails to act within the prescribed period under the Facilities Portfolio Management Agreement to which such Sharing PRO is a party, or (y) the date on which any of the foregoing have delivered a Manager Confirmation Notice (as defined hereunder or in the applicable Facilities Portfolio Management Agreement, as the case may be) in accordance with the terms hereof or of the applicable Facilities Portfolio Management Agreement, as the case may be.

(l) In the event that additional properties (including, without limitation, Deferred Management Properties and/or After-Acquired Properties) become subject to this Agreement in accordance with the terms hereof, Manager may apply to the Operating Partnership for an adjustment to MCFCCR no more than once per year. Any such adjustments shall be made in accordance with the Operating Partnership's FCCR Matrix in place at the time of the request.

8.2 Non-Compete. Except as provided herein, from and after the Effective Date, each of the Manager Parties shall not, and it shall cause its Affiliates to not, enter into any new agreements or arrangements for the management of self-storage and/or mini-warehouse facilities within any Covered Territory (as such term is defined both herein and in each other Facilities Portfolio Management Agreement) without the Operating Partnership's prior written consent, which consent may be withheld in the Operating Partnership's sole and absolute discretion. The provisions of this Section 8.2 shall survive the expiration or earlier termination of this Agreement for a period of three (3) years.

8.3 Non-Solicitation. Upon the termination or earlier expiration of this Agreement, no Manager Party, shall, individually or through an agent, directly or indirectly, as a proprietor, investor, director, officer, employee, substantial stockholder, consultant, partner, member or Affiliate: (a) solicit any customer or tenant of the Operating Partnership or any of its subsidiaries and/or Affiliates for products or services that are competitive with the business of the Operating Partnership and/or any of its subsidiaries and/or Affiliates (provided that the foregoing shall not prohibit non-targeted mass-mailings) or (b) offer employment to or hire any person who is, or has been at any time during the twelve (12) months immediately preceding expiration or earlier termination of this Agreement, employed by the Operating Partnership or any of its subsidiaries and/or Affiliates. The provisions of this Section 8.3 shall survive the expiration or earlier termination of this Agreement for a period of eighteen (18) months.

8.4 Controlled Properties Option.

(a) (i) Each Manager Party hereby covenants that, from and after the Effective Date, such Manager Party shall not (A) cause or permit a voluntary sale, conveyance, assignment, grant of any options with respect to, or any other transfer or disposition of (directly or indirectly, and whether or not for consideration or of record) any Controlled Property, any legal or beneficial interest therein, or any part thereof (any such transaction, a "Controlled Property Transaction") or (B) solicit, initiate, cause or facilitate the making of (or engage in or otherwise participate in discussions or negotiations with any Person with respect to) any inquiry, proposal or offer that constitutes or would reasonably be expected to lead to any Controlled Property Transaction, without first delivering written notice (each, a "Controlled Property Notice") to the Operating Partnership of such anticipated Controlled Property Transaction, which Controlled Property Notice shall (i) be given no less than the earlier of (x) forty-five (45) days prior to the date on which such Controlled Property Transaction is scheduled to close and (y) within five (5) Business Days of the date any Manager Party has knowledge of or has determined that it desires to enter into an anticipated Controlled Property Transaction, and (ii) offer such Controlled Property for sale to the Operating Partnership pursuant to the terms of and for a purchase price determined in accordance with this Section 8.4, the terms of any third-party offer with respect to such Controlled Property notwithstanding. In addition, no less than forty-five (45) days prior to the scheduled payoff date for any outstanding indebtedness encumbering a Controlled Property, such Manager Party will deliver a written notice (a "Debt Maturity Notice") to the Operating Partnership, which Debt Maturity Notice shall indicate (i) the date of such scheduled payoff date, (ii) the weighted average monthly Economic Occupancy of such Controlled Property based on the twelve (12) month period prior to the date of the Debt Maturity Notice (or, if such Controlled Property has not been open for business during the twelve (12) month period prior to the date of the Debt Maturity Notice, for the longest number of months prior to the date of the Debt Maturity Notice for which such information is reasonably available), and (iii) the weighted average daily Physical Occupancy of such Controlled Property for the thirty (30) day period prior to the date of the Debt Maturity Notice. If the Operating Partnership determines that the applicable Controlled Properties have both Economic Occupancy and Physical Occupancy consistent with or exceeding local market levels for self-storage and/or mini-warehouse facilities for such periods, then the Operating Partnership shall so notify the applicable Manager Parties pursuant to a written notice in accordance with the provisions of Section 8.4(b) below.

(ii) In addition, no less than forty-five (45) days after the end of each calendar year, such Manager Party will deliver a written notice (an "Occupancy Report") to the Operating Partnership with respect to any Controlled Property which is not encumbered by any outstanding indebtedness, which Occupancy Report shall indicate (i) the weighted average monthly Economic Occupancy of such Controlled Property based on the twelve (12) month period prior to the end of such calendar year (or, if such Controlled Property has not been open for business during the twelve (12) month period prior to the date of the Occupancy Report, for the longest number of months prior to the date of the Occupancy Report for which such information is reasonably available), and (ii) the weighted average daily Physical Occupancy of such Controlled Property for the thirty (30) day period prior to the date of the Occupancy Report. If the Operating Partnership determines that the applicable Controlled Properties have both Economic Occupancy and Physical Occupancy consistent with or exceeding local market levels for self-storage and/or mini-warehouse facilities for such periods, then the Operating Partnership shall so notify the applicable Manager Parties pursuant to a written notice in accordance with the provisions of Section 8.4(b) below.

(b) Within five (5) days of receipt of a Controlled Property Notice, if and to the extent required pursuant to Section 8.4(a)(i) above, a Debt Maturity Notice, or, at the option of the Operating Partnership, any Occupancy Report, the Operating Partnership shall provide the Manager Parties with a written notice specifying (i) the Operating Partnership's determination of the value of the applicable

Controlled Property as determined in accordance with the Cap Rate Matrix (the "Controlled Property Purchase Price"), together with a reasonably detailed description of its calculation thereof, and (ii) the number of Class A OP Units and Class B OP Units determined by the Operating Partnership in its sole discretion to be of equivalent value to the equity component of such Controlled Property Purchase Price. If the Manager Parties disagree with the Operating Partnership's determination of the Controlled Property Purchase Price for the applicable Controlled Property, it shall so notify the Operating Partnership in writing within two (2) days of receipt of the Operating Partnership's initial notice. If the Operating Partnership and the Manager Parties are unable to reach an agreement as to the Controlled Property Purchase Price within five (5) days of the date of Operating Partnership's initial notice, then the Operating Partnership and the Manager Parties shall jointly appoint a certified real estate appraiser who is independent and unaffiliated with the Parties with at least ten (10) years of experience appraising commercial real estate similar to the applicable Controlled Property (an "Appraiser") to independently prepare its own determination of the purchase price for the applicable Controlled Property in accordance with the Cap Rate Matrix. If the Operating Partnership and the Manager Parties fail to appoint an Appraiser during such five (5) day period, then either such Party may request the American Arbitration Association or any successor organization thereto to appoint the Appraiser within ten (10) days after such request. If no such Appraiser shall have been appointed within such ten (10) day period, then the Operating Partnership and the Manager Parties may apply to any court having jurisdiction to have such appointment made by such court. The Appraiser shall, within ten (10) Business Days after being appointed in accordance with this Section 8.4(b), submit its determination of the purchase price for the applicable Controlled Property, which determination shall be prepared on the basis of a "one-off" sale of the Controlled Property in exchange for immediately available funds. If the Manager Parties timely object to the Operating Partnership's initial determination and the difference between the higher amount of the Operating Partnership's determination and the Appraiser's determination does not exceed two percent (2%) of the Operating Partnership's determination, then the Operating Partnership's determination shall be deemed to be the Controlled Property Purchase Price for the applicable Controlled Property. If the Manager Parties have timely objected to the Operating Partnership's initial determination and the difference between the Manager Parties' determination and the Appraiser's determination exceeds two percent (2%) of the Operating Partnership's determination, then the Appraiser's determination shall be deemed to be the Controlled Property Purchase Price for the applicable Controlled Property. For the avoidance of doubt, in the event of any dispute pursuant to this Section 8.4(b), the non-prevailing Party shall reimburse the prevailing Party a reasonable sum for attorneys' fees actually incurred in connection with such dispute and the resolution thereof; provided, however, that the cost of the Appraiser shall be shared equally by the parties.

(c) At any time within thirty (30) days of the final determination of the Controlled Property Purchase Price in accordance with Section 8.4(b), the Operating Partnership (or its designee) shall have the option, in its sole and absolute discretion, to acquire such Controlled Property (or all of the applicable Manager Party's interest therein) for an amount equal to the applicable Controlled Property Purchase Price, as finally determined in accordance with Section 8.4(b). Such option shall be exercisable by written notice to each Manager Party during such thirty (30) day period, which written notice shall specify (i) the Controlled Property Purchase Price, as finally determined in accordance with Section 8.4(b) and (ii) the number of Class A OP Units and Class B OP Units to be issued in connection with the acquisition of the applicable Controlled Property. If the Operating Partnership fails to timely exercise such option, it shall have no further rights with respect to the applicable Controlled Property, and the Manager Parties shall be free to enter into any Controlled Property Transaction with respect to such Controlled Property, without further obligation to comply with the provisions of this Section 8.4 for the applicable Controlled Property.

8.5 Non-Controlled Properties. Promptly following the date on which any Manager Party becomes aware that holders of a Controlling interest in any Non-Controlled Property desire to enter into a voluntary sale, conveyance, assignment, grant of any options with respect to, or any other transfer or

disposition (directly or indirectly, and whether or not for consideration or of record) of any Non-Controlled Property or any legal or beneficial interest in any such Non-Controlled Property (but excluding any new mortgage financing or refinancing of a Non-Controlled Property) (any such transaction, a "Non-Controlled Property Transaction"), such Manager Party shall provide written notice thereof to the Operating Partnership, which notice shall specify the anticipated closing date (if known) of the applicable Non-Controlled Property Transaction. If, within thirty (30) days of receipt of such notice (but in any case, prior to the anticipated closing date set forth in the Manager Party's notice), the Operating Partnership provides written notice to each Manager Party of its desire to purchase the applicable Non-Controlled Property, the Manager Parties shall use commercially reasonable good faith efforts to facilitate an offer by the Operating Partnership to the holders of the Controlling interest in the applicable Non-Controlled Property to purchase such property or any interest therein, as the case may be.

8.6 Restrictions on Future Acquisitions by the Manager Parties. No Manager Party shall enter into any Purchase Contract pursuant to which such Manager Party shall agree to acquire an interest of any kind (whether directly or indirectly) in any self-storage and/or mini-warehouse facility or in any Person owning or holding an interest therein, without first offering such opportunity to the Operating Partnership on the same terms that such interest was offered to the applicable Manager Party. In the event that the Operating Partnership declines to purchase such interest or fails to respond to the applicable Manager Party within ten (10) Business Days following receipt of such offer, the Manager Party shall be free to enter into such Purchase Contract on the same terms offered to the Operating Partnership for the immediately succeeding ninety (90) day period.

ARTICLE 9

MISCELLANEOUS

9.1 Remedies. If any of the conditions set forth in this Agreement are not satisfied in accordance with the terms hereof, each Party shall have the right to pursue any remedy at law or in equity, including, without limitation, specific performance, injunction or otherwise.

9.2 Power of Attorney. Each Manager Party hereby irrevocably constitutes and appoints the Operating Partnership and its successors and assigns, with full power of substitution, the true and lawful attorney in fact for such Manager Party, and in the name, place and stead of such Manager Party, to make, execute, sign, acknowledge, swear to and/or deliver (i) an NSA Asset Management Agreement (x) for each Deferred Management Property upon the applicable Loan Satisfaction Date for such Deferred Management Property pursuant to Section 2.3 above, and (y) for each After-Acquired Property pursuant to Section 8.1(c) above, and (ii) any documents necessary to consummate such Manager Party's obligations pursuant to Section 4.7 and Section 6.1(a)(i) hereof. The power of attorney hereby granted shall be deemed to be coupled with an interest and shall be irrevocable and survive the Term of this Agreement and not be affected by the subsequent insolvency of any Manager Party.

9.3 Assignment. Except as otherwise provided herein, no Manager Party may assign its interest in this Agreement or delegate its duties hereunder without the prior written consent of the Operating Partnership, which consent may be withheld in the Operating Partnership's sole and absolute discretion.

9.4 Entire Agreement; Modification. This Agreement and any agreement, document or instrument referred to herein constitute the entire agreement between the Parties pertaining to the subject matter contained herein and therein and supersede all prior and contemporaneous agreements, representations and understandings of the Parties with respect to such matters. Notwithstanding anything herein or in the NSA Asset Management Agreements to the contrary, in the event of a conflict between any of the terms and

provisions of this Agreement and any of the terms and provisions of the NSA Asset Management Agreements, the terms and provisions of this Agreement shall control. This Agreement may be amended (i) by a writing signed by the Parties, (ii) at any time prior to the Initial Public Offering, by a writing executed unilaterally by the Operating Partnership but with notice to Manager, provided (1) that such amendments are intended to conform this Agreement to the terms and conditions of the other Facilities Portfolio Management Agreements and that the Operating Partnership and/or its Affiliates are adopting new Facilities Portfolio Management Agreements or making substantially similar amendments or amendments with substantially similar effects to existing Facilities Portfolio Management Agreements and (2) the amendment has been approved by the board of trustees (or equivalent body) of National Storage Associates Holdings, LLC or the REIT, or (iii) by a writing executed unilaterally by the Operating Partnership to reflect modifications to Exhibits B-1 and/or B-2 as provided herein.

9.5 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without regard to the conflicts of law provisions and principles thereof. Notwithstanding any provision of this Agreement to the contrary, the Parties hereby agree that in the event of any court proceeding or action to enforce the provisions of this Agreement, venue for such proceeding or action shall be proper, and the Parties consent to venue for all actions under this Agreement, in the United States District Court for the Southern District of New York, and each Party hereby irrevocably accepts and submits to the exclusive jurisdiction of such court with respect to any such action, suit or proceeding.

9.6 INDEMNIFICATION BY MANAGER PARTIES. THE MANAGER PARTIES SHALL JOINTLY AND SEVERALLY INDEMNIFY, DEFEND AND HOLD OWNER, THE OPERATING PARTNERSHIP AND THEIR RESPECTIVE DIRECT AND INDIRECT MEMBERS, PARTNERS, DIRECTORS, SHAREHOLDERS, OFFICERS, MANAGERS, AGENTS, EMPLOYEES AND AFFILIATES (COLLECTIVELY, THE " NSA INDEMNITEES") HARMLESS FROM ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, LOSSES, DAMAGES, FINES, PENALTIES, LIABILITIES, COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS, SUSTAINED OR INCURRED BY OR ASSERTED AGAINST ANY OF THE NSA INDEMNITEES BY REASON OF THE ACTS OF ANY MANAGER PARTY OR ANY OF ITS DIRECT AND INDIRECT MEMBERS, PARTNERS, DIRECTORS, SHAREHOLDERS, OFFICERS, MANAGERS, AGENTS, EMPLOYEES AND AFFILIATES, WHICH ARISE OUT OF THEIR RESPECTIVE GROSS NEGLIGENCE, WILLFUL MISCONDUCT, BAD FAITH, FRAUD, INTENTIONAL VIOLATION OF LAW OR WILLFUL BREACH OF THIS AGREEMENT. IF ANY PERSON MAKES A CLAIM OR INSTITUTES A SUIT AGAINST ANY OF THE NSA INDEMNITEES ON A MATTER FOR WHICH SUCH NSA INDEMNITEE CLAIMS THE BENEFIT OF THE FOREGOING INDEMNIFICATION, THEN: (A) THE APPLICABLE NSA INDEMNITEE SHALL GIVE THE APPLICABLE MANAGER PARTY PROMPT NOTICE THEREOF IN WRITING; (B) THE APPLICABLE MANAGER PARTY MAY DEFEND SUCH CLAIM OR ACTION BY COUNSEL OF ITS OWN CHOOSING PROVIDED SUCH COUNSEL IS REASONABLY SATISFACTORY TO SUCH NSA INDEMNITEE; (C) NEITHER OWNER, THE OPERATING PARTNERSHIP OR THE APPLICABLE NSA INDEMNITEE ON THE ONE HAND, NOR THE APPLICABLE MANAGER PARTY (OR THEIR RESPECTIVE MEMBERS, PARTNERS, DIRECTORS, SHAREHOLDERS, OFFICERS, MANAGERS, AGENTS, EMPLOYEES OR AFFILIATES, AS THE CASE MAY BE) ON THE OTHER HAND, SHALL SETTLE ANY CLAIM WITHOUT THE OTHER'S WRITTEN CONSENT; AND (D) THIS SECTION 9.6 SHALL NOT BE SO CONSTRUED AS TO RELEASE OWNER, THE OPERATING PARTNERSHIP OR MANAGER FROM ANY LIABILITY TO THE OTHER FOR A WILLFUL BREACH OF ANY OF THE COVENANTS AGREED TO BE PERFORMED UNDER THE TERMS OF THIS AGREEMENT.

9.7 Severability. If any term or provision of this Agreement is determined to be illegal, unenforceable or invalid, in whole or in part for any reason, such illegal, unenforceable or invalid provision or part thereof shall be stricken from this Agreement and such provision shall not affect the legality, enforceability or validity of the remainder of this Agreement. If any provision or part thereof of this Agreement is stricken in accordance with the provisions of this Section 9.7, then such stricken provision shall be replaced, to the extent possible, with a legal, enforceable and valid provision that is as similar in tenor to the stricken provision as is legally possible.

9.8 No Waiver. The failure by any Party to insist upon the strict performance of, or to seek remedy of, any one of the terms or conditions of this Agreement or to exercise any right, remedy or election set forth herein or permitted by law shall not constitute or be construed as a waiver or relinquishment for the future of such term, condition, right, remedy or election, but such item shall continue and remain in full force and effect. All rights or remedies of the Parties specified in this Agreement and all other rights or remedies that they may have at law, in equity or otherwise shall be distinct, separate and cumulative rights or remedies, and no one of them, whether exercised or not, shall be deemed to be in exclusion of any other right or remedy of the Parties.

9.9 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, successors and assigns.

9.10 Enforcement of Manager's Rights. In the enforcement of its rights under this Agreement, Manager shall not seek or obtain a money judgment or any other right or remedy against any stockholders, partners, members or disclosed or undisclosed principals of Owner, the Operating Partnership and/or their respective Affiliates.

9.11 Attorneys' Fees. In any action or proceeding between the Parties arising from or relating to this Agreement or the enforcement or interpretation hereof, the non-prevailing Party shall pay to the prevailing Party a reasonable sum for attorneys' fees incurred in bringing such suit and/or enforcing any judgment granted therein, all of which shall be deemed to have accrued upon the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. Any judgment or order entered in such action shall contain a specific provision providing for the recovery of attorneys' fees and costs incurred in enforcing such judgment.

9.12 Headings. All headings are only for convenience and ease of reference and are irrelevant to the construction or interpretation of any provision of this Agreement.

9.13 Further Assurances. Each Party hereto agrees to execute, with acknowledgment and affidavit if required, any and all documents and to take all actions that may be reasonably required in furtherance of the provisions of this Agreement.

9.14 Counterparts; Facsimiles. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original (including copies sent to a Party by facsimile transmission or e-mail) as against the Party signing such counterpart, but which together shall constitute one and the same instrument. Signatures transmitted via facsimile, or PDF format through electronic mail ("e-mail"), shall be considered authentic and binding.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, this Agreement has been executed as of the date set forth above.

MANAGER:

HIDE-AWAY STORAGE SERVICES, INC.,
a Florida corporation

By: /s/ STEPHEN A. WILSON
Name: Stephen A. Wilson
Title: President and Director

Address for Manager:
6791 28th Street Circle East
Sarasota, Florida 34243
Fax: (941) 753-6373

KEY PERSONS:

/s/ STEPHEN A. WILSON
Stephen A. Wilson, individually

Address for Stephen A. Wilson:
6791 28th Street Circle East
Sarasota, Florida 34243
Fax: (941) 753-6373

/s/ PAUL FEIKEMA
Paul Feikema, individually

Address for Paul Feikema:
6791 28th Street Circle East
Sarasota, Florida 34243
Fax: (941) 753-6373

/s/ MEISHA WILSON
Meisha Wilson, individually

Address for Meisha Wilson:
6791 28th Street Circle East
Sarasota, Florida 34243
Fax: (941) 753-6373

[SIGNATURES CONTINUE ON NEXT PAGE]

OPERATING PARTNERSHIP:

NSA OP, LP,
a Delaware limited partnership

By: National Storage Affiliates Trust,
its general partner

By: /s/ TAMARA D. FISCHER
Name: Tamara D. Fischer
Title: Authorized Person

Address for the Operating Partnership:
c/o National Storage Affiliates
5200 DTC Parkway, Suite 200
Greenwood Village, CO 80111
Fax: 720-630-2626

[SIGNATURES CONTINUE ON NEXT PAGE]

OWNERS:

HIDE AWAY STORAGE HOLDINGS, LLC,
a Delaware limited liability company

By: /s/ STEPHEN A. WILSON
Name: Stephen A. Wilson
Title: President and Director

By: HIDE AWAY SPE, LLC,
a Delaware limited liability company,
its Chief Manager

By: /s/ TAMARA D. FISCHER
Tamara D. Fischer
Authorized Person

NSA PROPERTY HOLDINGS, LLC,
a Delaware limited liability company

By: /s/ TAMARA D. FISCHER
Name: Tamara D. Fischer
Title: Authorized Person

Address for all Owners:
c/o National Storage Affiliates
5200 DTC Parkway, Suite 200
Greenwood Village, CO 80111
Fax: 720-630-2626

[SIGNATURES CONTINUE ON NEXT PAGE]

DEFERRED MANAGEMENT PROPERTY OWNERS:

None.

Address for all Deferred Management Property Owners:
c/o National Storage Affiliates
5200 DTC Parkway, Suite 200
Greenwood Village, CO 80111
Fax: 720-630-2626

[SIGNATURES CONTINUE ON NEXT PAGE]

EXHIBIT A

"Actual FCCR" shall mean, for any calendar year, an amount equal to the aggregate Stable Cash Flow for such period, divided by the sum of (i) the Facilities Portfolio Capital Contribution Return; (ii) the aggregate amount of annual debt service payments allocated to the Properties and the Deferred Management Properties by the Operating Partnership during such period; and (iii) the aggregate amount of the general and administrative costs incurred by the Operating Partnership and allocated by the Operating Partnership to the Properties and Deferred Management Properties during such period.

"Affiliate" shall mean a Person that, directly or indirectly, through one or more intermediaries, Controls or is Controlled by, or is under common Control with, the Person specified.

"After-Acquired Property" shall mean any self-storage and/or mini-warehouse facility or interest therein acquired (whether directly or indirectly, in whole or in part) by the Operating Partnership (including, without limitation, (i) any self-storage and/or mini-warehouse facilities in which the Operating Partnership acquires (whether directly or indirectly, in whole or in part) a Long-term Leasehold Interest, and (ii) Controlled Properties and Non-Controlled Properties acquired pursuant to Sections 8.4 or 8.5 hereof, respectively) at any time after the Effective Date.

"After-Acquired Property Credit" shall have the meaning set forth in Section 3.2.

"Agreement" shall have the meaning set forth in the Preamble.

"Annual FCCR Assessment" shall have the meaning set forth in Section 5.1(a).

"Appraiser" shall have the meaning set forth in Section 8.4(b).

"Approved Accountant " shall have the meaning set forth in Section 6.1(b).

"Business Days" shall mean any day which is not a Saturday, Sunday or a day observed as a holiday by any of the State of New York, the State of Colorado and/or the federal government.

"Cap Rate Matrix" shall mean the Operating Partnership's formula for determining the capitalization rate and corresponding purchase price of a self-storage and/or mini-warehouse facility or interest therein, as applicable, as may be modified by the Operating Partnership from time to time.

"Capital Stock" shall mean, relative to any Person, any and all shares, interests (including membership or partnership interests), participations or other equivalents (however designated, whether voting or non-voting) of such Person's capital, whether now outstanding or issued after the Effective Date.

"Cash Available For Distribution " shall have the meaning set forth for such term in the applicable Partnership Unit Designation.

"Cause" shall mean any Key Persons':

(i) conviction of, or plea of *nolo contendere* to, a felony or any crime involving moral turpitude or fraud (but excluding traffic violations) that is injurious to the business or reputation of the REIT;

(ii) willful failure to perform his or her material duties under this Agreement (other than any such failure resulting from such Key Person's incapacity due to injury or physical or mental illness) which failure continues for a period of ten (10) Business Days after written demand for corrective action is delivered by the Operating Partnership specifically identifying the manner in which the Operating Partnership believes the applicable Key Person has not performed his or her duties;

(iii) conduct constituting an act of willful misconduct or gross negligence in connection with the performance of his or her duties that are injurious to the business of the Operating Partnership and/or the REIT, including, without limitation, embezzlement or the misappropriation of funds or property of the Operating Partnership, Owner or NSA TRS;

(iv) failure to adhere to the lawful directions of the Operating Partnership, which failure continues for a period of ten (10) Business Days after written demand for corrective action is delivered by the Operating Partnership;

(v) intentional and material breach of any covenant to be performed by the Key Person pursuant to this Agreement and failure to cure such breach within ten (10) days following written notice from the Operating Partnership specifying such breach; or

(vi) engaging in any other conduct which the REIT's board of trustees deems injurious to the business or reputation of the Operating Partnership and/or the REIT.

"Class A OP Units" shall have the meaning set forth in Section 6.1(c).

"Class B OP Units" shall have the meaning set forth in Section 6.1(c).

"Compliance FCCR" shall mean (x) the sum of (i) MCFCCR and (ii) 1.0, divided by (y) two (2).

"Control" shall mean the power to directly or indirectly direct the management and policies of any Person, whether through the ownership of voting securities, by contract or otherwise (and "Controlled" and "Controlling" shall have meanings correlative to the foregoing).

"Controlled Property" shall mean any self-storage and or mini-warehouse facility, other than the Properties and the Deferred Management Properties, for which any Manager Party or any of their respective Affiliates Controls the fee owner thereof or holder of a Long-term Leasehold Interest therein, as the case may be.

"Controlled Property Notice" shall have the meaning set forth in Section 8.4(a).

"Controlled Property Purchase Price" shall have the meaning set forth in Section 8.4(b).

"Covered Territory" shall mean, collectively, the Exclusive Territory, the Shared Territory and the Non-Exclusive Territory.

"Cure Period" shall have the meaning set forth in Section 4.2.

"Debt Maturity Notice" shall have the meaning set forth in Section 8.4(a).

"Defaulting Party" shall have the meaning set forth in Section 4.2.

"Deferred Management Property" and "Deferred Management Properties" shall have the meaning set forth in the Recitals.

"Deferred Management Property Credit" shall have the meaning set forth in Section 3.1.

"Deferred Management Property Owners" shall have the meaning set forth in the Recitals.

"Early Contribution Properties" shall have the meaning set forth in the Recitals.

"Economic Occupancy" shall mean the percentage occupancy of a self-storage and/or mini-warehouse facility determined by dividing (i) the aggregate amount of rent and any rent-related charges paid by tenants occupying space at such facility during the relevant period by (ii) the product obtained by multiplying (x) the then prevailing market annual rental rate for such facility on a per square foot basis by (y) the aggregate number of rentable square feet at such facility.

"Exclusive Territory" shall mean the following metropolitan statistical area(s) (as designated by the Office of Management and Budget of the Executive Office of the President of the United States): Sarasota-Bradenton-Venice, FL.

"Existing Deferred Management Property Loans" shall mean the mortgage loans described on Schedule 2 hereto.

"Effective Date" shall have the meaning set forth in the Preamble.

"Existing NSA Property Management Agreement" shall have the meaning set forth in the Recitals.

"Facilities Portfolio Capital Contribution Return" shall have the meaning ascribed to the term "Class A Preferred Return" in the Operating Partnership's LPA.

"Facilities Portfolio Management Agreement" shall have the meaning set forth in the Operating Partnership's LPA. For the avoidance of doubt, this Agreement shall be deemed to be a Facilities Portfolio Management Agreement.

"FCCR Matrix" shall mean the Operating Partnership's formula for determining the facilities portfolio capital contribution return for any portfolio of self-storage and/or mini-warehouse facilities, as may be modified by the Operating Partnership from time to time.

"FCCR Non-Compliance" shall have the meaning set forth in Section 5.1(c).

"GAAP" shall mean generally accepted accounting principles applied in the United States, consistently applied.

"Initial Contribution Date" shall have the meaning set forth in Section 6.1.

"Initial Public Offering" shall have the meaning set forth in Section 6.1(a).

"Initial Term" shall have the meaning set forth in Section 2.1.

"Key Person" and "Key Persons" shall have the meaning set forth in the Preamble, subject to the provisions of Section 2.4.

"Key Person Joinder" shall have the meanings set forth in Section 2.4.

"Loan Documents" shall mean any deed of trust, mortgage or other loan or security documents encumbering any Property.

"Loan Satisfaction Date" shall have the meaning set forth in Section 2.3.

"Long-term Lease" shall mean any lease granting a Long-term Leasehold Interest with respect to any Property.

"Long-term Leasehold Interest" shall mean any space or ground leasehold interest with a term in excess of ten (10) years.

"Management Opportunity Notice" shall have the meaning set forth in Section 8.1(a).

"Manager" shall have the meaning set forth in the Preamble.

"Manager Confirmation Notice" shall have the meaning set forth in Section 8.1(b).

"Manager Parties" shall have the meaning set forth in the Preamble.

"Manager Rejection Notice" shall have the meaning set forth in Section 8.1(b).

"MCFCCR" shall mean 1.26.

"Non-Controlled Property" shall mean (i) any self-storage and/or mini-warehouse facility in which any Manager Party or any of their respective Affiliates hold (whether directly or indirectly) an ownership interest or Long-term Leasehold Interest, but which is not Controlled by any Manager Party or any of their respective Affiliates, or (ii) any self-storage and/or mini-warehouse facility for which any Manager Party or any of their Affiliates is the managing agent, but in which no Manager Party nor any of their respective Affiliates holds (whether directly or indirectly) an ownership interest or Long-term Leasehold Interest, as the case may be.

"Non-Defaulting Party" shall have the meaning set forth in Section 4.2.

"Non-Exclusive Territory" shall mean shall mean the following metropolitan statistical area(s) (as designated by the Office of Management and Budget of the Executive Office of the President of the United States): Cape Coral-Fort Myers, FL; Naples-Marco Island, FL; and Tampa-St. Petersburg-Clearwater, FL.

"Normalized EBITDA" shall mean, with respect to a particular Property or Deferred Management Property, as the case may be, a non-GAAP financial measure defined as the net income from continuing operations before interest, income taxes, depreciation and amortization, excluding any non-recurring items and/or non-cash equity compensation expense, as determined by the Operating Partnership.

"NSA Asset Management Agreements" shall have the meaning set forth in the Recitals.

"NSA Indemnitees" shall have the meaning set forth in Section 9.6.

"NSA TRS" shall have the meaning set forth in the Recitals.

"Occupancy Report" shall have the meaning set forth in Section 8.4(a).

"Operating Partnership" shall have the meaning set forth in the Preamble.

"Operating Partnership's LPA" shall mean that certain Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership dated as of December 31, 2013, as same may be further amended, amended and restated, modified or supplemented from time to time.

"Owner" and "Owners" shall have the meanings set forth in the Preamble.

"Partnership Unit Designation" shall have the meaning set forth in the Operating Partnership's LPA.

"Party" and "Parties" shall have the meaning set forth in the Preamble.

"Person" and "Persons" shall mean one or more individuals, partnerships, corporations, limited liability companies, trusts or other entities.

"Physical Occupancy" shall mean the percentage occupancy of a self-storage and/or mini-warehouse facility determined by dividing (x) the aggregate number of rentable square feet actually occupied by tenants at such facility by (y) the aggregate number of rentable square feet at such facility.

"Projected FCCR" shall mean Actual FCCR adjusted to reflect the contribution of the applicable After-Acquired Property (as determined by the Operating Partnership as of the most recent fiscal quarter).

"Properties" and "Property" shall have the meanings set forth in the Recitals.

"Purchase Closing Date" shall have the meaning set forth in Section 8.1(a).

"Purchase Contract" shall have the meaning set forth in Section 8.1(a).

"Purchase Price" shall have the meaning set forth in Section 8.1(a).

"REIT" shall have the meaning set forth in the Recitals.

"REIT Common Share" shall mean a common share of the REIT, or a common share or share of common stock issued by any successor to the REIT in any transaction or related series of transactions in which (i) the business or assets of the REIT are disposed of or combined, through merger, consolidation, share exchange, sale, disposition, distribution or contribution of all or substantially all of the REIT 's assets, or otherwise; and (ii) the REIT is liquidated or is not the continuing as a surviving company in such transaction or related series of transactions.

"Required Capital Contribution" shall mean, with respect to the Operating Partnership's acquisition of any After-Acquired Property, a Capital Contribution (as defined in the Operating Partnership's LPA) by the Manager and/or one or more of the Key Persons (or their respective designees) in an amount such that the Projected FCCR shall be equal to or greater than MCFCCR.

"Retirement Event" shall have the meaning set forth in Section 6.1(a).

"Retirement Fee" shall have the meaning set forth in Section 6.1(a)(ii).

"Retirement Trigger Date" shall have the meaning set forth in Section 6.1(a).

"Sales Commission" shall have the meaning given to such term in the Sales Commission Agreement.

"Sales Commission Agreement" shall have the meaning set forth in the Recitals.

"Shared Territory" shall mean the following portions of the following metropolitan statistical area(s) (as designated by the Office of Management and Budget of the Executive Office of the President of the United States): None.

"Sharing PRO" shall have the meaning set forth in Section 8.1(f).

"Supervisory and Administrative Fee" shall have the meaning set forth in the NSA Asset Management Agreements.

"Stable Cash Flow" shall mean, for any period, the aggregate operating income of the Properties and the Deferred Management Properties (and for any After-Acquired Property for purposes of the definition of "Required Capital Contribution"), as determined by the Operating Partnership, less (i) the aggregate property expenses for the Properties and the Deferred Management Properties (and for any After-Acquired Property for purposes of the definition of "Required Capital Contribution"), (ii) the aggregated Supervisory and Administrative Fee for the Properties and the Deferred Management Properties (and for any After-Acquired Property for purposes of the definition of "Required Capital Contribution") and (iii) the aggregate amount of required capital reserves for the Properties and the Deferred Management Properties (and for any After-Acquired Property for purposes the definition of "Required Capital Contribution"), as included in the annual budget or otherwise approved by the Operating Partnership in accordance with the terms hereof.

"Term" shall have the meaning set forth in Section 2.1.

"Value" shall mean, with respect to Section 6.1(c), on any date of determination, the average of the daily Market Prices (as defined below) for ten consecutive trading days immediately preceding the date of determination. The term "Market Price" on any date shall mean, with respect to any class or series of outstanding REIT Common Shares, the Closing Price (as defined below) for such REIT Common Shares on such date. The "Closing Price" on any date shall mean the last sale price for such REIT Common Shares, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such REIT Common Shares, in either case as reported on the principal national securities exchange on which such REIT Common Shares are listed or admitted to trading or, if such REIT Common Shares are not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the principal other automated quotation system that may then be in use or, if such REIT Common Shares are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such REIT Common Shares selected by the board of trustees of the REIT or, in the event that no trading price is available for such REIT Common Shares, the fair market value of the REIT Common Shares, as determined in good faith by the board of trustees of the REIT.

EXHIBIT C

FORM OF JOINDER AGREEMENT TO FACILITIES PORTFOLIO MANAGEMENT AGREEMENT

This JOINDER AGREEMENT TO FACILITIES PORTFOLIO MANAGEMENT AGREEMENT, dated effective as of [●], 201[●] (this "Agreement"), is made by [●] (the "Joining Key Person"), and acknowledged and agreed to by NSA OP, LP, a Delaware limited partnership (the "Operating Partnership"). Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Portfolio Agreement (as defined below).

WHEREAS, the Operating Partnership and certain other Persons are parties to that certain Facilities Portfolio Management Agreement dated effective as of [●], 2016, as same may be amended from time to time in accordance with its terms (the "Portfolio Agreement");

WHEREAS, pursuant to Section 2.4 of the Portfolio Agreement, the Operating Partnership may appoint one or more additional Key Persons (as defined in the Portfolio Agreement);

WHEREAS, the Joining Key Person has agreed to enter into a joinder to, and agree be bound by, the terms and provisions of the Portfolio Agreement, as a Key Person thereunder; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Joining Key Person hereby agree as follows:

1. Joinder. The Joining Key Person hereby joins and becomes a party to the Portfolio Agreement, and acknowledges and agrees that the Joining Key Person is hereby bound by and subject to, and shall continue to be bound by and subject to, the terms and provisions of the Portfolio Agreement, as a Key Person thereunder.

2. Acknowledgment. The Joining Key Person acknowledges that it has received a copy of the Portfolio Agreement.

3. Governing Law. This Agreement and the rights and duties of the parties hereto hereunder shall be governed by and construed in accordance with laws of the State of New York (without giving effect to the choice of law principles therein).

4. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Joinder Agreement to Facilities Portfolio Management Agreement as of the date first above written.

_____
[Joining Key Person]

EXHIBIT E

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is made and entered into to be effective as of [●] (the "Effective Date"), by and between [●] ("Manager"), [●], an individual ("[●]"), [and [●], an individual] ("[●]", and together with Manager [and [●]], collectively, "Assignor"), and [●] ("Assignee"). Capitalized terms used herein but not otherwise defined shall have the meanings given to such terms in the Facilities Portfolio Management Agreement (as defined below).

WHEREAS, Assignor and Assignee are parties to (i) that certain Facilities Portfolio Management Agreement dated as of [●] (the "Portfolio Agreement") by and among NSA OP, LP, a Delaware limited partnership (the "Operating Partnership"), on its own behalf and on behalf of the property owners listed as "Owners" on the signature page thereto, the property owners listed as "Deferred Owners" on the signature page thereto, and Assignor, and (ii) those certain property management agreements listed on Schedule 1 attached hereto (the "NSA Asset Management Agreements") by and among NSA OP, LP, a Delaware limited partnership (the "Operating Partnership"), on its own behalf and on behalf of the property owners listed on the signature page thereto, and Manager.

WHEREAS, pursuant to and in accordance with the terms of the Portfolio Agreement, upon the Retirement Trigger Date, Assignor shall assign to Assignee all of its right, title and interest in and to (a) the Portfolio Agreement, (b) each of the NSA Asset Management Agreements, and (c) all intellectual property used by Assignor in connection with the operation of the Properties, including, without limitation, all trade names and trademarks associated with Assignor, the Properties and/or the Deferred Management Properties (collectively, the "Assigned IP"), in each case, pursuant to the terms hereof.

1. Assignment and Assumption. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby assigns, transfers, sets over and conveys to Assignee, as-is, where-is, and Assignee hereby accepts and assumes, in each case, all of Assignor's rights and obligations accruing from and after the Effective Date, in, to, and with respect to (a) the Portfolio Agreement, (b) each of the NSA Asset Management Agreements, and (c) the Assigned IP.

2. Successors. This Agreement shall be binding on and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

3. Further Actions. Assignor hereby covenants and agrees, at no cost to Assignor, to execute and deliver such further documents as Assignee may reasonably request to evidence or confirm any of the terms of this Agreement.

4. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of New York, without regard to principles of conflict of law.

5. Counterparts. This Agreement may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

6. Amendments. This Agreement may not be altered, amended, changed, waived, terminated or modified in any respect or particular unless the same shall be in writing and signed by each of the parties hereto.

[*Signature page follows*]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the Effective Date.

Assignor:

[[●]

By:

_____

_____

]

_____

Assignee:

[●]

Exhibit 10.3

EXECUTION VERSION
AMENDED AND RESTATED
CREDIT AGREEMENT

Dated as of May 6, 2016

by and among

NSA OP, LP,

as Borrower,

THE LENDERS FROM TIME TO TIME PARTY HERETO,

and

KEYBANK NATIONAL ASSOCIATION,
as Administrative Agent,

and joined in for certain purposes by certain Subsidiaries of the Borrower and

NATIONAL STORAGE AFFILIATES TRUST,
as Parent Guarantor**,**

with

KEYBANC CAPITAL MARKETS INC. and
PNC CAPITAL MARKETS LLC,
as Co-Bookrunners and Co-Lead Arrangers,

and

PNC BANK, NATIONAL ASSOCIATION,
as Syndication Agent,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION, and
U.S. BANK NATIONAL ASSOCIATION,
as Co-Documentation Agents

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SCHEDULES

EXHIBITS

This AMENDED AND RESTATED CREDIT AGREEMENT (this " Agreement") dated as of May 6, 2016, by and among NSA OP, LP, a limited partnership formed under the laws of the State of Delaware (the " Borrower"), the Lenders from time to time party hereto, and KEYBANK NATIONAL ASSOCIATION, as Administrative Agent, and joined in for certain purposes by certain Subsidiaries of the Borrower and NATIONAL STORAGE AFFILIATES TRUST, a Maryland real estate investment trust ("NSA REIT" or the "Parent Guarantor").

WHEREAS, certain of the Lenders and other financial institutions have made available to the Borrower and certain subsidiaries of the Borrower a revolving credit and term loan facility in the aggregate principal amount of up to $550,000,000 on the terms and conditions contained in that certain Credit Agreement dated as of April 1, 2014 (as amended and in effect immediately prior to the date hereof, the "**Existing Credit Agreement**") by and among the Borrower and its subsidiaries party thereto, the Parent Guarantor, such Lenders and certain other financial institutions, KeyBank National Association, as administrative agent, and the other parties thereto; and

WHEREAS, the Administrative Agent and certain of the Lenders desire to amend and restate the terms of the Existing Credit Agreement to make available to the Borrower a revolving credit facility in the initial amount of $350,000,000, including a letter of credit subfacility and a swingline subfacility, and a term loan facility in the aggregate amount of $325,000,000, to be comprised of a $225,000,000 tranche A term loan facility and a $100,000,000 tranche B term loan facility, in each case on the terms and conditions contained herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto, each intending to be legally bound, agree that on the Closing Date, the Existing Credit Agreement shall be amended and restated in its entirety by this Agreement, the terms of which are as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions.

In addition to terms defined elsewhere herein, the following terms shall have the following meanings for the purposes of this Agreement:

"**Accession Agreement**" means an Accession Agreement substantially in the form of Annex I to the Subsidiary Guaranty.

"**Acquisition Price**" means, with respect to any Real Estate Asset, the purchase price paid by the Borrower, any of its Subsidiaries or any of their Partially-Owned Entities, as applicable, for such Real Estate Asset less closing costs and any amounts paid by such Person as a purchase price adjustment, to be held in escrow, to be retained as a contingency reserve, or other similar amounts.

"**Additional Costs**" has the meaning given that term in Section 4.1(b).

"**Adjusted EBITDA**" means, for any Reference Period, (a) EBITDA for such period minus (b) Reserves for Capital Expenditures for all Real Estate Assets (excluding Construction-in-Process) as of the last day of such Reference Period.

"**Adjusted NOI**" means, for any Reference Period, with respect to any Real Estate Asset, (a) Property NOI from such Real Estate Asset for such period minus (b) Reserves for Capital Expenditures

for such Real Estate Asset (excluding Construction-in-Process) as of the last day of such Reference Period.

"**Administrative Agent**" means KeyBank, as contractual representative for the Lenders under the terms of this Agreement, and any of its successors.

"**Administrative Questionnaire**" means the Administrative Questionnaire completed by each Lender and delivered to the Administrative Agent in a form supplied by the Administrative Agent to the Lenders from time to time.

"**Affiliate**" means, when used with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. In no event shall the Administrative Agent or any Lender be deemed to be an Affiliate of any Loan Party.

"**Agreement**" has the meaning set forth in the introductory paragraph hereof.

"**Agreement Date**" means the date as of which this Agreement is dated.

"Anti-Corruption Laws" means all Applicable Laws specifically concerning or relating to bribery or corruption.

"**Anti-Terrorism Laws**" means the following: (i) the Trading with the Enemy Act of the United States, 50 U.S.C. App. §§ 1 et seq., as amended, (ii) any of the foreign assets control regulations of the United States Treasury Department or any enabling legislation or executive order relating thereto, including without limitation, Executive Order No. 13224, effective as of September 24, 2001 relating to Blocking Property and Prohibiting Transactions With Persons -Who Commit, Threaten to Commit or Support Terrorism (66 Fed. Reg. 49079 (2001), and (iii) the Patriot Act.

"**Applicable Facility Fee Rate**" means the per annum percentage set forth in the table below corresponding to the Level at which the "**Applicable Margin**" is determined in accordance with the definition thereof at all times on and after the Credit Rating Election Date:

Level	Borrower's Credit Rating (S&P/Moody's or equivalent)	Facility Fee Rate
1	At Least A- or A3	0.125%
2	BBB+ or Baa1	0.150%
3	BBB or Baa2	0.200%
4	BBB- or Baa3	0.250%
5	Below BBB- and Baa3	0.300%

"**Applicable Law**" means all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes, executive orders, and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"**Applicable Margin**" means, with respect to a particular Type of Loan:

(a) at any time prior to the Credit Rating Election Date, the percentage set forth below corresponding to the Total Leverage Ratio as determined in accordance with Section 10.1 in effect at such time:

Level	Total Leverage Ratio	Applicable Margin for Revolving Loans that are LIBOR Loans	Applicable Margin for Revolving Loans that are Base Rate Loans	Applicable Margin for Tranche A Term Loans that are LIBOR Loans	Applicable Margin for Tranche A Term Loans that are Base Rate Loans	Applicable Margin for Tranche B Term Loans that are LIBOR Loans	Applicable Margin for Tranche B Term Loans that are Base Rate Loans
1	Less than or equal to 45%	1.40%	0.40%	1.35%	0.35%	1.60%	0.60%
2	Greater than 45% and less or equal to 50%	1.55%	0.55%	1.50%	0.50%	1.75%	0.75%
3	Greater than 50% and less than or equal to 55%	1.75%	0.75%	1.70%	0.70%	1.95%	0.95%
4	Greater than 55%	1.95%	0.95%	1.90%	0.90%	2.15%	1.15%

The Applicable Margin shall be determined by the Administrative Agent from time to time, based on the Total Leverage Ratio as set forth in the Compliance Certificate most recently delivered by the Borrower pursuant to Section 9.3. Any adjustment to the Applicable Margin shall be effective (a) in the case of a Compliance Certificate delivered in connection with quarterly financial statements of the Parent Guarantor delivered pursuant to Section 9.1, as of the date 45 days following the end of the last day of the applicable fiscal quarter covered by such Compliance Certificate, (b) in the case of a Compliance Certificate delivered in connection with annual financial statements of the Parent Guarantor delivered pursuant to Section 9.2, as of the date 90 days following the end of the last day of the applicable fiscal year covered by such Compliance Certificate, and (c) in the case of any other Compliance Certificate, as of the date 5 Business Days following the Administrative Agent's request for such Compliance Certificate. If the Borrower fails to deliver a Compliance Certificate pursuant to Section 9.3, the Applicable Margin shall equal the percentages corresponding to Level 4 until the date of the delivery of the required Compliance Certificate. Notwithstanding the foregoing, for the period from the Effective Date through but excluding the date on which the Administrative Agent first determines the Applicable Margin as set forth above, the Applicable Margin shall equal the percentages corresponding to Level 1. The provisions of this definition are subject to Section 2.5(d); and

(b) on and at all times after the Credit Rating Election Date, the percentage per annum determined, at any time, based on the range into which the Borrower's Credit Rating then falls, in accordance with the levels in the table set forth below (each a "**Level**"). Any change in the Borrower's Credit Rating which would cause it to move to a different Level in such table shall effect a change in

the Applicable Margin on the Business Day on which such change occurs. During any period for which the Borrower has received a Credit Rating from only one Rating Agency, then the Applicable Margin shall be determined based on such Credit Rating, provided that the Rating Agency is S&P or Moody's. During any period that the Borrower has received only two Credit Ratings and such ratings are not equivalent, the Applicable Margin shall be determined by the higher of such two Credit Ratings so long as the other Credit Rating is only one Level below that of the highest Credit Rating, and if the other Credit Rating is more than one Level below that of the highest Credit Rating, then the Applicable Margin shall be determined by the Credit Rating that is the median of the two Credit Ratings (unless the median is not a specified Level, in which case the Applicable Margin will be the Credit Rating that is one Level below the Level corresponding to the higher Credit Rating). During any period that the Borrower has received more than two Credit Ratings and such Credit Ratings are not equivalent, the Applicable Margin shall be determined by the highest Credit Rating if they differ by only one Level; provided, if they differ by two or more Levels, then the Applicable Margin will be determined by the average of the highest two Credit Ratings unless the average is not a specified Level, in which case the Applicable Margin will be based on the Level corresponding to the second highest Credit Rating. During any period after the Credit Rating Election Date for which the Borrower does not have a Credit Rating from either S&P, Moody's or Fitch, or during any other period not otherwise covered by this definition (e.g., in the event that, after the Credit Rating Election Date, the only Credit Rating is provided by Fitch), the Applicable Margin shall be determined based on Level 5.

Level	Borrower's Credit Rating (S&P/Moody's or Equivalent)	Applicable Margin for Revolving Loans that are LIBOR Loans	Applicable Margin for Revolving Loans that are Base Rate Loans	Applicable Margin for Tranche A Term Loans that are LIBOR Loans	Applicable Margin for Tranche A Term Loans that are Base Rate Loans	Applicable Margin for Tranche B Term Loans that are LIBOR Loans	Applicable Margin for Tranche B Term Loans that are Base Rate Loans
1	At Least A- or A3	0.85%	0.00%	0.95%	0.00%	1.35%	0.35%
2	BBB+ or Baa1	0.90%	0.00%	1.00%	0.00%	1.40%	0.40%
3	BBB or Baa2	1.00%	0.00%	1.15%	0.15%	1.50%	0.50%
4	BBB- or Baa3	1.20%	0.20%	1.40%	0.40%	1.75%	0.75%
5	Below BBB- and Baa3	1.55%	0.55%	1.80%	0.80%	2.30%	1.30%

"**Applicable Unused Fee**" means, for any day, the applicable rate per annum set forth below, based on the percentage of the Revolving Commitments in use on such date (with usage calculated in accordance with Section 3.6(a)):

Usage	Unused Fee
≤ 50%	0.25%
> 50%	0.15%

"**Appraisal**" means an M.A.I. appraisal (or local equivalent) prepared by a professional appraiser acceptable to the Administrative Agent, having at least the minimum qualifications required under the applicable Governmental Authority, including without limitation, FIRREA, and determining "as is" (and, as applicable, the "as completed" and/or "as stabilized") market value of the subject property as between a willing buyer and a willing seller.

"**Appraised Value**" means, with respect to any Real Estate Asset on any date of determination, the "as is" (and, as applicable, the "as completed" and/or "as stabilized") market value of such Real

Estate Asset as reflected in the most recent Appraisal of such Real Estate Asset as of such date, as the same may have been reasonably adjusted by the Administrative Agent based upon its internal review of such Appraisal which is based on criteria and factors then generally used and considered by the Administrative Agent in determining the value of similar real estate properties.

"**Approved Fund**" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"**Assignment and Acceptance Agreement** " means an Assignment and Acceptance Agreement entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 13.5), and accepted by the Administrative Agent, substantially in the form of Exhibit A or any other form approved by the Administrative Agent.

"**Augmenting Lender**" has the meaning given that term in Section 2.16(a).

"**Bail-In Action**" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"**Bail-In Legislation**" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"**Base Rate**" means, as of any applicable date of determination, the per annum rate of interest equal to the greatest of (i) the Prime Rate, (ii) one half of one percent (0.50%) plus the Federal Funds Effective Rate, and (iii) one percent (1.00%) plus LIBOR for a term of one month commencing on such date of determination (or if such date is not a Business Day, the immediately preceding Business Day), provided that clause (iii) shall not be applicable during any period in which LIBOR is unavailable or unascertainable as described in Article IV hereof. The Base Rate is a reference rate and does not necessarily represent the lowest or best rate being charged to any customer. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or LIBOR shall become effective as of the opening of business on the day on which such change in the Prime Rate, the Federal Funds Effective Rate or LIBOR, respectively, becomes effective, without notice or demand of any kind.

"**Base Rate Loan**" means a Loan bearing interest at a rate based on the Base Rate.

"**Benefit Arrangement**" means at any time an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by any member of the ERISA Group.

"**Borrower**" has the meaning set forth in the introductory paragraph hereof.

"**Business Day**" means (a) any day other than a Saturday, Sunday or other day on which banks in New York, New York are authorized or required to close and (b) with reference to a LIBOR Loan or any Base Rate Loan as to which the interest rate is determined by reference to LIBOR, any such day that is also a day on which dealings in deposits of Dollars are carried out in the London interbank market (a "**LIBOR Business Day**").

"**California Partnerships**" means, collectively, as applicable prior to the Credit Rating Election Date, any Controlled Partially-Owned Entity that meets each of the following requirements: (i) such Controlled Partially-Owned Entity has no other Indebtedness, (ii) (a) the Borrower and each applicable direct or indirect Wholly-Owned Subsidiary shall have pledged its partnership or membership interests, as applicable, in such Controlled Partially-Owned Entity as Collateral, (b) the other equity owners of such Controlled Partially-Owned Entity shall have pledged their economic interests in such Controlled Partially-Owned Entity as Collateral, and (c) such Controlled Partially-Owned Entity's Equity Interests in each California Partnership Subsidiary directly or indirectly owning or leasing the applicable Real Estate Assets shall be pledged as Collateral, in each case in form and substance satisfactory to the Administrative Agent, (iii) such Controlled Partially-Owned Entity is a Subsidiary Guarantor (and each Subsidiary of the Controlled Partially-Owned Entity is a Subsidiary Guarantor), and (iv) the Real Estate Assets owned or leased by such Controlled Partially-Owned Entity or its Subsidiary, as applicable, are located only in California, Arizona and/or North Carolina.

"**California Partnership Subsidiary**" means a Subsidiary of a California Partnership that meets the criteria of clause (i) of the definition of "Subsidiary" with respect to such California Partnership.

"**Campus Pointe Ground Lease**" means that certain Lease dated as of June 26, 2001 by and between YFP Campus Pointe, LLC, successor-in-interest to Keystone Land Partners, LLC, as landlord, and Colton Campus PT., L.P., successor-in-interest to Westport Campus Pointe, LLC, as tenant, as in effect on the Effective Date, for certain premises located in the retail development commonly known as Campus Pointe in San Diego, California.

"**Capital Lease Obligations**" means, with respect to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP; and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"**Capitalization Rate**" means 7.00%.

"**Cash Collateralize**" means, to pledge and deposit with or deliver to the Administrative Agent, for its benefit and the benefit of the Lenders, as collateral for Letter of Credit Liabilities or obligations of Lenders to fund participations in respect of Letter of Credit Liabilities, cash or deposit account balances or, if the Administrative Agent shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent. "**Cash Collateral**" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"**Cash Equivalents**" means: (a) securities issued, guaranteed or insured by the United States of America or any of its agencies with maturities of not more than one year from the date acquired; (b) certificates of deposit with maturities of not more than one year from the date issued by a United States federal or state chartered commercial bank of recognized standing, or a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, acting through a branch or agency, which bank has capital and unimpaired surplus in excess of $500,000,000 and which bank or its holding company has a short-term commercial paper rating of at least A-2 or the equivalent by S&P or at least P-2 or the equivalent by Moody's; (c) reverse repurchase agreements with terms of not more than seven days from the date acquired, for securities of the type described in clause (a) above and entered into only with commercial banks having the qualifications described in clause (b) above; (d) commercial paper issued by any Person incorporated under the laws of the United States of America or any State thereof and rated at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof by Moody's, in each case with maturities of not more than one year from the date acquired; and (e) investments in money market funds registered under the Investment Company Act of 1940, as amended, which have net assets of at least $500,000,000 and at least 85% of whose assets consist of securities and other obligations of the type described in clauses (a) through (d) above.

"**Class**"when used with respect to a Lender, refers to whether such Lender has a Loan or Commitment with respect to a particular class of Loans or Commitments (i.e., a Revolving Loan, Tranche A Term Loan or Tranche B Term Loan).

"**Collateral**" means, collectively, all of the "Collateral" or other assets in which a Lien is granted to the Administrative Agent referred to in the Pledge Agreement and all of the other property that is or is intended under the terms of the Collateral Documents to be subject to Liens in favor of the Administrative Agent for the benefit of itself, the Lenders and the Specified Derivatives Providers.

"**Collateral Account**" means a special non-interest bearing deposit account or securities account maintained by, or on behalf of, the Administrative Agent under its sole dominion and control.

"**Collateral Documents**" means, collectively, the Pledge Agreement and each other agreement, instrument or document that creates or purports to create a Lien in favor of the Administrative Agent for the benefit of itself, the Lenders and the Specified Derivatives Providers.

"**Collateral Fallaway**" has the meaning given that term in Section 13.9(a).

"**Commitment**" means, as to any Lender, such Lender's Revolving Commitment or a Term Loan Commitment, as the context may require.

"**Commitment Percentage**" means, (a) in respect of the Revolving Credit Facility, with respect to any Revolving Lender at any time, its Revolving Commitment Percentage at such time, (b) in respect of the Tranche A Facility, with respect to any Tranche A Lender at any time, the percentage of the Tranche A Facility represented by (i) on or prior to the Effective Date, such Tranche A Lender's Tranche A Commitment at such time and (ii) thereafter, the principal amount of such Tranche A Lender's Tranche A Loans at such time, and (c) in respect of the Tranche B Facility, with respect to any Tranche B Lender at any time, the percentage of the Tranche B Facility represented by (i) on or prior to the Effective Date, such Tranche B Lender's Tranche B Commitment at such time and (ii) thereafter, the principal amount of such Tranche B Lender's Tranche B Loans at such time. The Commitment Percentage of each Lender in respect of each Facility is set forth opposite the name of such Lender on Schedule 1.1, as such Schedule 1.1 may be updated by the Administrative Agent from time to time

"**Commodity Exchange Act**" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"**Compliance Certificate**" has the meaning given that term in Section 9.3.

"**Consolidated**" or "**consolidated**", with reference to any term herein, means that term as applied to the accounts of NSA REIT and its Subsidiaries, or the Borrower and its Subsidiaries (as the case may be), consolidated in accordance with and as required by GAAP.

"**Construction-in-Process**" means any Real Estate Asset that is raw land, vacant out-parcels, or other property on which construction of material improvements has commenced and is continuing to be performed (such commencement evidenced by foundation excavation) without undue delay from permit denial, construction delays or otherwise, but has not yet been completed (as evidenced by a certificate of occupancy permitting use of such property by the general public). A Real Estate Asset will no longer be considered Construction-in-Process upon the sooner of (a) achievement of an 80% Occupancy Rate or (b) 12 months after completion (as evidenced by a certificate of occupancy permitting use of such property by the general public).

"**Continue**", "**Continuation**" and "**Continued**" each refers to the continuation of a LIBOR Loan from one Interest Period to another Interest Period pursuant to Section 2.9.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Controlled Partially-Owned Entity**" means , collectively, any Partially-Owned Entity, (i) of which the Borrower or a Wholly-Owned Subsidiary of the Borrower is the general partner, the sole

manager or sole managing member of such Partially-Owned Entity or is validly and irrevocably appointed to direct the actions of the general partner, the sole manager or sole managing member of such Partially-Owned Entity, and, in each case, at all times Controls such limited partnership or limited liability company and its assets (including, for the avoidance of doubt, the ability to (x) finance and refinance, (y) grant first-mortgage or other Liens in the nature of a security interest, mortgage lien, pledge or similar encumbrance on, and (z) sell, transfer or otherwise dispose of, the Eligible Unencumbered Properties owned or leased by such Partially-Owned Entity without the consent of the limited partners, any other members or any other Person, in each case under clause (z), subject to the PRO Consent Rights), (ii) with respect to which the Borrower or NSA REIT reports the Equity Interests of such Partially-Owned Entity on a Consolidated basis in accordance with GAAP and (iii) that is organized in, and owns Real Estate Assets located only in, the United States. For the avoidance of doubt, a Subsidiary of the Borrower that is a California Partnership is also a Controlled Partially-Owned Entity.

"**Convert**", "**Conversion**" and "**Converted**" each refers to the conversion of a Loan of one Type into a Loan of another Type pursuant to Section 2.10.

"**Cost Basis Value**" means, with respect to any Real Estate Asset, the sum of the following to the extent capitalized in accordance with GAAP: (a) the total contract purchase price of such Real Estate Asset, plus (b) all commercially reasonable acquisition costs (including but not limited to title, legal and settlement costs, but excluding financing costs), plus (c) if such Real Estate Asset constitutes Construction-in-Process, all construction costs incurred, to the extent such costs were budgeted.

"**Credit Event**" means any of the following: (a) the making (or deemed making) of any Loan, (b) the Continuation of a LIBOR Loan, (c) the Conversion of a Base Rate Loan into a LIBOR Loan, and (d) the issuance of a Letter of Credit.

"**Credit Rating**" means the rating assigned by a Rating Agency to the senior unsecured long term Indebtedness of a Person; provided that the Credit Rating of any Person that is a Subsidiary of another Person (such other Person being referred to as a "**Parent**") who provides a Guaranty of an item of Indebtedness of such Subsidiary shall, for purposes of such Indebtedness, be the greater of the rating assigned to (x) such Subsidiary and (y) the Parent.

"**Credit Rating Election Date**" means the date, after the Investment Grade Rating Date, on which the Borrower delivers written notice to the Administrative Agent that it desires to utilize its Credit Rating in determining the Applicable Margin and the Applicable Facility Fee pursuant to Section 2.5(b).

"**De La Plaza Ground Lease**" means that certain Shopping Center Lease dated as of February 11, 1999 by and between Encinitas Plaza, L.P., successor-in-interest to M&H Realty Partners III L.P., as landlord, and Colton Encinitas, L.P., successor-in-interest to Westport Encinitas LLC, as tenant, as amended as of the Effective Date, for certain premises located in the retail development commonly known as De La Plaza in Encinitas, California.

"**Debtor Relief Laws**" means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar Applicable Laws relating to the relief of debtors in the United States of America or other applicable jurisdictions from time to time in effect.

"**Default**" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"**Defaulting Lender**" means, subject to Section 3.11(f), any Lender that (a) has failed to (i) fund all or any portion of its Loans within 2 Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Loans) within 2 Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent or the Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within 3 Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-in Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States of America or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 3.11(f)) upon delivery of written notice of such determination to the Borrower, the Swingline Lender and each Lender.

"**Derivatives Contract**" means (a) any transaction (including any master agreement, confirmation or other agreement with respect to any such transaction) now existing or hereafter entered into by the Borrower or any of its Subsidiaries (i) which is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, weather index transaction or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions) or (ii) which is a type of transaction that is similar to any transaction referred to in clause (i) above that is currently, or in the future becomes, commonly

entered into in the financial markets (including terms and conditions incorporated by reference in such agreement) and which is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made, and (b) any combination of these transactions.

"**Derivatives Termination Value**" means, in respect of any one or more Derivatives Contracts, after taking into account the effect of any legally enforceable netting agreement or provision relating thereto, (a) for any date on or after the date such Derivatives Contracts have been terminated or closed out, the termination amount or value determined in accordance therewith, and (b) for any date prior to the date such Derivatives Contracts have been terminated or closed out, the then-current mark-to-market value for such Derivatives Contracts, determined based upon one or more mid-market quotations or estimates provided by any recognized dealer in Derivatives Contracts (which may include the Administrative Agent, any Lender, any Specified Derivatives Provider or any Affiliate of any thereof).

"**Disqualified Stock**" means any Equity Interests that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, either mandatorily or at the option of the holder thereof), or upon the happening of any event or condition, matures or is mandatorily redeemable or subject to mandatory repurchase or redemption or repurchase at the option of the holders thereof, in whole or in part and whether upon the occurrence of any event, pursuant to a sinking fund obligation, on a fixed date or otherwise, or is convertible or exchangeable at the option of the holder thereof for Indebtedness or Equity Interests (other than Equity Interests that do not constitute Disqualified Stock), in each case prior to the date that is 180 days after the latest Term Loan tranche maturity date at the time of issuance of such Equity Interests; provided, however, that Equity Interests that would not constitute Disqualified Stock but for terms thereof giving holders thereof the right to require the issuer thereof to redeem or purchase such Equity Interests upon the occurrence of an "event of default", an "asset sale" or a "change of control" shall not constitute Disqualified Stock if any such requirement becomes operative only after repayment in full in cash of all the Obligations and the termination of the Commitments.

"**Disqualifying Environmental Event**" means, with respect to any Eligible Unencumbered Property, any release or threatened release of Hazardous Materials, any violation of Environmental Laws or any similar environmental event with respect to such Eligible Unencumbered Property, the cost of remediating which could reasonably be expected to exceed (a) the greater of (i) $500,000 and (ii) 10% of the Unencumbered Asset Value that would be attributable to such Eligible Unencumbered Property, for such Eligible Unencumbered Property individually, or (b) $5,000,000 when combined with the cost of remediating such environmental events with respect to all Eligible Unencumbered Properties.

"**Disqualifying Structural Event**" means, with respect to any Eligible Unencumbered Property, any structural issue with respect to such Eligible Unencumbered Property, the cost of remediating which could reasonably be expected to exceed (a) the greater of (i) $500,000 and (ii) 10% of the Unencumbered Asset Value that would be attributable to such Eligible Unencumbered Property, for such Eligible Unencumbered Property individually or (b) $5,000,000 when combined with the cost of remediating such structural issues with respect to all Eligible Unencumbered Properties.

"**Dollars**" or "**$**" means the lawful currency of the United States of America.

"**EBITDA**" means, for any period, (a) Net Income of NSA REIT and its Subsidiaries for such period, as determined in accordance with GAAP (but without adjustment for minority interests), plus

(b) without duplication and to the extent deducted in computing such Net Income for such period, the sum of (i) Interest Expense, (ii) losses attributable to the sale or other disposition of assets or debt restructurings, (iii) real estate depreciation and amortization, (iv) acquisition costs related to the acquisition of Real Estate Assets that were capitalized prior to FAS 141-R which do not represent a recurring cash item in such period or in any future period, and (v) other non-cash charges, minus (c) to the extent included in Net Income for such period, all gains attributable to the sale or other disposition of assets. NSA REIT's and its Subsidiaries' Pro Rata Share of the items comprising EBITDA of any Partially-Owned Entity shall be included in EBITDA, calculated in a manner consistent with the above-described treatment for NSA REIT and its Subsidiaries.

"**EEA Financial Institution**" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"**EEA Member Country**" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway

"**EEA Resolution Authority**" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**Effective Date**" means the later of: (a) the Agreement Date; and (b) the date on which all of the conditions precedent set forth in Section 6.1 shall have been fulfilled or waived in writing by the Lenders.

"**Eligible Assignee**" means any Person that meets the requirements to be an assignee under Sections 13.5(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 13.5(b)(iii)).

"Eligible California Partnership Property(ies)" means any Real Estate Asset that meets each of the requirements to be an Eligible Unencumbered Property other than being 100% fee owned or 100% leased under a Ground Lease by the Borrower or a Wholly-Owned Subsidiary of the Borrower so long as such Real Estate Asset is 100% fee owned or 100% leased under a Ground Lease by a California Partnership (or a California Partnership Subsidiary).

"**Eligible JV**" means a Non-Wholly-Owned Subsidiary of the Borrower or a Partially-Owned Entity, which 100% fee owns, or 100% leases under a Ground Lease, one or more Eligible JV Properties.

"Eligible JV Properties" means those Real Estate Assets that meet each of the requirements to be an Eligible Unencumbered Property other than being 100% fee owned or 100% leased under a Ground Lease by the Borrower or a Wholly-Owned Subsidiary of the Borrower so long as such Real Estate Asset is 100% fee owned or 100% leased under a Ground Lease by an Eligible JV.

"**Eligible Unencumbered Property**" means a Real Estate Asset which satisfies all of the following requirements (unless otherwise approved by the Requisite Lenders): (a) (i) prior to the Investment Grade Rating Date, such Real Estate Asset is 100% fee owned, or 100% leased under a Ground Lease, by the Borrower, a Wholly-Owned Subsidiary that is, except to the extent not required

pursuant to Section 8.13(c), a Subsidiary Guarantor and organized under the Laws of the United States or a California Partnership (or a California Partnership Subsidiary), provided that no more than 20% of Unencumbered Asset Value may be attributable to Real Estate Assets owned or leased by California Partnerships (or a California Partnership Subsidiary) and only Eligible California Partnership Properties owned or leased by California Partnerships (or a California Partnership Subsidiary) shall be included in determining Eligible Unencumbered Asset Value; and (ii) after the Investment Grade Rating Date, such Real Estate Asset is 100% fee owned, or 100% leased under a Ground Lease, by the Borrower, a Wholly-Owned Subsidiary of the Borrower organized under the Laws of the United States or an Eligible JV, provided that no more than 10% of Unencumbered Asset Value may be attributable to Real Estate Assets owned or leased by Eligible JVs and only Eligible JV Properties owned or leased by Eligible JVs shall be included in determining Eligible Unencumbered Asset Value; (b) such Real Estate Asset is a Permitted Property; (c) neither such Real Estate Asset nor the Borrower's or any Subsidiary's or Partially-Owned Entity's direct or indirect Equity Interests in the Subsidiary owning or leasing such Real Estate Asset is subject to any Lien or any Negative Pledge (other than (x) Permitted Liens and (y) Negative Pledges contained in agreements relating to a Senior Unsecured Debt Issuance permitted to be incurred by this Agreement at the time of its incurrence and substantially similar to the Negative Pledge provisions contained in this Agreement, and Negative Pledges in favor of the Administrative Agent and the Lenders contained in this Agreement); (d) notwithstanding any provisions of Section 10.3, any Subsidiary or Eligible JV owning or leasing such Real Estate Asset (and any direct or indirect parent thereof that is a Subsidiary of the Borrower) has no other Indebtedness; (e) such Real Estate Asset is not the subject of a Disqualifying Environmental Event or Disqualifying Structural Event and is free of all major architectural deficiencies, title defects or other adverse matters which would materially impact such Real Estate Asset's value or cash flow; and (f) for all Real Estate Assets other than the Eligible JV Properties owned or leased by an Eligible JV, regardless of whether the Borrower or a Subsidiary of the Borrower owns or leases such Real Estate Asset, the Borrower has the right directly, or indirectly through a Wholly-Owned Subsidiary, to take the following actions without the need to obtain the consent of any Person: (i) to finance or refinance such Real Estate Asset, (ii) to grant first-mortgage or other Liens in the nature of a security interest, mortgage lien, pledge or similar encumbrance on such Real Estate Asset as security for Indebtedness of NSA REIT, the Borrower or such Subsidiary, as applicable, and (iii) to sell, transfer or otherwise dispose of such Real Estate Asset, in each case under clause (iii), subject to the PRO Consent Rights.

"**Environmental Laws**" means any Applicable Law relating to environmental protection or the manufacture, storage, remediation, disposal or clean-up of Hazardous Materials including, without limitation, the following: Clean Air Act, 42 U.S.C. § 7401 et seq.; Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq.; National Environmental Policy Act, 42 U.S.C. § 4321 et seq.; regulations of the Environmental Protection Agency and any applicable rule of common law and any judicial interpretation thereof relating primarily to the environment or Hazardous Materials, and any analogous or comparable state or local laws, regulations or ordinances that concern Hazardous Materials or protection of the environment.

"**Equity Interest**" means, with respect to any Person, any share of capital stock of (or other ownership or profit interests in) such Person, any warrant, option or other right for the purchase or other acquisition from such Person of any share of capital stock of (or other ownership or profit interests in) such Person whether or not certificated, any security convertible into or exchangeable for any share of capital stock of (or other ownership or profit interests in) such Person or warrant, right or option for the purchase or other acquisition from such Person of such shares (or such other interests), and any

other ownership or profit interest in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such share, warrant, option, right or other interest is authorized or otherwise existing on any date of determination.

"**Equity Issuance**" means any issuance or sale by a Person of any Equity Interest in such Person and shall in any event include the issuance of any Equity Interest upon the conversion or exchange of any security constituting Indebtedness that is convertible or exchangeable, or is being converted or exchanged, for Equity Interests.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as in effect from time to time.

"**ERISA Event**" means, with respect to the ERISA Group, (a) any "reportable event" as defined in Section 4043 of ERISA with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the withdrawal of a member of the ERISA Group from a Plan subject to Section 4063 of ERISA during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) the incurrence by a member of the ERISA Group of any liability with respect to the withdrawal or partial withdrawal from any Multiemployer Plan; (d) the incurrence by any member of the ERISA Group of any liability under Title IV of ERISA with respect to the termination of any Plan or Multiemployer Plan; (e) the institution of proceedings to terminate a Plan or Multiemployer Plan by the PBGC; (f) the failure by any member of the ERISA Group to make when due required contributions to a Multiemployer Plan or Plan unless such failure is cured within 30 days or the filing pursuant to Section 412(c) of the Internal Revenue Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard; (g) any other event or condition that might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan or Multiemployer Plan or the imposition of liability under Section 4069 or 4212(c) of ERISA; (h) the receipt by any member of the ERISA Group of any notice or the receipt by any Multiemployer Plan from any member of the ERISA Group of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent (within the meaning of Section 4245 of ERISA), in reorganization (within the meaning of Section 4241 of ERISA), or in "critical" status (within the meaning of Section 432 of the Internal Revenue Code or Section 305 of ERISA); (i) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any member of the ERISA Group or the imposition of any Lien in favor of the PBGC under Title IV of ERISA; or (j) a determination that a Plan is, or is reasonably expected to be, in "at risk" status (within the meaning of Section 430 of the Internal Revenue Code or Section 303 of ERISA).

"**ERISA Group**" means NSA REIT and its Subsidiaries and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control, which, together with NSA REIT or any of its Subsidiaries, are treated as a single employer under Section 414 of the Internal Revenue Code.

"**EU Bail-In Legislation Schedule**" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"**Event of Default**" means any of the events specified in Section 11.1, provided that any requirement for notice or lapse of time or any other condition has been satisfied.

"**Excluded Swap Obligation**" means, with respect to any Loan Party, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Loan Party or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

"**Existing Credit Agreement**" has the meaning given to that term in the recitals hereof.

"**Existing Derivatives Contract**" means a Derivatives Contract in effect on or prior to May 1, 2016 that provides a hedge against interest rate risk on loans extended pursuant to the Existing Credit Agreement, without any modification, amendment, extension or blending with any other hedge against interest rate risk, in each case as disclosed on Schedule 1.12.

"**Facilities Management Agreement**" means each Facilities Portfolio Management Agreement entered into in the ordinary course of business, as in effect on the Effective Date and from time to time thereafter, in each case substantially in the form of the form of Facilities Portfolio Management Agreement filed with the with the Securities and Exchange Commission as of the Effective Date.

"**Facility**" means the Revolving Credit Facility, the Tranche A Facility or the Tranche B Facility, as the context may require, and "Facilities" means all such Facilities together.

"**Facility Fee**" has the meaning given to that term in Section 3.6(b).

"**Fair Market Value**" means, with respect to (a) a security listed on a national securities exchange or the NASDAQ National Market, the last sale price of such security as reported on such exchange or market by any widely recognized reporting method customarily relied upon by financial institutions and (b) with respect to any other property, the price which could be negotiated in an arm's-length free market transaction, for cash, between a willing seller and a willing buyer, neither of which is under pressure or compulsion to complete the transaction.

"**FASB ASC**" means the Accounting Standards Codification of the Financial Accounting Standards Board.

"**FATCA**" has the meaning given that term in Section 3.12(a).

"**Federal Funds Effective Rate**" means, for any day, the rate per annum (rounded upward to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (a) if such day is not a Business Day, the Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average rate quoted to Administrative Agent

by federal funds dealers selected by the Administrative Agent on such day on such transaction as determined by the Administrative Agent.

"**Fee Letter**" means that certain Fee Letter dated as of March 18, 2016, by and among KeyBank, the KeyBanc Capital Markets Inc. and the Borrower, relating to the Facilities.

"**Fees**" means the fees provided for or referred to in Section 3.6 and any other fees payable by the Borrower hereunder or under any other Loan Document.

"**Fitch**" means Fitch Ratings Ltd., and its successors.

"**Fixed Charges**" means, for any period, the sum (without duplication) of (a) Interest Expense for such period, (b) all regularly scheduled payments made during such period on account of principal of Indebtedness of NSA REIT or any of its Subsidiaries (but excluding (i) balloon, bullet or similar principal payments due upon the stated maturity of any Indebtedness and (ii) payments of principal of the Loans), and (c) Preferred Dividends payable by NSA REIT or any of its Subsidiaries during such period. NSA REIT's and its Subsidiaries' Pro Rata Share of the expenses and payments referred to in the preceding clauses (a) through (c) of any Partially-Owned Entity of NSA REIT or any of its Subsidiaries shall be included in Fixed Charges, calculated in a manner consistent with the above-described treatment for NSA REIT and its Subsidiaries.

"**Fronting Exposure**" means, at any time there is a Defaulting Lender, (a) with respect to the Administrative Agent, such Defaulting Lender's Commitment Percentage of the outstanding Letter of Credit Liabilities other than Letter of Credit Liabilities as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swingline Lender, such Defaulting Lender's Commitment Percentage of outstanding Swingline Loans other than Swingline Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders.

"**Fund**" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"**Funds From Operations**" means with respect to any Person for any period, (a) net income (loss) of such Person determined on a consolidated basis for such period minus (or plus) (b) gains (or losses) from debt restructuring, mark-to-market adjustments on interest rate swaps, and sales of property during such period, plus each of the following, to the extent deducted in determining such net income and without duplication: (x) depreciation with respect to such Person's Real Estate Assets and amortization (other than amortization of deferred financing costs) of such Person for such period, all after adjustment for unconsolidated partnerships and joint ventures, (y) all non-cash charges for such period related to deferred financing costs, deferred acquisition costs and equity compensation and (z) non-recurring costs and expenses incurred in connection with acquisitions of Real Estate Assets, to the extent such costs and expenses cannot be capitalized in accordance with GAAP.

"**GAAP**" means generally accepted accounting principles in the United States of America set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (including Statement of Financial Accounting Standards No. 168, "The FASB Accounting Standards Codification") or in such other statements by such other entity as may be approved

by a significant segment of the accounting profession in the United States of America, which are applicable to the circumstances as of the date of determination.

"**Governmental Approvals**" means all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and reports to, all Governmental Authorities.

"**Governmental Authority**" means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, administrative, public or statutory instrumentality, authority, body, agency, bureau, commission, board, department or other entity (including, without limitation, the Federal Deposit Insurance Corporation, the Comptroller of the Currency or the Federal Reserve Board, any central bank or any comparable authority) or any arbitrator with authority to bind a party at law.

"**Gross Asset Value** " means, on any date of determination, the sum (without duplication) of (a) the Operating Property Value on such date, plus (b) the Cost Basis Value of all Construction-in-Process on such date and the book value (determined in accordance with GAAP) of all Mezz Loan Investments on such date (so long as the borrower under such Mezz Loan Investment or any affiliate thereof is not in default thereunder or under any other Indebtedness of such borrower or such affiliate), plus (c) the Cost Basis Value of all Unimproved Land on such date, plus (d) the book value (determined in accordance with GAAP) of all Mortgage Notes on such date, plus (e) all unrestricted and unencumbered cash and Cash Equivalents of NSA REIT and its Subsidiaries on such date; with Gross Asset Value being adjusted to include NSA REIT and its Subsidiaries' Pro Rata Share of (i) the Operating Property Value (and the items comprising the Operating Property Value) attributable to any Partially-Owned Entity on such date, plus (ii) the Cost Basis Value of all Construction-in-Process of any Partially Owned Entity on such date, plus (iii) the Cost Basis Value of all Unimproved Land owned by a Partially-Owned Entity on such date, plus (iv) the book value (determined in accordance with GAAP) of all Mortgage Notes held by a Partially-Owned Entity on such date, plus (v) the value of all unrestricted and unencumbered cash and Cash Equivalents owned by any Partially-Owned Entity on such date. Notwithstanding the foregoing, for purposes of calculating Gross Asset Value, to the extent (A) the amount of Gross Asset Value attributable to Unimproved Land would exceed 5% of Gross Asset Value, such excess shall be excluded from Gross Asset Value, (B) the amount of Gross Asset Value attributable to Construction-in-Process and Mezz Loan Investments, collectively, would exceed 5% of Gross Asset Value, such excess shall be excluded from Gross Asset Value, (C) the amount of Gross Asset Value attributable to joint ventures with Non-Wholly-Owned Subsidiaries (other than Controlled Partially-Owned Entities) and Partially-Owned Entities would exceed 10% of Gross Asset Value, such excess shall be excluded from Gross Asset Value, (D) the amount of Gross Asset Value attributable to Controlled Partially-Owned Entities, when taken together with all joint ventures with Non-Wholly-Owned Subsidiaries (other than Controlled Partially-Owned Entities) and Partially-Owned Entities, would exceed 20% of Gross Asset Value, such excess shall be excluded from Gross Asset Value, (E) the amount of Gross Asset Value attributable to Mortgage Notes would exceed 5% of Gross Asset Value, such excess shall be excluded from Gross Asset Value, and (F) the aggregate amount of Gross Asset Value attributable to: (i) Unimproved Land, (ii) Construction-in-Process and Mezz Loan Investments, (iii) joint ventures with Non-Wholly-Owned Subsidiaries (other than Controlled Partially-Owned Entities) and Partially-Owned Entities and (iv) Controlled Partially-Owned Entities, and (v) Mortgage Notes would exceed 20% of Gross Asset Value, such excess shall be excluded from Gross Asset Value. For the avoidance of doubt, without limiting the application of the thresholds set forth in this definition for purposes of determining Gross Asset Value, in no event shall Borrower be deemed to be in default hereunder by reason of maintaining Investments or assets in excess of the thresholds set forth in this definition.

"**Ground Lease**" means a ground lease reasonably acceptable to the Administrative Agent and containing the following terms and conditions: (a) a remaining term (exclusive of any unexercised extension options) of 30 years or more from the Agreement Date (or such shorter period as the Requisite Lenders may agree, it being acknowledged that the shorter periods under the Irvine Ground Lease, the De La Plaza Ground Lease and the Campus Pointe Ground Lease have each been approved with a shorter lease period); (b) the right of the lessee to mortgage and encumber its interest in the leased property without the consent of the lessor; (c) the obligation of the lessor to give the holder of any mortgage Lien on such leased property written notice of any defaults on the part of the lessee and agreement of such lessor that such lease will not be terminated until such holder has had a reasonable opportunity to cure or complete foreclosures, and fails to do so; (d) reasonable transferability of the lessee's interest under such lease, including without limitation, the ability to sublease; and (e) such other rights customarily required by mortgagees making a loan secured by the interest of the holder of the leasehold estate demised pursuant to a ground lease.

"**Guarantor**" or "**Guarantors**" means (i) NSA REIT in its capacity as a guarantor under the Parent Guaranty, (ii) prior to the Investment Grade Rating Date, but subject to Section 8.13, each Material Subsidiary Guarantor, (iii) prior to the Investment Grade Rating Date, but subject to Section 8.13, each Other Subsidiary Guarantor, and (iv) each Non-Material Subsidiary Guarantor.

"**Guarantor Release Letter**" means a letter executed by the Administrative Agent that confirms the release of one or more Guarantor(s), substantially in the form of Exhibit M.

"**Guaranty**", "**Guaranteed**", "**Guarantying**" or to "**Guarantee**" as applied to any obligation means and includes: (a) a guaranty (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), directly or indirectly, in any manner, of any part or all of such obligation, or (b) an agreement, direct or indirect, contingent or otherwise, and whether or not constituting a guaranty, the practical effect of which is to assure the payment or performance (or payment of damages in the event of nonperformance) of any part or all of such obligation whether by: (i) the purchase of securities or obligations, (ii) the purchase, sale or lease (as lessee or lessor) of property or the purchase or sale of services primarily for the purpose of enabling the obligor with respect to such obligation to make any payment or performance (or payment of damages in the event of nonperformance) of or on account of any part or all of such obligation, or to assure the owner of such obligation against loss, (iii) the supplying of funds to or in any other manner investing in the obligor with respect to such obligation, (iv) repayment of amounts drawn down by beneficiaries of letters of credit (including Letters of Credit), or (v) the supplying of funds to or investing in a Person on account of all or any part of such Person's obligation under a Guaranty of any obligation or indemnifying or holding harmless, in any way, such Person against any part or all of such obligation. As the context requires, "Guaranty" shall also mean the Parent Guaranty and/or the Subsidiary Guaranty, as the context requires.

"**Hazardous Materials**" means all or any of the following: (a) substances that are defined or listed in, or otherwise classified pursuant to, any applicable Environmental Laws as "hazardous substances", "hazardous materials", "hazardous wastes", "toxic substances" or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, "TCLP" toxicity or "EP toxicity"; (b) oil, petroleum or petroleum derived substances, natural gas, natural gas liquids or synthetic gas and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; (c) any flammable substances or explosives or any radioactive materials; (d) asbestos in any form; (e) toxic mold; and (f) electrical equipment which contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty parts per million.

"**Increasing Lender**" has the meaning given that term in Section 2.16(a).

"**Incremental Term Loan**" has the meaning given that term in Section 2.16(a).

"**Incremental Term Loan Amendment**" has the meaning given that term in Section 2.16(e).

"**Indebtedness**" means, with respect to a Person, at the time of computation thereof, all of the following (without duplication): (a) all indebtedness of such Person for borrowed money including, without limitation, any repurchase obligation or liability of such Person with respect to securities, accounts or notes receivable sold by such Person that becomes a liability on the balance sheet of such Person, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade liability incurred in the ordinary course of business and payable in accordance with customary practices), to the extent such obligations constitutes indebtedness for the purposes of GAAP, (c) any other indebtedness of such Person which is evidenced by a note, bond, debenture, or similar instrument, (d) all Capital Lease Obligations, (e) all obligations of other Persons which such Person has Guaranteed or is otherwise recourse to such Person (except for Guaranties of customary exceptions for fraud, misapplication of funds, environmental indemnities, violation of "special purpose entity" covenants, and other similar exceptions to recourse liability until a written claim is made with respect thereto, and then shall be included only to the extent of the amount of such claim), including liability of a general partner in respect of liabilities of a partnership in which it is a general partner, which would constitute "Indebtedness" hereunder, any obligation to supply funds to or in any manner to invest directly or indirectly in a Person, to maintain working capital or equity capital of a Person or otherwise to maintain net worth, solvency or other financial condition of a Person, to purchase indebtedness, or to assure the owner of indebtedness against loss, including, without limitation, through an agreement to purchase property, securities, goods, supplies or services for the purpose of enabling the debtor to make payment of the indebtedness held by such owner or otherwise (excluding in any calculation of consolidated Indebtedness of NSA REIT and its Subsidiaries, Guaranty obligations of NSA REIT or its Subsidiaries in respect of primary obligations of any of NSA REIT or its Subsidiaries which are already included in Indebtedness), (f) all reimbursement obligations of such Person for letters of credit and other contingent liabilities, (g) any net mark-to-market exposure under a Derivatives Contract to the extent speculative in nature, (h) all Disqualified Stock issued by such Person, valued, as of the date of determination, at the greater of (i) the maximum aggregate amount that would be payable upon maturity, redemption, repayment or repurchase thereof (or of Disqualified Stock or Indebtedness into which such Disqualified Stock is convertible or exchangeable) and (ii) the maximum liquidation preference of such Disqualified Stock, and (i) all liabilities secured by any Lien (other than Liens for taxes not yet due and payable) on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof. The calculation of consolidated Indebtedness of NSA REIT and its Subsidiaries shall, without duplication, include their Pro Rata Share of Indebtedness of all Partially-Owned Entities of NSA REIT and its Subsidiaries. Any calculation of Indebtedness hereunder shall be made in a manner consistent with the last sentence of Section 1.2.

"**Indemnified Costs**" has the meaning given that term in Section 13.9(a).

"**Indemnified Party**" has the meaning given that term in Section 13.9(a).

"**Indemnity Proceeding**" has the meaning given that term in Section 13.9(a).

"**Initial Eligible Unencumbered Properties**" means, collectively, the Eligible Properties set forth on Schedule 5.1(a).

"**Interest Expense**" means, for any period, the total interest expense of NSA REIT and its Subsidiaries (including that attributable to Capital Lease Obligations and any capitalized interest expense) for such period with respect to all outstanding Indebtedness of NSA REIT and its Subsidiaries (including, without limitation, all commissions, discounts and other fees and charges owed by NSA REIT and its Subsidiaries with respect to letters of credit, bankers' acceptance financing and net costs of NSA REIT and its Subsidiaries under Derivatives Contracts in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP). NSA REIT's and its Subsidiaries' Pro Rata Share of all such expenses of any Partially-Owned Entity of NSA REIT or any of its Subsidiaries shall be included in Interest Expense, calculated in a manner consistent with the above-described treatment for NSA REIT and its Subsidiaries.

"**Interest Period**" means with respect to any LIBOR Loan, each period commencing on the date such LIBOR Loan is made, or in the case of the Continuation of a LIBOR Loan the last day of the preceding Interest Period for such Loan, and ending 1, 2, 3 or 6 months thereafter, as the Borrower may select in a Notice of Borrowing, Notice of Continuation or Notice of Conversion, as the case may be, except that each Interest Period that commences on the last Business Day of a calendar month, or on a day for which there is no corresponding day in the appropriate subsequent calendar month, shall end on the last Business Day of the appropriate subsequent calendar month. Notwithstanding the foregoing: (i) if any Interest Period for any portion of a Revolving Loan or Term Loan would otherwise end after the applicable Maturity Date for such Loan, such Interest Period shall end on the applicable Maturity Date; and (ii) each Interest Period that would otherwise end on a day which is not a Business Day shall end on the immediately following Business Day (or, if such immediately following Business Day falls in the next calendar month, on the immediately preceding Business Day).

"**Internal Revenue Code**" means the Internal Revenue Code of 1986, as amended.

"**Investment**" means, with respect to any Person, any acquisition or investment (whether or not of a Controlling interest) by such Person, by means of any of the following: (a) the purchase or other acquisition of any Equity Interest in another Person, (b) a loan, advance or extension of credit to, capital contribution to, Guaranty of Indebtedness of, or purchase or other acquisition of any Indebtedness of, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute the business or a division or operating unit of another Person. Any binding commitment to make an Investment in any other Person, as well as any option of another Person to require an Investment in such Person, shall constitute an Investment. Except as expressly provided otherwise, for purposes of determining compliance with any covenant contained in a Loan Document, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"**Investment Grade Rating**" means a Credit Rating of BBB-/Baa3 (or equivalent) or higher from a Rating Agency.

"**Investment Grade Rating Date**" means, the date on which the Borrower or the Parent Guarantor first obtains an Investment Grade Rating from at least two of the Rating Agencies.

"**Irvine Ground Lease**" means that certain Option Agreement dated August 15, 1997 by and between Southern California Edison Company, as optionor, and the Irvine Tenant, as optionee, for certain premises located in Irvine, California.

"**Irvine Tenant**" means GSC Irvine/Main LP, a California limited partnership, successor-in-interest to SSD, LLC, a Nevada limited liability company.

"**KeyBank**" means KeyBank National Association, together with its successors and assigns.

"**Knowledgeable Officer**" means with respect to NSA REIT or its Subsidiaries, any executive or financial officer of NSA REIT, or if applicable, of the Borrower.

"**L/C Commitment Amount**" means, on any date of determination, an amount equal to 10% of the Revolving Commitments of all Revolving Lenders on such date.

"**Lender**" means each financial institution from time to time party hereto as a "Lender", together with its respective successors and permitted assigns, and as the context requires, includes the Swingline Lender; provided, however, except as otherwise expressly provided herein, the term "Lender" shall not include any Lender or any of its Affiliates in such Person's capacity as a Specified Derivatives Provider.

"**Lending Office**" means, for each Lender and for each Type of Loan, the office of such Lender specified in such Lender's Administrative Questionnaire, or such other office of such Lender of which such Lender may notify the Administrative Agent in writing from time to time.

"**Letter of Credit**" has the meaning given that term in Section 2.4(a).

"**Letter of Credit Documents**" means, with respect to any Letter of Credit, collectively, any application therefor, any certificate or other document presented in connection with a drawing under such Letter of Credit and any other agreement, instrument or other document governing or providing for (a) the rights and obligations of the parties concerned or at risk with respect to such Letter of Credit or (b) any collateral security for any of such obligations.

"**Letter of Credit Liabilities**" means, without duplication, at any time and in respect of any Letter of Credit, the sum of (a) the Stated Amount of such Letter of Credit plus (b) the aggregate unpaid principal amount of all Reimbursement Obligations of the Borrower and any of its Subsidiaries at such time due and payable in respect of all drawings made under such Letter of Credit. For purposes of this Agreement, a Lender shall be deemed to hold a Letter of Credit Liability in an amount equal to its participation interest in the related Letter of Credit under Section 2.4(i), and the Lender acting as the Administrative Agent shall be deemed to hold a Letter of Credit Liability in an amount equal to its retained interest in the related Letter of Credit after giving effect to the acquisition by the Lenders other than the Lender acting as the Administrative Agent of their participation interests under such Section.

"**LIBOR**" means, for any LIBOR Loan for any Interest Period therefor, the rate of interest as shown in Reuters Screen LIBOR01 Page (or any successor service, or if such Person no longer reports such rate as determined by the Administrative Agent, by another commercially available source providing such quotations approved by the Administrative Agent) at which deposits in U.S. dollars are offered by first class banks in the London Interbank Market at approximately 11:00 a.m. (London time) on the day that is two (2) LIBOR Business Days prior to the first day of such Interest Period with a maturity approximately equal to such Interest Period and in an amount approximately equal to the amount to which such Interest Period relates, adjusted for reserves and taxes if required by future regulations. If such service or such other Person approved by the Administrative Agent described above no longer reports such rate or the Administrative Agent determines in good faith that the rate so reported no longer accurately reflects the rate available to the Administrative Agent in the London Interbank Market, Loans shall accrue interest at the Base Rate plus the Applicable Margin for such Loan. For

any period during which a Reserve Percentage shall apply, LIBOR with respect to LIBOR Loans shall be equal to the amount determined above divided by an amount equal to 1 minus the Reserve Percentage. If as so determined, LIBOR shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement for any applicable Loan or other Credit Extension or portion thereof (other than with respect to any credit extensions outstanding under the Existing Credit Agreement that are rolled into Credit Extensions outstanding hereunder on the Effective Date and have been identified by the Borrower to the Administrative Agent in writing prior to the Effective Date as being subject to an Existing Derivatives Contract, a copy of which shall be provided to the Administrative Agent, it being agreed, for the avoidance of doubt, that upon the modification, amendment, extension, blending or termination of any such Existing Derivatives Contract, such Derivatives Contract shall no longer qualify as an Existing Derivatives Contract for purposes hereof).

"**LIBOR Business Day**" has the meaning specified in the definition of Business Day.

"**LIBOR Loan**" means a Revolving Loan or a Term Loan (or a portion thereof), other than a Base Rate Loan, bearing interest at a rate based on LIBOR.

"**Lien**" as applied to the property of any Person means: (a) any security interest, encumbrance, mortgage, deed to secure debt, deed of trust, assignment of leases and rents, pledge, lien, charge or lease constituting a Capital Lease Obligation, conditional sale or other title retention agreement, or other security title or encumbrance of any kind in respect of any property of such Person, or upon the income, rents or profits therefrom; (b) any deposit or other arrangement under which any property of such Person is transferred, sequestered or otherwise identified for the purpose of subjecting the same to the payment of Indebtedness or performance of any other obligation in priority to the payment of the general, unsecured creditors of such Person; (c) the filing of any financing statement under the Uniform Commercial Code or its equivalent in any jurisdiction, other than any precautionary filing not otherwise constituting or giving rise to a Lien, including a financing statement filed (i) in respect of a lease not constituting a Capital Lease Obligation pursuant to Section 9-505 (or a successor provision) of the UCC or its equivalent as in effect in an applicable jurisdiction or (ii) in connection with a sale or other disposition of accounts or other assets not prohibited by this Agreement in a transaction not otherwise constituting or giving rise to a Lien; and (d) any agreement by such Person to grant, give or otherwise convey any Lien described in clause (a) of this definition with respect to any Real Estate Asset or any Equity Interest.

"**Loan**" means a Revolving Loan, a Term Loan or a Swingline Loan or a portion thereof.

"**Loan Document**" means this Agreement, each Note, each Collateral Document, the Parent Guaranty, the Subsidiary Guaranty, the Fee Letter, the Post-Closing Letter, each Accession Agreement and each other document or instrument now or hereafter executed and delivered by a Loan Party in connection with, pursuant to or relating to this Agreement (other than any Specified Derivatives Contract).

"**Loan Party**" means the Borrower, the Parent Guarantor and each Subsidiary Guarantor.

"**Material Adverse Effect**" means a materially adverse effect on (a) the business, assets, operations or condition (financial or otherwise) of the Parent Guarantor and its Subsidiaries, taken as a whole, (b) the ability of any Loan Party to perform its obligations under any Loan Document to which it is a party, (c) the validity or enforceability of any of the Loan Documents, (d) the Collateral, taken as a whole, or the Administrative Agent's Liens (on behalf of itself and the other Lenders) on the

Collateral, taken as a whole, or the priority of such Liens, or (e) the rights and remedies of the Lenders and the Administrative Agent under any of the Loan Documents.

"**Material Contract**" means any contract or other arrangement (other than Loan Documents and Specified Derivatives Contracts), whether written or oral, to which NSA REIT or any of its Subsidiaries is a party as to which the breach, nonperformance, cancellation or failure to renew by any party thereto could reasonably be expected to have a Material Adverse Effect.

"**Material Subsidiary**" means any Subsidiary owning or leasing one or more Real Estate Assets which contribute, in the aggregate, ten percent (10%) or more of Unencumbered Asset Value at the applicable time of reference.

"**Material Subsidiary Guarantor**" means each Material Subsidiary that from time to time is a party to the Subsidiary Guaranty.

"**Maturity Date**" means, (i) with respect to the Revolving Credit Facility (including Swingline Loans), the Revolver Maturity Date, (ii) with respect to the Tranche A Facility, the Tranche A Maturity Date, and (iii) with respect to the Tranche B Facility, the Tranche B Maturity Date; provided, however, that, in each case, if such date is not a Business Day, the Maturity Date shall be the preceding Business Day.

"**Mezz Loan Investment**" means a mezzanine loan made by the Borrower to a special purpose entity owned and Controlled by a PRO in connection with the development of a self-storage Real Estate Asset by such PRO which the Borrower and/or one of its Subsidiaries has an option to acquire, provided that (i) such mezzanine loan is secured by the Equity Interests of such PRO, or of a Person owned and Controlled by such PRO, in the special purpose entity to which such loan is made, and (ii) such special purpose entity owns no assets other than such Real Estate Asset being developed and related assets incidental to the ownership of such Real Estate Asset.

"**Moody's**" means Moody's Investors Service, Inc., and its successors.

"**Mortgage Note**" means a promissory note secured by a Lien on an interest in real property of which NSA REIT or any of its Subsidiaries or any Partially-Owned Entity is the holder and retains the right of collection of all payments thereunder.

"**Multiemployer Plan**" means at any time a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding six plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such six year period.

"**Negative Pledge**" means, with respect to a given asset, any provision of a document, instrument or agreement (other than any Loan Document or any Specified Derivatives Contract) which prohibits or purports to prohibit the creation or assumption of any Lien on such asset as security for Indebtedness of the Person owning such asset or any other Person; provided, however, that an agreement that conditions a Person's ability to encumber its assets upon the maintenance of one or more specified ratios that limit such Person's ability to encumber its assets but that do not generally prohibit the encumbrance of its assets, or the encumbrance of specific assets, shall not constitute a Negative Pledge.

"**Net Income**" means, of any Person for any period, the consolidated net income (or loss) of such Person and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP (excluding the adjustment of rent to straight-line rent), calculated without regard to gains or

losses on early retirement of debt or debt restructuring, debt modification charges and prepayment premiums.

"**Net Proceeds**" means with respect to any Equity Issuance by a Person, the aggregate amount of all cash and the Fair Market Value of all other property (other than securities of such Person being converted or exchanged in connection with such Equity Issuance) received by such Person in respect of such Equity Issuance net of investment banking fees, legal fees, accountants' fees, underwriting discounts and commissions, listing fees, financial printing costs and other customary fees and expenses actually incurred by such Person in connection with such Equity Issuance.

"**Net Worth**" means, on any date of determination, the sum of (a) Gross Asset Value on such date minus (b) Indebtedness of NSA REIT and its Subsidiaries on such date. For the avoidance of doubt, the calculation of consolidated Indebtedness of NSA REIT and its Subsidiaries shall, without duplication, include their Pro Rata Share of Indebtedness of all Partially-Owned Entities of NSA REIT and its Subsidiaries.

"**Non-Consenting Lender**" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 13.6 and (b) has been approved by Requisite Lenders.

"**Non-Defaulting Lender**" means, at any time, each Lender that is not a Defaulting Lender at such time.

"**Non-Material Subsidiary Guarantor**" means each Subsidiary Obligor that from time to time is a party to the Subsidiary Guaranty.

"**Non-Wholly-Owned Subsidiary**" means any Subsidiary of a Person that is not a Wholly-Owned Subsidiary of such Person.

"**Nonrecourse Indebtedness**" means, with respect to a Person, Indebtedness for borrowed money in respect of which recourse for payment (except for exceptions for fraud, misapplication of funds, environmental indemnities, bankruptcy, transfer of collateral in violation of the applicable loan documents, failure to obtain consent for subordinate financing in violation of the applicable loan documents and other exceptions to nonrecourse liability which are customary for nonrecourse financings at the time as determined by the Administrative Agent) is contractually limited to specific assets of such Person encumbered by a Lien securing such Indebtedness. Liability of a Person under a completion guarantee, to the extent relating to the Nonrecourse Indebtedness of another Person, shall not, in and of itself, prevent such liability from being characterized as Nonrecourse Indebtedness.

"**Note**" means a Revolving Note, a Term Note or a Swingline Note.

"**Notice of Borrowing**" means a notice in the form of Exhibit C to be delivered to the Administrative Agent pursuant to Section 2.1(b) evidencing the Borrower's request for a borrowing of Revolving Loans.

"**Notice of Continuation**" means a notice in the form of Exhibit D to be delivered to the Administrative Agent pursuant to Section 2.9 evidencing the Borrower's request for the Continuation of a LIBOR Loan.

"**Notice of Conversion**" means a notice in the form of Exhibit E to be delivered to the Administrative Agent pursuant to Section 2.10 evidencing the Borrower's request for the Conversion of a Loan (or a portion thereof) from one Type to another Type.

"**Notice of Swingline Borrowing**" means a notice in the form of Exhibit F to be delivered to the Administrative Agent pursuant to Section 2.3 evidencing the Borrower's request for a Swingline Loan.

"NSA REIT" has the meaning set forth in the introductory paragraph hereof.

"**Obligations**" means, individually and collectively: (a) the aggregate principal balance of, and all accrued and unpaid interest on, all Loans; (b) all Reimbursement Obligations and all other Letter of Credit Liabilities; and (c) all other indebtedness, liabilities, obligations, covenants and duties of the Borrower and the other Loan Parties owing to the Administrative Agent or any Lender of every kind, nature and description, under or in respect of this Agreement or any of the other Loan Documents, including without limitation, the Fees and indemnification obligations, whether direct or indirect, absolute or contingent, due or not due. The term "Obligations" does not include Specified Derivatives Obligations.

"**Occupancy Rate**" means, with respect to a Real Estate Asset at any time, the ratio, expressed as a percentage, of (a) aggregate leasable square footage of all completed space of such Real Estate Asset actually occupied by non-Affiliate tenants paying rent at market rates pursuant to binding leases as to which no monetary default has occurred and has continued for a period in excess of 60 days to (b) the aggregate leasable square footage of all completed space of such Real Estate Asset.

"**OFAC**" means U.S. Department of the Treasury's Office of Foreign Assets Control and any successor Governmental Authority.

"**Operating Property Value**" means, on any date of determination, the sum of (a) the aggregate Property NOI from all Stabilized Properties of NSA REIT and its Subsidiaries for the Reference Period most recently ended (excluding Property NOI from such Stabilized Properties purchased during such Reference Period and included under clause (b) below and Stabilized Properties received by way of contribution during such Reference Period and included under clause (c) below), divided by the Capitalization Rate, plus (b) the aggregate Acquisition Price for all Stabilized Properties of NSA REIT and its Subsidiaries purchased during such Reference Period, plus (c) the aggregate net operating income from all Stabilized Properties received by way of contribution during such Reference Period (in each case calculated in a manner consistent with the definition of "Property NOI", using financial statements of the predecessor owner of such property for the portion of such Reference Period prior to contribution, which calculations and supporting financial statements shall be reasonably satisfactory to the Administrative Agent), divided by the Capitalization Rate.

"**Other Subsidiary Guarantor**" means each Subsidiary of the Borrower (other than a Material Subsidiary) that is a party to the Guaranty for the purpose of permitting the Borrower to comply with the provisions of Section 8.13.

"**Parent Guarantor**" has the meaning set forth in the introductory paragraph hereof.

"**Parent Guaranty**" means the Guaranty substantially in the form of Exhibit B attached hereto executed by NSA REIT in favor of the Administrative Agent for the benefit of itself (including in its capacity as issuer of the Letters of Credit), the Lenders and the Specified Derivatives Provider.

"**Partially-Owned Entity**" means, with respect to any Person, any other Person in which such Person holds an Investment, the financial results of which Investment would not be consolidated under GAAP with the financial results of such Person on the consolidated financial statements of such Person. For the avoidance of doubt, a Partially-Owned Entity that meets the requirements to be a Controlled Partially-Owned Entity shall not be considered a Partially-Owned Entity for purposes of the financial covenants set forth in Section 10.1 and related definitions.

"**Participant**" has the meaning given that term in Section 13.5(d).

"**Participant Register**" has the meaning given that term in Section 13.5(d).

"**PBGC**" means the Pension Benefit Guaranty Corporation and any successor agency.

"**Permitted Liens**" means: (a)(i) Liens securing taxes, assessments and other charges or levies imposed by any Governmental Authority (excluding any Lien imposed pursuant to any of the provisions of ERISA or pursuant to any Environmental Laws securing claims for assessments or charges in excess of $500,000) or (ii) the claims of materialmen, mechanics, carriers, warehousemen or landlords for labor, materials, supplies or rentals incurred in the ordinary course of business, which, in the case of each of the immediately preceding clauses (i) and (ii), are not at the time required to be paid or discharged under Section 8.6; (b) Liens consisting of deposits or pledges made, in the ordinary course of business, in connection with, or to secure payment of, obligations under workers' compensation, unemployment insurance, old age pensions or other social security obligations; (c) Liens consisting of encumbrances in the nature of zoning restrictions, easements, and rights or restrictions of record on the use of real property, which do not materially detract from the value of such property or materially and adversely impair the intended use thereof in the business of such Person; (d) the rights of tenants under leases or subleases not interfering with the ordinary conduct of business of such Person; (e) Liens in favor of the Administrative Agent for the benefit of itself, the Lenders and Specified Derivatives Providers; (f) Liens in existence as of the Agreement Date and set forth in Part II of Schedule 7.6 (provided that such Liens do not encumber any Eligible Unencumbered Property); (g) Liens on assets of NSA REIT or any of its Subsidiaries (other than on any Collateral or Eligible Unencumbered Properties or the direct or indirect Equity Interests of any Person owning or leasing any Eligible Unencumbered Property) securing obligations under Derivatives Contracts; (h) normal and customary rights of setoff upon deposits of cash in favor of banks or other depositary institutions; and (i) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection.

"Permitted Property" means an operating self-storage property located in the United States, provided that from and after the Investment Grade Rating Date, a Permitted Property shall also include Unimproved Land and Construction-in-Process located in the United States.

"**Person**" means an individual, corporation, partnership, limited liability company, association, trust or unincorporated organization, or a government or any agency or political subdivision thereof.

"**Plan**" means an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code and either (a) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (b) has at any time within the preceding six years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"**Pledge Agreement**" means that certain Amended and Restated Pledge and Security Agreement dated as of the Effective Date, by and among the Administrative Agent and the Loan Parties that are a party thereto.

"**Post-Closing Letter**" means that certain Post-Closing Letter dated as of the date hereof, by and between the Administrative Agent and the Borrower, relating to this Agreement.

"**Post-Default Rate**" means a rate per annum equal to the Base Rate plus the Applicable Margin, in each case as in effect from time to time, plus 2.0%; provided, that when such term is used with respect to Obligations other than Loans, the "Post-Default Rate" shall mean a rate per annum equal to the Base Rate plus the Applicable Margin for Revolving Loans, in each case as in effect from time to time, plus 2.0%.

"**Preferred Dividends**" means, for any period and without duplication, all Restricted Payments paid during such period on Preferred Equity Interests issued by NSA REIT or any of its Subsidiaries. Preferred Dividends shall not include dividends or distributions (a) to the extent paid or payable to NSA REIT or any of its Subsidiaries, or (b) constituting or resulting in the redemption of Preferred Equity Interests, other than scheduled redemptions not constituting balloon, bullet or similar redemptions in full.

"**Preferred Equity Interests**" means, with respect to any Person, Equity Interests in such Person which are entitled to preference or priority over any other Equity Interest in such Person in respect of the payment of dividends or distribution of assets upon liquidation or both.

"**Prime Rate**" means the fluctuating annual rate of interest announced from time to time by the Administrative Agent at Administrative Agent's Head Office as its "prime rate."

"**Principal Office**" means the office of the Administrative Agent located at 127 Public Square, Cleveland, Ohio, or such other office of the Administrative Agent as the Administrative Agent may designate from time to time.

"**PRO**" means each participating regional operator who has the benefit of a PRO Designation.

"**PRO Consent Rights**" means the consent rights of the holders of not more than 50% of the class A Units outstanding at the applicable time of reference, and the holders of not more than 50% of the applicable series of class B Units outstanding at the applicable time of reference, under the terms of any applicable PRO Designation.

"**PRO Designations**" means each "Partnership Unit Designation" made by the Parent Guarantor relating to Units issued in connection with the contribution of Real Estate Assets in the ordinary course of business, as in effect on the Effective Date and from time to time thereafter.

"**Pro Rata Share**" means, with respect to any Partially-Owned Entity in which a Person holds an Investment, the greater of (a) such Person's relative nominal direct and indirect ownership interest (expressed as a percentage) in such Partially-Owned Entity or (b) such Person's relative direct and indirect economic interest (calculated as a percentage) in such Partially-Owned Entity determined in accordance with the applicable provisions of the declaration of trust, articles or certificate of incorporation, articles of organization, partnership agreement, joint venture agreement or other applicable organizational document of such Partially-Owned Entity.

"**Property Management Fees**" means, with respect to any Real Estate Asset for any period, an assumed amount equal to the greater of (a) 3% of the aggregate base rent and percentage rent due and payable under leases with tenants at such Real Estate Asset and (b) actual management fees, excluding amounts that will be reclassified as "Regional", "Executive Management", or "General and Administrative" expenses.

"**Property NOI**" means, with respect to any Real Estate Asset for any period, the sum of (a) property rental and other income (after adjusting for straight-lining of rents and excluding the rents from tenants in default or bankruptcy) earned in the ordinary course and attributable to such Real Estate Asset accruing for such period, minus (b) the amount of all expenses incurred in connection with and directly attributable to the ownership and operation of such Real Estate Asset for such period, including, without limitation, Property Management Fees and amounts accrued for the payment of real estate taxes and insurance premiums, but excluding Interest Expense or other debt service charges and any non-cash charges such as depreciation or amortization of financing costs.

"**Qualified Plan**" means a Plan that is intended to be tax-qualified under Section 401(a) of the Internal Revenue Code.

"**Rating Agency**" means S&P, Moody's or Fitch.

"**Real Estate Asset**" means any parcel of real property located in the United States of America, and any improvements thereon, owned, or leased under a Ground Lease, by the Borrower, any of its Subsidiaries or any of their Partially-Owned Entities.

"**Recourse Indebtedness**" means any Indebtedness that is not Nonrecourse Indebtedness.

"**Reference Period**" means any period of four consecutive fiscal quarters of NSA REIT and its Subsidiaries.

"**Register**" has the meaning given that term in Section 13.5(c).

"**Regulatory Change**" means, with respect to any Lender, any change effective after the Agreement Date in Applicable Law or the adoption or making after such date of any interpretation, directive or request applying to a class of banks, including such Lender, of or under any Applicable Law (whether or not having the force of law and whether or not failure to comply therewith would be unlawful) by any Governmental Authority or monetary authority charged with the interpretation or administration thereof or compliance by any Lender with any request or directive regarding capital adequacy. Notwithstanding anything herein to the contrary, (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (b) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "**Regulatory Change**", regardless of the date enacted, adopted or issued.

"**Reimbursement Obligation**" means the absolute, unconditional and irrevocable obligation of the Borrower to reimburse the Administrative Agent for any drawing honored by the Administrative Agent under a Letter of Credit pursuant to Section 2.4(d).

"**REIT**" means a "real estate investment trust", as defined in the Internal Revenue Code.

"**Requisite Lenders**" means, as of any date, Lenders having at least 51% of the sum of (a) the principal amount of the aggregate outstanding Term Loans, plus (b) the aggregate amount of the Revolving Commitments or, if all of the Revolving Commitments have been terminated or reduced to zero, the principal amount of the aggregate outstanding Revolving Loans and Letter of Credit Liabilities. Revolving Commitments, Loans and Letter of Credit Liabilities held by Defaulting Lenders shall be disregarded when determining the Requisite Lenders. At all times when two or more Lenders (excluding Defaulting Lenders) are party to this Agreement, the term "Requisite Lenders" shall mean not less than two Lenders. For purposes of this definition, a Revolving Lender (other than the Swingline Lender) shall be deemed to hold a Swingline Loan or a Letter of Credit Liability to the extent such Revolving Lender has acquired a participation therein under the terms of this Agreement and has not failed to perform its obligations in respect of such participation.

"**Requisite Class Lenders**" means, with respect to a Class of Lenders on any date of determination, the Lenders of such Class (a) having at least 51% of the aggregate amount of the Commitments of such Class, or (b) if the Commitments of such Class have terminated, having at least 51% of the principal amount of the aggregate outstanding Loans of such Class, and in the case of Revolving Lenders, outstanding Letter of Credit Liabilities and Swingline Loans; provided that in determining such percentage at any given time, all then existing Defaulting Lenders of such Class will be disregarded and excluded. At all times when two or more Lenders (excluding Defaulting Lenders) are party to this Agreement, the term "Requisite Class Lenders" shall mean not less than two Lenders. For purposes of this definition, a Revolving Lender shall be deemed to hold a Swingline Loan or a Letter of Credit Liability to the extent such Lender has acquired a participation therein under the terms of this Agreement and has not failed to perform its obligations in respect of such participation.

"**Reserves for Capital Expenditures**" means, with respect to any Real Estate Asset, an amount equal to (a) the aggregate leasable square footage of all completed space of such Real Estate Asset, multiplied by (b) $0.15.

"**Responsible Officer**" means with respect to NSA REIT and its Subsidiaries, the chief executive officer, president and chief financial officer of NSA REIT.

"**Restricted Payment**" means: (a) any dividend or other distribution, direct or indirect, on account of any Equity Interest of NSA REIT or any of its Subsidiaries now or hereafter outstanding, except a dividend payable solely in Equity Interests of an identical or junior class to the holders of that class; (b) any redemption, conversion, exchange, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any Equity Interest of NSA REIT or any of its Subsidiaries now or hereafter outstanding; and (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire any Equity Interests of NSA REIT or any of its Subsidiaries now or hereafter outstanding.

"**Revolver Extension Notice**" has the meaning given that term in Section 2.14.

"**Revolver Maturity Date**" means May 5, 2020 or such earlier date on which the Revolving Loans shall become due and payable pursuant to the terms hereof or such later date to which the Revolver Maturity Date may be extended in accordance with Section 2.14.

"**Revolving Commitment**" means, as to each Revolving Lender (other than the Swingline Lender), such Revolving Lender's obligation (a) to make Revolving Loans pursuant to Section 2.1, (b) to issue (in the case of the Lender then acting as the Administrative Agent) or participate in (in the case of the other Revolving Lenders) Letters of Credit pursuant to Sections 2.4(a) and 2.4(i), respectively

(but in the case of the Lender acting as the Administrative Agent excluding the aggregate amount of participations in the Letters of Credit held by the other Revolving Lenders) and (c) to participate in Swingline Loans pursuant to Section 2.3(e), in each case, in an amount up to, but not exceeding, the amount set forth for such Revolving Lender on Schedule 1.1 as such Lender's "Revolving Commitment Amount" or as set forth in the applicable Assignment and Acceptance Agreement, as the same may be increased from time to time pursuant to Section 2.16 or reduced from time to time pursuant to Section 2.12 or as appropriate to reflect any assignments to or by such Revolving Lender effected in accordance with Section 13.5.

"**Revolving Commitment Percentage**" means, as to each Revolving Lender, the ratio, expressed as a percentage, as the same may increase or decrease from time to time in accordance with the terms of this Agreement, of (a) the amount of such Revolving Lender's Revolving Commitment to (b) the aggregate amount of the Revolving Commitments of all Revolving Lenders; provided, however, that if at the time of determination the Revolving Commitments have terminated or been reduced to zero, the "**Revolving Commitment Percentage**" of each Revolving Lender shall be the Revolving Commitment Percentage of such Revolving Lender in effect immediately prior to such termination or reduction.

"**Revolving Credit Exposure**" means, as to any Revolving Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Loans and such Revolving Lender's participation in Letter of Credit Liabilities and Swingline Loans at such time.

"**Revolving Credit Facility**" means the Revolving Commitments and Revolving Loans of the Lenders.

"**Revolving Lender**" means a Lender having a Revolving Commitment, or if the Revolving Commitments have terminated, a Lender having any Revolving Credit Exposure.

"**Revolving Loan**" means a loan made by a Lender to the Borrower pursuant to Section 2.1(a).

"**Revolving Note**" has the meaning given that term in Section 2.11(a).

"**Sanctioned Entity**" means (a) an agency of the government of, (b) an organization directly or indirectly Controlled by, or (c) a Person resident in, in each case, a country that is subject to a sanctions program identified on the list maintained by the OFAC and published from time to time, as such program may be applicable to such agency, organization or Person.

"**Sanctioned Person**" means a Person named on the list of Specially Designated Nationals or Blocked Persons maintained by the OFAC as published from time to time.

"**Secured Indebtedness**" means, with respect to a Person as of any given date, the aggregate principal amount of all Indebtedness of such Person outstanding at such date and that is secured in any manner by any Lien, and in the case of NSA REIT and any of its Subsidiaries, shall include (without duplication) NSA REIT's and its Subsidiaries' Pro Rata Shares of the Secured Indebtedness of their Partially-Owned Entities.

"**Secured Recourse Indebtedness**" means that portion of any Secured Indebtedness that is Recourse Indebtedness.

"**Securities Act**" means the Securities Act of 1933, as amended from time to time, together with all rules and regulations issued thereunder.

"**Senior Unsecured Debt Issuance**" has the meaning given that term in Section 10.3(ix).

"**Solvent**" means, when used with respect to any Person, that (a) the fair value and the fair salable value of its assets are each in excess of the fair valuation of its total liabilities (including all contingent liabilities computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that could reasonably be expected to become an actual and matured liability); (b) such Person is able to pay its debts or other obligations in the ordinary course as they mature; and (c) such Person has capital not unreasonably small to carry on its business and all business in which it proposes to be engaged.

"**Specified Derivatives Contract**" means any Derivatives Contract, together with any documentation relating directly thereto, that is made or entered into at any time, or in effect at any time now or hereafter, whether as a result of an assignment or transfer or otherwise, between NSA REIT or any of its Subsidiaries and a Specified Derivatives Provider.

"**Specified Derivatives Obligations**" means all indebtedness, liabilities, obligations, covenants and duties of NSA REIT or any of its Subsidiaries under or in respect of any Specified Derivatives Contract, whether direct or indirect, absolute or contingent, due or not due, liquidated or unliquidated, and whether or not evidenced by any written confirmation. Notwithstanding the foregoing, for any applicable Loan Party, the Specified Derivatives Obligations shall not include Swap Obligations that constitute Excluded Swap Obligations with respect to such Loan Party.

"**Specified Derivatives Provider**" means any Lender, or any Affiliate of a Lender, that is a party to a Derivatives Contract at the time the Derivatives Contract is entered into. For the avoidance of doubt, any such Person that ceases to be a Lender, or an Affiliate of a Lender, shall no longer be a Specified Derivatives Provider.

"**Stabilized Property**" means any Real Estate Asset (a) that is a commercial property operating as a self-storage asset that is completed (as evidenced by a certificate of occupancy permitting use of such property by the general public) with tenants in occupancy and open for business and (b) in the case of Construction-in-Process, that has ceased to be Construction-in-Process in accordance with the definition thereof.

"**S&P**" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors.

"**Stated Amount**" means the amount available to be drawn by a beneficiary under a Letter of Credit from time to time, as such amount may be increased or reduced from time to time in accordance with the terms of such Letter of Credit.

"**Subsidiary**" means, (i) for any Person, any corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the Equity Interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise Controlled, directly, or indirectly through one or more intermediaries, or both, by such Person, and shall include all Persons the accounts of which are consolidated with those of such Person pursuant to GAAP and (ii) a Controlled Partially-Owned Entity. No Person, including a Partially-Owned Entity, which is not required in accordance with GAAP to be consolidated with NSA REIT or the Borrower shall be considered a Subsidiary of NSA REIT or the Borrower.

"**Subsidiary Guarantor**" means (i) each Material Subsidiary Guarantor, (ii) each Other Subsidiary Guarantor, and (iii) each Non-Material Subsidiary Guarantor.

"**Subsidiary Guaranty**" means the Guaranty substantially in the form of Exhibit I attached hereto executed by the Subsidiary Guarantors in favor of the Administrative Agent for the benefit of itself (including in its capacity as issuer of the Letters of Credit) and the Lenders, together with each Accession Agreement delivered pursuant to Section 8.13 or Section 8.14.

"**Subsidiary Obligor**" means a Subsidiary that (i) Guarantees, or otherwise becomes obligated in respect of, any Indebtedness of the Borrower or any other Subsidiary of the Borrower or (ii) owns a Real Estate Asset included as an Eligible Unencumbered Property for inclusion (or other asset the value of which is included) in the Unencumbered Asset Value or Adjusted Net Operating Income or that owns, directly or indirectly, Equity Interests in any such Subsidiary (including any California Partnership (or a California Partnership Subsidiary)) and that has incurred Recourse Indebtedness. For the avoidance of doubt, the term "Indebtedness" as used in this definition shall not include any customary account obligations of a Subsidiary in connection with opening and maintaining a deposit account in the ordinary course of business.

"**Swap Obligation**" means any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"**Swingline Commitment**" means the Swingline Lender's obligation to make Swingline Loans pursuant to Section 2.3 in an amount, on any date of determination, equal to 10% of the Revolving Commitments of all Lenders on such date.

"**Swingline Lender**" means KeyBank in its capacity as the Lender making the Swingline Loans, together with its respective successors and assigns.

"**Swingline Loan**" means a loan made by the Swingline Lender to the Borrower pursuant to Section 2.3(a).

"**Swingline Note**" means the promissory note of the Borrower payable to the order of the Swingline Lender in a principal amount equal to the amount of the Swingline Commitment as originally in effect and otherwise duly completed, substantially in the form of Exhibit G.

"**Swingline Termination Date**" means the date which is 7 Business Days prior to the Revolver Maturity Date.

"**Taxes**" has the meaning given that term in Section 3.12.

"Term Loan" or **"Term Loans"** means any Tranche A Loan or Tranche B Loan made pursuant to Section 2.2, or all of such Loans (or of any such Tranche) collectively, as the context may require.

"**Term Loan Commitment**" means, (a) as to each Term Loan Lender on the Effective Date, its Tranche A Commitment and Tranche B Commitment, as the context may require, as set forth on Schedule 1.1, or (b) a Term Loan Lender's obligation to make a Term Loan after the Effective Date as set forth in any agreement executed by an existing Term Loan Lender or a Person who becomes a Term Loan Lender in accordance with Section 2.16.

"**Term Loan Facility**" means the Tranche A Facility and the Tranche B Facility.

"**Term Loan Lender**" means a Lender having a Term Loan Commitment, or if the applicable Term Loan Commitments have terminated, a Lender holding a Term Loan.

"**Term Note**" has the meaning given that term in Section 2.11(b).

"**Titled Agents**" means, collectively, (a) KeyBanc Capital Markets Inc. in its capacity as Sole Bookrunner and Lead Arranger and (b) PNC Bank, National Association, in its capacity as Syndication Agent.

"**Total Leverage Ratio**" means, on any date of determination, (a) consolidated Indebtedness of NSA REIT and its Subsidiaries on such date divided by (b) Gross Asset Value on such date.

"Total Tranche A Commitment" means as of the Effective Date, the sum of the Tranche A Commitments of the Tranche A Lenders. As of the Effective Date, the Total Tranche A Commitment is $225,000,000. Upon the funding of the Tranche A Loans in an amount equal to the Total Tranche A Commitment on the Effective Date, the Tranche A Commitments will be deemed to be zero and will terminate.

"Total Tranche B Commitment" means as of the Effective Date, the sum of the Tranche B Commitments of the Tranche B Lenders. As of the Effective Date, the Total Tranche B Commitment is $100,000,000. Upon the funding of the Tranche B Loans in an amount equal to the Total Tranche B Commitment on the Effective Date, the Tranche B Commitments will be deemed to be zero and will terminate.

"Tranche" means the Tranche A Facility and/or the Tranche B Facility, as the context may require.

"Tranche A Borrowing" means a borrowing consisting of simultaneous Tranche A Loans of the same Type and, in the case of LIBOR Loans, having the same Interest Period made by each of the Tranche A Lenders pursuant to Section 2.2(b).

"Tranche A Commitment" means as to each Tranche A Lender, its obligation to make (or continue hereunder) Tranche A Loans to Borrower on the Effective Date pursuant to Section 2.2(b) in an original principal amount not to exceed the applicable amount set forth opposite such Tranche A Lender's name on Schedule 1.1. Upon the funding of the Tranche A Loans in an amount equal to the Total Tranche A Commitment on the Effective Date, the Tranche A Commitments will be deemed to be zero and will terminate.

"Tranche A Facility" means at any time, (a) on or prior to the Effective Date, the aggregate amount of the Tranche A Commitments at such time and (b) thereafter, the aggregate principal amount of the Tranche A Loans of all Tranche A Lenders outstanding at such time.

"Tranche A Lender" means (a) at any time on or prior to the Effective Date, any Term Loan Lender that has a Tranche A Commitment at such time and (b) at any time after the Effective Date, any Term Loan Lender that holds Tranche A Loans at such time.

"Tranche A Loan" means an advance made by any Tranche A Lender under the Tranche A Facility.

"Tranche A Maturity Date" means May 5, 2021, or such earlier date on which the Tranche A Loans shall become due and payable pursuant to the terms hereof.

"Tranche A Notes" means collectively, the promissory notes made by Borrower in favor of the Tranche A Lenders in an aggregate principal amount equal to the Total Tranche A Commitment, substantially in the form of Exhibit H-2, as the same may be amended, replaced, substituted and/or restated from time to time.

"Tranche B Borrowing" means a borrowing consisting of simultaneous Tranche B Loans of the same Type and, in the case of Libor Rate Loans, having the same Interest Period made by each of the Tranche B Lenders pursuant to Section 2.2(b).

"Tranche B Commitment" means as to each Tranche B Lender, its obligation to make (or continue hereunder) Tranche B Loans to the Borrower on the Effective Date pursuant to Section 2.2(b) in an original principal amount not to exceed the applicable amount set forth opposite such Tranche B Lender's name on Schedule 1.1. Upon the funding of the Tranche B Loans in an amount equal to the Total Tranche B Commitment on the Effective Date, the Tranche B Commitments will be deemed to be zero and will terminate.

"Tranche B Facility" means at any time, (a) on or prior to the Effective Date, the aggregate amount of the Tranche B Commitments at such time and (b) thereafter, the aggregate principal amount of the Tranche B Loans of all Tranche B Lenders outstanding at such time.

"Tranche B Lender" means (a) at any time on or prior to the Effective Date, any Term Loan Lender that has a Tranche B Commitment at such time and (b) at any time after the Effective Date, any Term Loan Lender that holds Tranche B Loans at such time.

"Tranche B Loan" means an advance made by any Tranche B Lender under the Tranche B Facility.

"Tranche B Maturity Date" means May 5, 2022, or such earlier date on which the Tranche B Loans shall become due and payable pursuant to the terms hereof.

"Tranche B Notes" means collectively, the promissory notes made by Borrower in favor of the Tranche B Lenders in an aggregate principal amount equal to the Total Tranche
B Commitment, substantially in the form of Exhibit H-2, as the same may be amended, replaced, substituted and/or restated from time to time.

"**Type**" with respect to any portion of a Revolving Loan or Term Loan (or any Tranche), refers to whether such Loan is a LIBOR Loan or Base Rate Loan.

"**UCC**" means the Uniform Commercial Code as in effect in any applicable jurisdiction.

"**Unencumbered Adjusted NOI**" means, for any period of determination, Adjusted NOI for the Eligible Unencumbered Properties. After the Investment Grade Ratings Date, Property NOI attributable to Non-Wholly-Owned Subsidiaries (including Controlled Partially-Owned Entities) in excess of 10% of the aggregate Unencumbered Adjusted NOI shall be excluded from the calculation of Unencumbered Adjusted NOI.

"**Unencumbered Asset Value** " means, as of any day, an amount equal to the sum of the value attributed to Eligible Unencumbered Properties included in the calculation of Gross Asset Value. For purposes of calculating the Unencumbered Asset Value after the Investment Grade Rating Date, to the extent (a) the amount of Unencumbered Asset Value attributable to unencumbered Unimproved Land would exceed 5% of Unencumbered Asset Value, such excess shall be excluded from Unencumbered

Asset Value, (b) the amount of Unencumbered Asset Value attributable to unencumbered Construction-in-Process would exceed 5% of Unencumbered Asset Value, such excess shall be excluded from Unencumbered Asset Value, (c) the amount of Unencumbered Asset Value attributable to Eligible JV Properties, including Eligible Unencumbered Properties owned or leased by Controlled Partially-Owned Entities, would exceed 10% of Unencumbered Asset Value, such excess shall be excluded from Unencumbered Asset Value, (d) the amount of Unencumbered Asset Value attributable to unencumbered Mortgage Notes would exceed 5% of Unencumbered Asset Value, such excess shall be excluded from Unencumbered Asset Value and (e) the aggregate amount of Gross Asset Value attributable to such: (i) Unimproved Land, (ii) Construction-in-Process, (iii) Eligible JV Properties, including Eligible Unencumbered Properties owned by or leased Controlled Partially-Owned Entities and (iv) Mortgage Notes would exceed 20% of Unencumbered Asset Value, such excess shall be excluded from Unencumbered Asset Value. For the avoidance of doubt, (x) prior to the Investment Grade Rating Date, the Unencumbered Asset Value shall be calculated based solely on Eligible Unencumbered Properties exclusive of any of the assets described in clauses (a) through (d) of this definition, and (y) without limiting the application of the thresholds set forth in this definition for purposes of determining Unencumbered Asset Value, in no event shall Borrower be deemed to be in default hereunder by reason of maintaining Investments or assets in excess of the thresholds set forth in this definition.

"**Unimproved Land**" means any Real Estate Asset consisting of raw land that is not improved by buildings, structures or improvements intended for income production.

"**Units**" means units of limited partnership interests in the Borrower.

"**Unsecured Indebtedness**" means Indebtedness which is not Secured Indebtedness, provided that any Indebtedness that is secured by Equity Interests of the Loan Parties or any of their respective Subsidiaries shall be deemed to be Unsecured Indebtedness for purposes of the financial covenants set forth in Section 10.1.

"**Unsecured Interest Expense**" means Interest Expense that is attributable to Unsecured Indebtedness.

"**Withdrawal Liability**" means any liability as a result of a complete or partial withdrawal from a Multiemployer Plan as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"**Wholly-Owned Subsidiary**" means any Subsidiary of a Person in respect of which all of the Equity Interests (other than, in the case of a corporation, directors' qualifying shares) are at the time directly or indirectly owned and Controlled by such Person.

"**Write-Down and Conversion Powers**" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.2 General; References to Terms.

Unless otherwise indicated, all accounting terms, ratios and measurements shall be interpreted or determined in accordance with GAAP; provided that, if at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Requisite Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent

thereof in light of such change in GAAP (subject to the approval of the Requisite Lenders); provided further that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. References in this Agreement (including the schedules hereto) to "Sections", "Articles", "Exhibits" and "Schedules" are to sections, articles, exhibits and schedules herein and hereto unless otherwise indicated. References in this Agreement (including the schedules hereto) to any document, instrument or agreement (a) shall include all exhibits, schedules and other attachments thereto, (b) shall include all documents, instruments or agreements issued or executed in replacement thereof, to the extent permitted hereby and (c) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, supplemented, restated or otherwise modified as of the date of this Agreement and from time to time thereafter to the extent not prohibited hereby and in effect at any given time. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." Unless explicitly set forth to the contrary, a reference to "Subsidiary" means a Subsidiary of NSA REIT or a Subsidiary of such Subsidiary and a reference to an "Affiliate" means a reference to an Affiliate of NSA REIT. Titles and captions of Articles, Sections, subsections and clauses in this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement. Unless otherwise indicated, all references to time are references to Eastern time. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (or any other financial accounting standard promulgated by the Financial Accounting Standards Board having a similar result or effect) to value any Indebtedness or other liabilities of NSA REIT or any of its Subsidiaries at "fair value", as defined therein.

Article II.
CREDIT FACILITIES

Section 2.1 Revolving Loans.

(a) Generally. Subject to the terms and conditions hereof, including without limitation Section 2.15, during the period from the Effective Date to but excluding the Revolver Maturity Date, each Lender severally and not jointly agrees to make Revolving Loans in Dollars to the Borrower in an aggregate principal amount at any one time outstanding up to, but not exceeding, the amount of such Lender's Revolving Commitment. Subject to the terms and conditions of this Agreement, during the period from the Effective Date to but excluding the Revolver Maturity Date, the Borrower may borrow, repay and reborrow Revolving Loans hereunder. On the Revolver Maturity Date, the Revolving Commitments shall terminate and be reduced to zero.

(b) Requesting Revolving Loans. The Borrower shall give the Administrative Agent notice pursuant to a Notice of Borrowing or telephonic notice of each borrowing of Revolving Loans. Each Notice of Borrowing shall be delivered to the Administrative Agent before 11:00 a.m. (i) in the case of LIBOR Loans, on the date three Business Days prior to the proposed date of such borrowing and (ii) in the case of Base Rate Loans, on the date one Business Day prior to the proposed date of such borrowing. Any such telephonic notice shall include all information to be specified in a written Notice of Borrowing and shall be promptly confirmed in writing by the Borrower pursuant to a Notice of

Borrowing sent to the Administrative Agent by telecopy on the same day of the giving of such telephonic notice. The Administrative Agent will transmit by telecopy the Notice of Borrowing (or the information contained in such Notice of Borrowing) to each Lender promptly upon receipt by the Administrative Agent (but in any event no later than 2:00 p.m. on the date of receipt by the Administrative Agent). Each Notice of Borrowing or telephonic notice of each borrowing shall be irrevocable once given and binding on the Borrower. Notwithstanding the foregoing, on the Effective Date, the Revolving Loans outstanding under the Existing Credit Agreement will be deemed to be outstanding as Revolving Loans hereunder and the existing LIBOR rates and Interest Periods applicable thereto will remain for purposes of determining LIBOR with respect to the interest rate thereon until the end of the applicable interest period (unless earlier terminated in accordance with the terms hereof).

(c) Disbursements of Revolving Loan Proceeds. No later than 12:00 p.m. on the date specified in the Notice of Borrowing, each Lender will make available for the account of its applicable Lending Office to the Administrative Agent at the Principal Office, in immediately available funds, the proceeds of the Revolving Loan to be made by such Lender. Subject to satisfaction of the applicable conditions set forth in Article VI for such borrowing, the Administrative Agent will make the proceeds of such borrowing available to the Borrower no later than 2:00 p.m. on the date and at the account specified by the Borrower in such Notice of Borrowing.

(d) Assumptions Regarding Funding by Lenders under Sections 2.1 and 2.2. With respect to Revolving Loans or any Term Loan pursuant to Section 2.2 to be made on or after the Effective Date, unless the Administrative Agent shall have been notified by any Lender that such Lender will not make available to the Administrative Agent a Loan to be made by such Lender in connection with any borrowing, the Administrative Agent may assume that such Lender will make the proceeds of such Loan available to the Administrative Agent in accordance with this Section, and the Administrative Agent may (but shall not be obligated to), in reliance upon such assumption, make available to the Borrower the amount of such Loan to be provided by such Lender. In such event, if such Lender does not make available to the Administrative Agent the proceeds of such Loan, then such Lender and the Borrower agree to pay to the Administrative Agent on demand the amount of such Loan with interest thereon, for each day from and including the date such Loan is made available to the Borrower but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (ii) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay the amount of such interest to the Administrative Agent for the same or overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays to the Administrative Agent the amount of such Loan, the amount so paid shall constitute such Lender's Loan included in the borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make available the proceeds of a Revolving Loan or Term Loan to be made by such Lender.

Section 2.2 Term Loans.

(a) The Tranche A Borrowing. Subject to the terms and conditions set forth herein, each Tranche A Lender severally and not jointly agrees to make a single loan to the Borrower on the Effective Date in an amount not to exceed such Tranche A Lender's Commitment Percentage of the Tranche A Facility. The Tranche A Borrowing shall consist of Tranche A Loans made simultaneously by the Tranche A Lenders in accordance with their respective Commitment Percentage of the Tranche A Facility. Amounts borrowed under this Section 2.2(a) and repaid or prepaid may not be reborrowed.

(b) The Tranche B Borrowing. Subject to the terms and conditions set forth herein, each Tranche B Lender severally and not jointly agrees to make a single loan to the Borrower on the Effective Date in an amount not to exceed such Tranche B Lender's Commitment Percentage of the Tranche B Facility. The Tranche B Borrowing shall consist of Tranche B Loans made simultaneously by the Tranche B Lenders in accordance with their respective Commitment Percentage of the Tranche B Facility. Amounts borrowed under this Section 2.1(b) and repaid or prepaid may not be reborrowed.

(c) Requesting Term Loans. The Borrower shall deliver to the Administrative Agent a Notice of Borrowing, which notice must be received by the Administrative Agent no later than 11:00 a.m. on the date that is (i) one Business Day prior to the anticipated Effective Date, in the case of a request for Base Rate Loans or (ii) three Business Days prior to the anticipated Effective Date in the case of a request for LIBOR Loans. Upon receipt of such Notice of Borrowing the Administrative Agent shall promptly notify each Lender. The Notice of Borrowing provided by the Borrower in the preceding sentence shall be irrevocable once given and binding on the Borrower. Notwithstanding the foregoing, on the Effective Date, the Term Loans outstanding under the Existing Credit Agreement will be deemed to be outstanding as Tranche A Loans hereunder and the existing LIBOR rates and Interest Periods applicable thereto will remain for purposes of determining LIBOR with respect to the interest rate thereon until the end of the applicable interest period (unless earlier terminated in accordance with the terms hereof).

(d) Disbursement of Term Loan Proceeds. No later than 12:00 p.m. on the Effective Date, each Lender will make available for the account of its applicable Lending Office to the Administrative Agent at the Principal Office, in immediately available funds, the proceeds of the Term Loan to be made by such Lender. Subject to satisfaction of the applicable conditions set forth in Article VI for such borrowing, the Administrative Agent will make the proceeds of such borrowing available to the Borrower no later than 2:00 p.m. on the Effective Date.

(e) Pari Passu. Notwithstanding the division of the Term Loans into Tranches, all Loans to the Borrower under this Agreement shall rank pari passu in right of payment.

Section 2.3 Swingline Loans.

(a) Swingline Loans. Subject to the terms and conditions hereof, including without limitation, Section 2.15, during the period from the Effective Date to but excluding the Swingline Termination Date, the Swingline Lender agrees to make Swingline Loans to the Borrower in an aggregate principal amount at any one time outstanding up to, but not exceeding, the amount of the Swingline Commitment. If at any time the aggregate principal amount of the Swingline Loans outstanding at such time exceeds the Swingline Commitment in effect at such time, the Borrower shall immediately pay the Administrative Agent for the account of the Swingline Lender the amount of such excess. Subject to the terms and conditions of this Agreement, the Borrower may borrow, repay and reborrow Swingline Loans hereunder.

(b) Procedure for Borrowing Swingline Loans. The Borrower shall give the Administrative Agent and the Swingline Lender notice pursuant to a Notice of Swingline Borrowing or telephonic notice of each borrowing of a Swingline Loan. Each Notice of Swingline Borrowing shall be delivered to the Swingline Lender no later than 3:00 p.m. on the proposed date of such borrowing. Any such notice given telephonically shall include all information to be specified in a written Notice of Swingline Borrowing and shall be promptly confirmed in writing by the Borrower pursuant to a Notice of Swingline Borrowing sent to the Swingline Lender by telecopy on the same day of the giving of such telephonic notice. On the date of the requested Swingline Loan and subject to satisfaction of

the applicable conditions set forth in Article VI for such borrowing, the Swingline Lender will make the proceeds of such Swingline Loan available to the Borrower in Dollars, in immediately available funds, at the account specified by the Borrower in the Notice of Swingline Borrowing not later than 4:00 p.m. on such date (or 12:00 noon if the Borrower delivered the applicable Notice of Swingline Borrowing to the Swingline Lender before 10:00 a.m. on the proposed date of such borrowing).

(c) Interest. Swingline Loans shall bear interest at a per annum rate equal to the Base Rate plus the Applicable Margin. Interest payable on Swingline Loans is solely for the account of the Swingline Lender. All accrued and unpaid interest on Swingline Loans shall be payable on the dates and in the manner provided in Section 2.5 with respect to interest on Base Rate Loans (except as the Swingline Lender and the Borrower may otherwise agree in writing in connection with any particular Swingline Loan).

(d) Swingline Loan Amounts, Etc . Each Swingline Loan shall be in the minimum amount of $100,000 and integral multiples of $100,000 or such other minimum amounts agreed to by the Swingline Lender and the Borrower. Any voluntary prepayment of a Swingline Loan must be in integral multiples of $50,000 or the aggregate principal amount of all outstanding Swingline Loans (or such other minimum amounts upon which the Swingline Lender and the Borrower may agree) and in connection with any such prepayment, the Borrower must give the Swingline Lender prior written notice thereof no later than 2:00 p.m. on the day prior to the date of such prepayment. The Swingline Loans shall, in addition to this Agreement, be evidenced by the Swingline Note.

(e) Repayment and Participations of Swingline Loans . The Borrower agrees to repay each Swingline Loan within one Business Day of demand therefor by the Swingline Lender and in any event, within five Business Days after the date such Swingline Loan was made; provided, that the proceeds of a Swingline Loan may not be used to repay a Swingline Loan. Notwithstanding the foregoing, the Borrower shall repay the entire outstanding principal amount of, and all accrued but unpaid interest on, the Swingline Loans on the Swingline Termination Date (or such earlier date as the Swingline Lender and the Borrower may agree in writing). In lieu of demanding repayment of any outstanding Swingline Loan from the Borrower, the Swingline Lender may, on behalf of the Borrower (which hereby irrevocably direct the Swingline Lender to act on their behalf for such purpose), request a borrowing of Revolving Loans that are Base Rate Loans from the Revolving Lenders in an amount equal to the principal balance of such Swingline Loan. The amount limitations of Section 3.5(a) shall not apply to any borrowing of Revolving Loans that are Base Rate Loans made pursuant to this subsection. The Swingline Lender shall give notice to the Administrative Agent of any such borrowing of Revolving Loans not later than 12:00 noon on the proposed date of such borrowing and the Administrative Agent shall give prompt notice of such borrowing to the Revolving Lenders. No later than 2:00 p.m. on such date, each Revolving Lender will make available to the Administrative Agent at the Principal Office for the account of the Swingline Lender, in immediately available funds, the proceeds of the Revolving Loan to be made by such Revolving Lender and, to the extent of such Revolving Loan, such Revolving Lender's participation in the Swingline Loan so repaid shall be deemed to be funded by such Revolving Loan. The Administrative Agent shall pay the proceeds of such Revolving Loans to the Swingline Lender, which shall apply such proceeds to repay such Swingline Loan. At the time each Swingline Loan is made, each Revolving Lender shall automatically (and without any further notice or action) be deemed to have purchased from the Swingline Lender, without recourse or warranty, an undivided interest and participation to the extent of such Revolving Lender's Commitment Percentage in such Swingline Loan. If the Revolving Lenders are prohibited from making Revolving Loans required to be made under this subsection for any reason, including without limitation, the occurrence of any Default or Event of Default described in Section 11.1(f) or 11.1(g), upon notice

from the Administrative Agent or the Swingline Lender, each Revolving Lender severally agrees to pay to the Administrative Agent for the account of the Swingline Lender in respect of such participation the amount of such Revolving Lender's Commitment Percentage of each outstanding Swingline Loan. If such amount is not in fact made available to the Administrative Agent by any Revolving Lender, the Swingline Lender shall be entitled to recover such amount on demand from such Revolving Lender, together with accrued interest thereon for each day from the date of demand thereof, at the Federal Funds Effective Rate. If such Revolving Lender does not pay such amount forthwith upon demand therefor by the Administrative Agent or the Swingline Lender, and until such time as such Revolving Lender makes the required payment, the Swingline Lender shall be deemed to continue to have outstanding Swingline Loans in the amount of such unpaid participation obligation for all purposes of the Loan Documents (other than those provisions requiring the other Revolving Lenders to purchase a participation therein). Further, such Revolving Lender shall be deemed to have assigned any and all payments made of principal and interest on its Loans, and any other amounts due such Revolving Lender hereunder, to the Swingline Lender to fund Swingline Loans in the amount of the participation in Swingline Loans that such Revolving Lender failed to purchase pursuant to this Section until such amount has been purchased (as a result of such assignment or otherwise). A Revolving Lender's obligation to make payments in respect of a participation in a Swingline Loan shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including without limitation, (i) any claim of setoff, counterclaim, recoupment, defense or other right which such Revolving Lender or any other Person may have or claim against the Administrative Agent, the Swingline Lender or any other Person whatsoever, (ii) the occurrence or continuation of a Default or Event of Default (including without limitation, any of the Defaults or Events of Default described in Section 11.1.(f) or 11.1.(g)) or the termination of the Commitments of any Revolving Lender, (iii) the existence (or alleged existence) of an event or condition which has had or could have a Material Adverse Effect, (iv) any breach of any Loan Document by the Administrative Agent, any Lender or any Loan Party or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

Section 2.4 Letters of Credit.

(a) Letters of Credit. Subject to the terms and conditions of this Agreement, including without limitation, Section 2.15, the Administrative Agent, on behalf of the Revolving Lenders, agrees to issue for the account of the Borrower during the period from and including the Effective Date to, but excluding, the date 30 days prior to the Revolver Maturity Date one or more letters of credit (each a "**Letter of Credit**") up to a maximum aggregate Stated Amount at any one time outstanding not to exceed the L/C Commitment Amount.

(b) Terms of Letters of Credit. At the time of issuance, the amount, form, terms and conditions of each Letter of Credit, and of any drafts or acceptances thereunder, shall be subject to approval by the Administrative Agent and the Borrower. Notwithstanding the foregoing, in no event may the expiration date of any Letter of Credit extend beyond the earlier of (i) the date one year from its date of issuance or (ii) the Revolver Maturity Date; provided, however, a Letter of Credit may contain a provision providing for the automatic extension of the expiration date in the absence of a notice of non-renewal from the Administrative Agent but in no event shall any such provision permit the extension of the expiration date of such Letter of Credit beyond the Revolver Maturity Date, unless otherwise agreed to by all Revolving Lenders and subject to such conditions as they may require in their sole discretion.

(c) Requests for Issuance of Letters of Credit. The Borrower shall give the Administrative Agent written notice at least 5 Business Days (or such shorter period as may be acceptable to Administrative Agent in its sole discretion) prior to the requested date of issuance of a Letter of

Credit, such notice to describe in reasonable detail the proposed terms of such Letter of Credit and the nature of the transactions or obligations proposed to be supported by such Letter of Credit, and in any event shall set forth with respect to such Letter of Credit the proposed (i) Stated Amount, (ii) beneficiary, and (iii) expiration date. The Borrower shall also execute and deliver such customary letter of credit application forms and other forms and agreements as reasonably requested from time to time by the Administrative Agent. Provided the Borrower has given the notice prescribed by the first sentence of this subsection and delivered such forms and agreements referred to in the preceding sentence, subject to the other terms and conditions of this Agreement, including satisfaction of any applicable conditions precedent set forth in Article VI, the Administrative Agent shall issue the requested Letter of Credit on the requested date of issuance for the benefit of the stipulated beneficiary but in no event prior to the date 5 Business Days (or such shorter period as may be acceptable to the Administrative Agent in its sole discretion) following the date after which the Administrative Agent has received all of the items required to be delivered to it under this subsection. The Administrative Agent shall not at any time be obligated to issue any Letter of Credit if such issuance would conflict with, or cause the Administrative Agent or any Revolving Lender to exceed any limits imposed by, any Applicable Law. References herein to "issue" and derivations thereof with respect to Letters of Credit shall also include extensions or modifications of any outstanding Letters of Credit, unless the context otherwise requires. Upon the written request of the Borrower, the Administrative Agent shall deliver to the Borrower a copy of each issued Letter of Credit within a reasonable time after the date of issuance thereof. To the extent any term of a Letter of Credit Document is inconsistent with a term of any Loan Document, the term of such Loan Document shall control.

(d) Reimbursement Obligations. Upon receipt by the Administrative Agent from the beneficiary of a Letter of Credit of any demand for payment under such Letter of Credit, the Administrative Agent shall promptly notify the Borrower of the amount to be paid by the Administrative Agent as a result of such demand and the date on which payment is to be made by the Administrative Agent to such beneficiary in respect of such demand; provided, however, the Administrative Agent's failure to give, or delay in giving, such notice shall not discharge the Borrower in any respect from the applicable Reimbursement Obligation. The Borrower hereby absolutely, unconditionally and irrevocably agrees to pay and reimburse the Administrative Agent for the amount of each demand for payment under such Letter of Credit on or prior to the date on which payment is to be made by the Administrative Agent to the beneficiary thereunder, without presentment, demand, protest or other formalities of any kind (other than notice as provided in this subsection). Upon receipt by the Administrative Agent of any payment in respect of any Reimbursement Obligation, the Administrative Agent shall promptly pay to each Revolving Lender that has acquired a participation therein under the second sentence of Section 2.4(i) such Lender's Commitment Percentage of such payment.

(e) Manner of Reimbursement. Upon its receipt of a notice referred to in the immediately preceding subsection (d), the Borrower shall advise the Administrative Agent whether or not the Borrower intends to borrow hereunder to finance its obligation to reimburse the Administrative Agent for the amount of the related demand for payment and, if it does, the Borrower shall submit a timely request for such borrowing as provided in the applicable provisions of this Agreement. If the Borrower fails to so advise the Administrative Agent, or if the Borrower fails to reimburse the Administrative Agent for a demand for payment under a Letter of Credit by the date of such payment, then (i) if the applicable conditions contained in Article VI would permit the making of Revolving Loans, the Borrower shall be deemed to have requested a borrowing of Revolving Loans (which shall be Base Rate Loans) in an amount equal to the unpaid Reimbursement Obligation and the Administrative Agent shall give each Revolving Lender prompt notice of the amount of the Revolving Loan to be made available to the Administrative Agent not later than 1:00 p.m. and (ii) if such conditions would not

permit the making of Revolving Loans, the provisions of subsection (j) of this Section shall apply. The limitations of Section 3.5(a) shall not apply to any borrowing of Revolving Loans under this subsection.

(f) Effect of Letters of Credit on Commitments . Upon the issuance by the Administrative Agent of any Letter of Credit and until such Letter of Credit shall have expired or been terminated, the Revolving Commitment of each Revolving Lender shall be deemed to be utilized for all purposes of this Agreement in an amount equal to the product of (i) such Revolving Lender's Commitment Percentage and (ii) the sum of (A) the Stated Amount of such Letter of Credit plus (B) any related Reimbursement Obligations then outstanding.

(g) Administrative Agent's Duties Regarding Letters of Credit; Unconditional Nature of Reimbursement Obligations. In examining documents presented in connection with drawings under Letters of Credit and making payments under Letters of Credit against such documents, the Administrative Agent shall only be required to use the same standard of care as it uses in connection with examining documents presented in connection with drawings under letters of credit in which it has not sold participations and making payments under such letters of credit. Neither the Administrative Agent nor any of the Revolving Lenders shall be responsible for, and the Borrower's obligations in respect of the Letters of Credit shall not be affected in any manner by, any acts or omissions of, or misuse of the Letters of Credit by, the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, neither the Administrative Agent nor any of the Revolving Lenders shall be responsible for, and the Borrower's obligations in respect of the Letters of Credit shall not be affected in any manner by, any of the following except to the extent resulting from the gross negligence or willful misconduct of the Administrative Agent or a Revolving Lender, as applicable, as determined by a court of competent jurisdiction in a final, non-appealable judgment: (i) the form, validity, sufficiency, accuracy, genuineness or legal effects of any document submitted by any party in connection with the application for and issuance of or any drawing honored under any Letter of Credit even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit, or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) failure of the beneficiary of any Letter of Credit to comply fully with conditions required in order to draw upon such Letter of Credit; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, facsimile, electronic mail, telecopy or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit, or of the proceeds thereof; (vii) the misapplication by the beneficiary of the proceeds of any drawing under any Letter of Credit; or (viii) any consequences arising from causes beyond the control of the Administrative Agent or the Revolving Lenders. None of the above shall affect, impair or prevent the vesting of any of the Administrative Agent's or any Revolving Lender's rights or powers hereunder. Any action taken or omitted to be taken by the Administrative Agent under or in connection with any Letter of Credit, if taken or omitted in the absence of gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final, non-appealable judgment), shall not create against the Administrative Agent or any Lender any liability to the Borrower or any of its Subsidiaries or any Lender. In this regard, the obligation of the Borrower to reimburse the Administrative Agent for any drawing made under any Letter of Credit, and to repay any Revolving Loan made pursuant to the second sentence of the preceding subsection (e), shall be absolute, unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement and any other applicable Letter of Credit Document under all circumstances whatsoever, including without limitation, the following circumstances: (A) any lack of validity or enforceability of any Letter of Credit Document or any term or provisions therein; (B) any amendment

or waiver of or any consent to departure from all or any of the Letter of Credit Documents; (C) the existence of any claim, setoff, defense or other right which the Borrower or any of its Subsidiaries may have at any time against the Administrative Agent, any Lender, any beneficiary of a Letter of Credit or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or in the Letter of Credit Documents or any unrelated transaction; (D) any breach of contract or dispute between the Borrower or any of its Subsidiaries, the Administrative Agent, any Lender or any other Person; (E) any demand, statement or any other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein or made in connection therewith being untrue or inaccurate in any respect whatsoever; (F) any non-application or misapplication by the beneficiary of a Letter of Credit of the proceeds of any drawing under such Letter of Credit; (G) payment by the Administrative Agent under any Letter of Credit against presentation of a draft or certificate which does not strictly comply with the terms of such Letter of Credit; and (H) any other act, omission to act, delay or circumstance whatsoever that might, but for the provisions of this Section, constitute a legal or equitable defense to or discharge of the Borrower's Reimbursement Obligations. Notwithstanding anything to the contrary contained in this Section or Section 13.9, but not in limitation of the Borrower's unconditional obligation to reimburse the Administrative Agent for any drawing made under a Letter of Credit as provided in this Section and to repay any Revolving Loan made pursuant to the second sentence of the preceding subsection (e), the Borrower shall have no obligation to indemnify the Administrative Agent or any Lender in respect of any liability incurred by the Administrative Agent or such Lender arising solely out of the gross negligence or willful misconduct of the Administrative Agent or such Lender in respect of a Letter of Credit as determined by a court of competent jurisdiction in a final, non-appealable judgment. Except as otherwise provided in this Section, nothing in this Section shall affect any rights the Borrower may have with respect to the gross negligence or willful misconduct of the Administrative Agent or any Revolving Lender with respect to any Letter of Credit.

(h) Amendments, Etc. The issuance by the Administrative Agent of any amendment, supplement or other modification to any Letter of Credit shall be subject to the same conditions applicable under this Agreement to the issuance of new Letters of Credit (including, without limitation, that the request therefor be made through the Administrative Agent), and no such amendment, supplement or other modification shall be issued unless either (i) the respective Letter of Credit affected thereby would have complied with such conditions had it originally been issued hereunder in such amended, supplemented or modified form or (ii) the Requisite Class Lenders for the Revolving Credit Facility (or all of the Revolving Lenders if required by Section 13.6) shall have consented thereto. In connection with any such amendment, supplement or other modification, the Borrower shall pay the Fee, if any, payable under the last sentence of Section 3.6(c).

(i) Lenders' Participation in Letters of Credit . Immediately upon the issuance by the Administrative Agent of any Letter of Credit each Revolving Lender shall be deemed to have irrevocably and unconditionally purchased and received from the Administrative Agent, without recourse or warranty, an undivided interest and participation to the extent of such Revolving Lender's Commitment Percentage of the liability of the Administrative Agent with respect to such Letter of Credit, and each Revolving Lender thereby shall absolutely, unconditionally and irrevocably assume, as primary obligor and not as surety, and shall be unconditionally obligated to the Administrative Agent to pay and discharge when due, such Revolving Lender's Commitment Percentage of the Administrative Agent's liability under such Letter of Credit. In addition, upon the making of each payment by a Revolving Lender to the Administrative Agent in respect of any Letter of Credit pursuant to the immediately following subsection (j), such Revolving Lender shall, automatically and without any further action on the part of the Administrative Agent or such Revolving Lender, acquire (i) a

participation in an amount equal to such payment in the Reimbursement Obligation owing to the Administrative Agent by the Borrower in respect of such Letter of Credit and (ii) a participation in a percentage equal to such Revolving Lender's Commitment Percentage in any interest or other amounts payable by the Borrower in respect of such Reimbursement Obligation (other than the Fees payable to the Administrative Agent pursuant to the last sentence of Section 3.6(c)).

(j) Payment Obligation of Lenders. Each Revolving Lender severally agrees to pay to the Administrative Agent on demand in immediately available funds in Dollars the amount of such Revolving Lender's Commitment Percentage of each drawing paid by the Administrative Agent under each Letter of Credit to the extent such amount is not reimbursed by the Borrower pursuant to Section 2.4(d); provided, however, that in respect of any drawing under any Letter of Credit, the maximum amount that any Revolving Lender shall be required to fund, whether as a Revolving Loan or as a participation, shall not exceed such Revolving Lender's Commitment Percentage of such drawing. If the notice referenced in the second sentence of Section 2.4(e) is received by a Revolving Lender not later than 11:00 a.m., then such Revolving Lender shall make such payment available to the Administrative Agent not later than 2:00 p.m. on the date of demand therefor; otherwise, such payment shall be made available to the Administrative Agent not later than 1:00 p.m. on the next succeeding Business Day. Each Revolving Lender's obligation to make such payments to the Administrative Agent under this subsection, and the Administrative Agent's right to receive the same, shall be absolute, irrevocable and unconditional and shall not be affected in any way by any circumstance whatsoever, including without limitation, (i) the failure of any other Revolving Lender to make its payment under this subsection, (ii) the financial condition of any Loan Party, (iii) the existence of any Default or Event of Default, including any Event of Default described in Section 11.1(f) or 11.1(g) or (iv) the termination of the Revolving Commitments. Each such payment to the Administrative Agent shall be made without any offset, abatement, withholding or deduction whatsoever.

(k) Information to Lenders. The Administrative Agent shall periodically deliver to the Revolving Lenders information setting forth the Stated Amount of all outstanding Letters of Credit. Other than as set forth in this subsection, the Administrative Agent shall have no duty to notify the Revolving Lenders regarding the issuance or other matters regarding Letters of Credit issued hereunder. The failure of the Administrative Agent to perform its requirements under this subsection shall not relieve any Revolving Lender from its obligations under Section 2.4(j).

Section 2.5 Rates and Payment of Interest and Late Charges on Loans.

(a) Rates. The Borrower shall pay to the Administrative Agent for the account of each Lender interest on the unpaid principal amount of each Loan made by such Lender for the period from and including the date of the making of such Loan to but excluding the date such Loan shall be paid in full, at the following per annum rates:

(i) during such periods as such Loan is a Base Rate Loan, at the Base Rate (as in effect from time to time) plus the Applicable Margin; and

(ii) during such periods as such Loan is a LIBOR Loan, at LIBOR for such Loan for the Interest Period therefor plus the Applicable Margin.

Notwithstanding the foregoing, while an Event of Default exists, the Borrower shall pay to the Administrative Agent for the account of each Lender interest at the Post-Default Rate on the outstanding principal amount of any Loan made by such Lender, on all Reimbursement Obligations and on any other amount payable by the Borrower hereunder or under the Notes held by such Lender to or for the

account of such Lender (including without limitation, accrued but unpaid interest to the extent permitted under Applicable Law).

(b) Credit Rating Election. From and after the occurrence of the Investment Grade Rating Date, the Borrower may make a one-time irrevocable election upon written notice to the Administrative Agent to utilize its Credit Rating in determining the Applicable Margin and the Applicable Facility Fee, pursuant to the relevant table set forth in the definition of Applicable Margin and Applicable Facility Fee, respectively.

(c) Payment of Interest. Accrued and unpaid interest on each Loan shall be payable (i) monthly in arrears on the first Business Day of each calendar month, commencing with the first full calendar month occurring after the Effective Date, (ii) on any date that the principal balance of any Loan is repaid and (iii) on any date on which the principal balance of such Loan is due and payable in full (whether at maturity, due to acceleration or otherwise). Interest payable at the Post-Default Rate shall be payable from time to time on demand. Promptly after the determination of any interest rate provided for herein or any change therein, the Administrative Agent shall give notice thereof to the Lenders to which such interest is payable and to the Borrower. All determinations by the Administrative Agent of an interest rate hereunder shall be conclusive and binding on the Lenders and the Borrower for all purposes, absent manifest error.

(d) Late Charges. The Borrower shall pay to the Administrative Agent for the account of each applicable Lender, upon billing therefor, a late charge equal to five percent (5%) of the amount of any payment of principal, interest, or both, which is not paid within 5 days after the due date therefor. Such late charge (i) shall be payable in addition to, and not in limitation of, the Post-Default Rate, (ii) shall be intended to compensate the Administrative Agent and the Lenders for administrative and processing costs incident to late payments, (c) does not constitute interest, and (d) shall not be subject to refund or rebate or credited against any other amount due.

(e) Borrower Information Used to Determine Applicable Interest Rates . The parties understand that the applicable interest rate for the Obligations and certain fees set forth herein may be determined and/or adjusted from time to time based upon certain financial ratios and/or other information to be provided or certified to the Lenders by the Borrower (the "**Borrower Information**"). If it is subsequently determined that any such Borrower Information was incorrect (for whatever reason, including without limitation because of a subsequent restatement of earnings by the Borrower) at the time it was delivered to the Administrative Agent, and if the applicable interest rate or fees calculated for any period were lower than they should have been had the correct information been timely provided, then, such interest rate and such fees for such period shall be automatically recalculated using correct Borrower Information. The Administrative Agent shall promptly notify the Borrower in writing of any additional interest and fees due because of such recalculation, and the Borrower shall pay such additional interest or fees due to the Administrative Agent, for the account of each Lender, within five (5) Business Days of receipt of such written notice. Any recalculation of interest or fees required by this provision shall survive the termination of this Agreement, and this provision shall not in any way limit any of the Administrative Agent's, the Issuing Bank's, or any Lender's other rights under this Agreement.

Section 2.6 Number of Interest Periods.

There may be no more than seven different Interest Periods outstanding at the same time.

Section 2.7 Repayment of Loans.

The Borrower shall repay the entire outstanding principal amount of, and all accrued but unpaid interest on, (i) the Revolving Loans on the Revolver Maturity Date, (ii) the Tranche A Term Loan on the Tranche A Maturity Date and (iii) the Tranche B Term Loan on the Tranche B Maturity Date.

Section 2.8 Prepayments.

(a) Optional. Subject to Section 4.4, the Borrower may prepay any Loan at any time without premium or penalty. The Borrower shall give the Administrative Agent at least one Business Day's prior written notice of the prepayment of any Revolving Loan or Term Loan.

(b) Mandatory. If at any time the aggregate principal amount of all outstanding Revolving Loans and Swingline Loans, together with the aggregate amount of all Letter of Credit Liabilities, exceeds the aggregate Revolving Commitment of all Revolving Lenders at such time, then in either case the Borrower shall, within three Business Days after the occurrence of such excess, pay to the Administrative Agent for the accounts of the applicable Lenders (determined in accordance with subsection (c) below) the amount of such excess.

(c) Application of Prepayments. Amounts paid under the preceding subsection (b) shall be applied to pay all amounts of principal outstanding on the Swingline Loans first, then to the Revolving Loans and any Reimbursement Obligations pro rata in accordance with Section 3.2 second, then to the Term Loans pro rata in accordance with Section 3.2 third, and finally, if any Letters of Credit are outstanding at such time, any remaining amount shall be deposited into the Collateral Account for application to any Letter of Credit Liabilities. If the Borrower is required to pay any outstanding LIBOR Loans by reason of this Section prior to the end of the applicable Interest Period therefor, the Borrower shall pay all amounts due under Section 4.4.

(d) Derivatives Contracts. No repayment or prepayment pursuant to this Section shall affect any of the Borrower's obligations under any Derivatives Contract between the Borrower and any Lender (or any Affiliate of any Lender).

Section 2.9 Continuation.

So long as no Default or Event of Default shall exist, the Borrower may on any Business Day, with respect to any LIBOR Loan, elect to maintain such LIBOR Loan or any portion thereof as a LIBOR Loan by selecting a new Interest Period for such LIBOR Loan. Each new Interest Period selected under this Section shall commence on the last day of the immediately preceding Interest Period. Each selection of a new Interest Period shall be made by the Borrower giving to the Administrative Agent a Notice of Continuation not later than 11:00 a.m. on the third Business Day prior to the date of any such Continuation. Such notice by the Borrower of a Continuation shall be by telephone or telecopy, confirmed immediately in writing if by telephone, in the form of a Notice of Continuation, specifying (a) the proposed date of such Continuation, (b) the LIBOR Loans and portions thereof subject to such Continuation and (c) the duration of the selected Interest Period, all of which shall be specified in such manner as is necessary to comply with all limitations on Loans outstanding hereunder. Each Notice of Continuation shall be irrevocable by and binding on the Borrower once given. Promptly after receipt of a Notice of Continuation, the Administrative Agent shall notify each Lender of the proposed Continuation. If the Borrower shall fail to select in a timely manner a new Interest Period for any LIBOR Loan in accordance with this Section, or if a Default or Event of Default shall exist, such Loan will automatically, on the last day of the current Interest Period therefor, Convert into a Base Rate Loan notwithstanding the first sentence of Section 2.10 or the Borrower's failure to comply with any of the terms of such Section.

Section 2.10 Conversion.

The Borrower may on any Business Day, upon the Borrower's giving of a Notice of Conversion to the Administrative Agent, Convert all or a portion of a Revolving Loan or a Term Loan (including a Base Rate Loan made pursuant to Section 2.3(e)) of one Type into a Loan of another Type; provided, however, a Base Rate Loan may not be Converted to a LIBOR Loan if a Default or Event of Default shall exist. Any Conversion of a LIBOR Loan into a Base Rate Loan shall be made on, and only on, the last day of an Interest Period for such LIBOR Loan. Each such Notice of Conversion shall be given not later than 11:00 a.m. on the Business Day prior to the date of any proposed Conversion into Base Rate Loans and on the third Business Day prior to the date of any proposed Conversion into LIBOR Loans. Promptly after receipt of a Notice of Conversion, the Administrative Agent shall notify each Lender of the proposed Conversion. Subject to the restrictions specified above, each Notice of Conversion shall be by telephone (confirmed immediately in writing) or telecopy in the form of a Notice of Conversion specifying (a) the requested date of such Conversion, (b) the Type of Loan to be Converted, (c) the portion of such Type of Loan to be Converted, (d) the Type of Loan such Loan is to be Converted into and (e) if such Conversion is into a LIBOR Loan, the requested duration of the Interest Period of such Loan. Each Notice of Conversion shall be irrevocable by and binding on the Borrower once given.

Section 2.11 Notes.

(a) Revolving Notes. Except in the case of a Lender that has requested not to receive a Revolving Note, the Revolving Loans made by each Revolving Lender shall, in addition to this Agreement, also be evidenced by a promissory note of the Borrower substantially in the form of Exhibit H-1 (each a "**Revolving Note**"), payable to the order of such Lender in a principal amount equal to the amount of its Revolving Commitment as originally in effect and otherwise duly completed.

(b) Term Notes. Except in the case of a Lender that has requested not to receive a Term Note, the Term Loans made by each Term Loan Lender shall, in addition to this Agreement, also be evidenced by a promissory note of the Borrower substantially in the form of Exhibit H-2 (each a "**Term Note**"), payable to the order of such Lender in a principal amount equal to the amount of the Term Loans made by such Lender and otherwise duly completed. For the avoidance of doubt, the Tranche A Loan shall be evidenced by the Tranche A Notes and the Tranche B Loan shall be evidenced by the Tranche B Notes.

(c) Records. The date, amount, interest rate, Type and duration of Interest Periods (if applicable) of each Loan made by each Lender to the Borrower, and each payment made on account of the principal thereof, shall be recorded by such Lender on its books and such entries shall be binding on the Borrower, absent manifest error; provided, however, that the failure of a Lender to make any such record shall not affect the obligations of the Borrower under any of the Loan Documents.

(d) Lost, Stolen, Destroyed or Mutilated Notes. Upon receipt by the Borrower of (i) written notice from a Lender that a Note of such Lender has been lost, stolen, destroyed or mutilated, and (ii) (A) in the case of loss, theft or destruction, an unsecured agreement of indemnity from such Lender in form reasonably satisfactory to the Borrower, or (B) in the case of mutilation, upon surrender and cancellation of such Note, the Borrower shall execute and deliver to such Lender a new Note dated the date of such lost, stolen, destroyed or mutilated Note.

Section 2.12 Voluntary Reductions of the Revolving Commitments.

Subject to Section 2.15, the Borrower shall have the right to terminate or reduce the aggregate unused amount of the Revolving Commitments (for which purpose use of the Revolving Commitments shall be deemed to include the aggregate amount of Letter of Credit Liabilities and the aggregate principal amount of all outstanding Swingline Loans) at any time and from time to time without penalty or premium upon not less than 3 Business Days prior written notice to the Administrative Agent of each such termination or reduction, which notice shall specify the effective date thereof and the amount of any such reduction and shall be irrevocable once given and effective only upon receipt by the Administrative Agent. The Administrative Agent will promptly transmit such notice to each Revolving Lender. The Revolving Commitments, once terminated or reduced, may not be increased or reinstated.

Section 2.13 Expiration or Maturity Date of Letters of Credit Past Revolver Maturity Date.

If on the date the Revolving Commitments are terminated or reduced to zero (whether voluntarily, by reason of the occurrence of an Event of Default, on the Revolver Maturity Date or otherwise), there are any Letters of Credit outstanding hereunder, the Borrower shall, on such date, pay to the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, an amount of money equal to 105% of the aggregate Stated Amount of such Letter(s) of Credit for deposit into the Collateral Account.

Section 2.14 Extension of Revolver Maturity Date.

Subject to the terms of this Section 2.14, the Borrower shall have the right to extend the Revolver Maturity Date once by twelve (12) months. The Borrower may exercise such right only by executing and delivering to the Administrative Agent at least thirty (30) days but not more than ninety (90) days prior to the then current Revolver Maturity Date, a written request for such extension (a "**Revolver Extension Notice**"). The Administrative Agent shall forward to each Revolving Lender a copy of any such Revolver Extension Notice delivered to the Administrative Agent promptly upon receipt thereof. Subject to satisfaction of the following conditions, the Revolver Maturity Date then in effect shall be extended for twelve (12) months: (x) upon the giving of such Revolver Extension Notice and on the Revolver Maturity Date (as determined without regard to such extension) and immediately after giving effect thereto, (a) no Default or Event of Default shall exist, and (b) the representations and warranties made or deemed made by the Borrower and each other Loan Party in the Loan Documents to which any of them is a party, shall be true and correct in all material respects (except to the extent otherwise qualified by materiality, in which case such representation and warranty shall be true and correct in all respects) on and as of the date of such extension with the same force and effect as if made on and as of such date except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects (except to the extent otherwise qualified by materiality, in which case such representation and warranty shall be true and correct in all respects) on and as of such earlier date), (y) the Borrower shall have paid the Fees payable under Section 3.6(d), and (z) the Borrower shall have delivered to the Administrative Agent a Compliance Certificate executed by the chief executive officer or chief financial officer of NSA REIT evidencing that the Borrower shall be in compliance with each of the financial covenants set forth in Section 10.1 on upon the extension of the Revolver Maturity Date and certifying the matters referred to in the immediately preceding clauses (x)(a) and (x)(b). The Revolver Maturity Date may be extended only once (for a period of twelve (12) months) pursuant to this Section 2.14

Section 2.15 Amount Limitations.

Notwithstanding any other term of this Agreement or any other Loan Document, no Revolving Lender shall be required to make a Revolving Loan, the Swingline Lender shall not be required to make a Swingline Loan, the Administrative Agent shall not be required to issue, increase or extend a Letter of Credit and no reduction of the Revolving Commitments pursuant to Section 2.12 shall take effect, if immediately after the making of such Loan, the issuance, increase or extension of such Letter of Credit or such reduction in the Revolving Commitments, the aggregate principal amount of all outstanding Revolving Loans and Swingline Loans, together with the aggregate amount of all Letter of Credit Liabilities, would exceed the aggregate Revolving Commitment of all Revolving Lenders at such time.

Section 2.16 Expansion Option.

(a) Expansion Requests. The Borrower may from time to time elect to increase the Revolving Commitments or enter into one or more additional tranches of term loans (each, an "**Incremental Term Loan**"), so long as, after giving effect thereto, the aggregate amount of such Revolving Commitment increases and all such Incremental Term Loans does not exceed $325,000,000. The Borrower may arrange for any such Revolving Commitment increase or Incremental Term Loan to be provided by one or more Lenders (each Lender so agreeing to an increase in its Revolving Commitment, or to participate in such Incremental Term Loans, an "**Increasing Lender**"), or by one or more new banks, financial institutions or other entities (each such new bank, financial institution or other entity, an "**Augmenting Lender**"), to increase their existing Revolving Commitments, or to participate in such Incremental Term Loans, or extend Revolving Commitments, as the case may be; provided, that (i) each Augmenting Lender shall be subject to the approval of the Borrower and the Administrative Agent (and, in the case of any Augmenting Lender or Increasing Lender providing an additional or new Revolving Commitment, the approval of the Administrative Agent in its capacity as issuer of Letters of Credit and the Swingline Lender) and (ii) (A) in the case of an Increasing Lender, the Borrower and such Increasing Lender execute an agreement substantially in the form of Exhibit J, and (B) in the case of an Augmenting Lender, the Borrower and such Augmenting Lender execute an agreement substantially in the form of Exhibit K hereto. No consent of any Lender (other than the Lenders participating in such Revolving Commitment increase or Incremental Term Loan) shall be required for any such increase or Incremental Term Loan pursuant to this Section 2.16 (other than the Swingline Lender in the case of any increase to the Revolving Commitments).

(b) Conditions to Effectiveness. Revolving Commitment increases, new Revolving Commitments and Incremental Term Loans created pursuant to this Section 2.16 shall become effective on the date agreed by the Borrower, the Administrative Agent and the relevant Increasing Lenders or Augmenting Lenders, and the Administrative Agent shall notify each Lender thereof. Notwithstanding the foregoing, no increase in the Revolving Commitments (or in the Revolving Commitment of any Lender) or Incremental Term Loan shall become effective under this paragraph unless (i) on the date of such election and on the proposed date of the effectiveness of such Revolving Commitment increase or Incremental Term Loan, both immediately before and immediately after giving effect thereto, (A) no Default or Event of Default exists and (B) the representations and warranties made or deemed made by the Borrower and each other Loan Party in the Loan Documents to which any of them is a party, are true and correct in all material respects (except in the case of a representation or warranty qualified by materiality, in which case such representation or warranty shall be true and correct in all respects) with the same force and effect as if made on and as of such date except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date), and the Administrative Agent shall have received a certificate executed by a Responsible Officer certifying

the satisfaction of such conditions, and (ii) to the extent requested by the Administrative Agent, the Administrative Agent shall have received documents (including legal opinions) consistent with those delivered on the Effective Date as to the corporate power and authority of the Borrower to borrow hereunder immediately after giving effect to such Revolving Commitment increase or Incremental Term Loan and information with respect to any Disqualified Stock that may then be outstanding.

(c) Funding and Reallocations. On the effective date of any increase in the Revolving Commitments, (i) each relevant Increasing Lender and Augmenting Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Revolving Lenders, as being required in order to cause, after giving effect to such Revolving Commitment increase and the use of such amounts to make payments to such other Revolving Lenders, each Revolving Lender's portion of the outstanding Revolving Loans of all the Revolving Lenders to equal its Revolving Commitment Percentage of such outstanding Revolving Loans, and (ii) if necessary to keep the outstanding Revolving Loans ratable with any revised Revolving Commitment Percentages arising from any nonratable increase in the Revolving Commitments under this Section, the Borrower shall be deemed to have repaid and reborrowed any outstanding Revolving Loans as of the date of any increase in the Revolving Commitments (with such reborrowing to consist of the Types of Revolving Loans, with related Interest Periods if applicable, specified in a notice delivered by the Borrower, in accordance with the requirements of Section 2.1(b) in order to maintain such ratability). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each LIBOR Loan, shall be subject to indemnification by the Borrower pursuant to the provisions of Section 4.4 if the deemed payment occurs other than on the last day of the related Interest Periods.

(d) Terms. The Incremental Term Loans (i) shall rank pari passu in right of payment with the Revolving Loans and the initial Term Loans, (ii) shall not mature earlier than the Tranche B Maturity Date (but may have amortization prior to such date) and (iii) shall be treated substantially the same as (and in any event no more favorably than) the Revolving Loans and the initial Term Loans; provided, that (x) the terms and conditions applicable to any Incremental Term Loan maturing after the Tranche B Maturity Date may provide for material additional or different financial or other covenants or prepayment requirements applicable only during periods after the Tranche B Maturity Date and (y) the Incremental Term Loans may be priced differently than the Revolving Loans and the initial Term Loans.

(e) Documentation. Incremental Term Loans may be made hereunder pursuant to an amendment or restatement (an "**Incremental Term Loan Amendment**") of this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Increasing Lender participating in such Incremental Term Loan, if any, each Augmenting Lender participating in such Incremental Term Loan, if any, and the Administrative Agent. Each Incremental Term Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section 2.16. Nothing contained in this Section 2.16 shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Revolving Commitment hereunder, or provide Incremental Term Loans, at any time.

Section 2.17 Funds Transfer Disbursements.

(a) Generally. The Borrower hereby authorizes the Administrative Agent to disburse the proceeds of any Loan made by the Lenders or any of their Affiliates pursuant to the Loan Documents

as requested by an authorized representative of the Borrower to any of the accounts designated by the Borrower. The Borrower agrees to be bound by any transfer request: (i) authorized or transmitted by the Borrower; or, (ii) made in the Borrower's name and accepted by the Administrative Agent in good faith and in compliance with these transfer instructions, even if not properly authorized by the Borrower. The Borrower further agrees and acknowledges that the Administrative Agent may rely solely on any bank routing number or identifying bank account number or name provided by the Borrower to effect a wire of funds transfer. The Administrative Agent is not obligated or required in any way to take any actions to detect errors in information provided by the Borrower. If the Administrative Agent takes any actions in an attempt to detect errors in the transmission or content of transfer requests or takes any actions in an attempt to detect unauthorized funds transfer requests, the Borrower agrees that no matter how many times the Administrative Agent takes these actions the Administrative Agent will not in any situation be liable for failing to take or correctly perform these actions in the future and such actions shall not become any part of the transfer disbursement procedures authorized under this provision, the Loan Documents, or any agreement between the Administrative Agent and the Borrower. The Borrower agrees to notify the Administrative Agent of any errors in the transfer of any funds or of any unauthorized or improperly authorized transfer requests within fourteen (14) days after the Administrative Agent's confirmation to the Borrower of such transfer.

(b) Funds Transfer. The Administrative Agent will, in its sole discretion, determine the funds transfer system and the means by which each transfer will be made. The Administrative Agent may delay or refuse to accept a funds transfer request if the transfer would: (i) violate the terms of this authorization; (ii) require the use of a bank unacceptable to the Administrative Agent or any Lender or prohibited by any Governmental Authority; (iii) cause the Administrative Agent or any Lender, in their reasonable judgment, to violate any regulatory risk control program or guideline promulgated by the Board of Governors of the Federal Reserve System or any other similar program or guideline; or (iv) otherwise cause the Administrative Agent or any Lender to violate any Applicable Law.

(c) Limitation of Liability. Neither the Administrative Agent nor any Lender shall be liable to the Borrower or any other parties for (i) errors, acts or failures to act of others, including other entities, banks, communications carriers or clearinghouses, through which the Borrower's transfers may be made or information received or transmitted, and no such entity shall be deemed an agent of the Administrative Agent or any Lender, (ii) any loss, liability or delay caused by fires, earthquakes, wars, civil disturbances, power surges or failures, acts of government, labor disputes, failures in communications networks, legal constraints or other events beyond Administrative Agent's or any Lender's control, or (iii) any special, consequential, indirect or punitive damages, whether or not (x) any claim for these damages is based on tort or contract or (y) the Administrative Agent, any Lender or the Borrower knew or should have known the likelihood of these damages in any situation; provided, however, that, the Administrative Agent and the Lenders shall be liable to the extent any of the above were the result of the Administrative Agent's or Lenders' gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment. Neither the Administrative Agent nor any Lender makes any representations or warranties other than those expressly made in this Agreement.

Article III.
PAYMENTS, FEES AND OTHER GENERAL PROVISIONS

Section 3.1 Payments.

(a) Payments by the Borrower. Except to the extent otherwise provided herein, all payments of principal, interest and other amounts to be made by the Borrower or any other Loan Party under this Agreement or any other Loan Document shall be made in Dollars, in immediately available funds, without deduction, set-off or counterclaim, to the Administrative Agent at its Principal Office, not later than 2:00 p.m. on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day). Subject to Section 11.4, the Borrower shall, at the time of making each payment under this Agreement or any other Loan Document, specify to the Administrative Agent the amounts payable by the Borrower hereunder to which such payment is to be applied. Each payment received by the Administrative Agent for the account of a Lender under this Agreement or any other Loan Document shall be paid to such Lender by wire transfer of immediately available funds in accordance with the wiring instructions provided by such Lender to the Administrative Agent from time to time, for the account of such Lender at the applicable Lending Office of such Lender. If the Administrative Agent fails to pay such amounts to such Lender, within one Business Day of receipt of such amounts, the Administrative Agent shall pay interest on such amount at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect. If the due date of any payment under this Agreement or any other Loan Document would otherwise fall on a day which is not a Business Day such date shall be extended to the next succeeding Business Day and interest shall be payable for the period of such extension.

(b) Presumptions Regarding Payments by Borrower. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may (but shall not be obligated to), in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent on demand that amount so distributed to such Lender, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

Section 3.2 Pro Rata Treatment.

Except to the extent otherwise provided herein: (a) each borrowing from the Revolving Lenders under Sections 2.1(a), 2.3(e) and 2.4(e) shall be made from such Lenders, each payment of the Fees under Section 3.6(a), Section 3.6(b) and under the first sentence of Section 3.6(c) shall be made for the account of the applicable Lenders, and each termination or reduction of the amount of the Revolving Commitments under Section 2.12 shall be applied to the respective Revolving Commitments of the Revolving Lenders, in each case pro rata according to the amounts of their respective Revolving Commitments; (b) each payment or prepayment of principal of Revolving Loans by the Borrower shall be made for the account of the Revolving Lenders pro rata in accordance with the respective unpaid principal amounts of the Revolving Loans held by them; (c) each payment of interest on Revolving Loans by the Borrower shall be made for the account of the Revolving Lenders pro rata in accordance with the amounts of interest on such Loans then due and payable to the respective Lenders; (d) subject to Section 2.8(a)(ii), each payment or prepayment of principal of Tranche A Term Loans by the Borrower shall be made for the account of the Tranche A Lenders pro rata in accordance with the respective unpaid principal amounts of the Tranche A Term Loans held by them, and each payment or prepayment of principal of Tranche B Term Loans by the Borrower shall be made for the account of the Tranche B

Lenders pro rata in accordance with the respective unpaid principal amounts of the Tranche B Term Loans held by them; (e) each payment of interest on Tranche A Term Loans by the Borrower shall be made for the account of the Tranche A Lenders pro rata in accordance with the amounts of interest on the Tranche A Term Loans then due and payable to the Tranche A Term Lenders, and each payment of interest on Tranche B Term Loans by the Borrower shall be made for the account of the Tranche B Lenders pro rata in accordance with the amounts of interest on the Tranche B Term Loans then due and payable to the Tranche B Term Lenders; (f) the Conversion and Continuation of Revolving Loans or Term Loans of a particular Type (other than Conversions provided for by Section 4.6) shall be made pro rata among the applicable Lenders according to the amounts of their respective Revolving Loans or Term Loans, as applicable, and the then current Interest Period for each applicable Lender's portion of each such Loan of such Type shall be coterminous; (g) the Revolving Lenders' participation in, and payment obligations in respect of, Letters of Credit under Section 2.4, shall be pro rata in accordance with their respective Revolving Commitments; and (h) the Revolving Lenders' participation in, and payment obligations in respect of, Swingline Loans under Section 2.3, shall be pro rata in accordance with their respective Revolving Commitments. All payments of principal, interest, fees and other amounts in respect of the Swingline Loans shall be for the account of the Swingline Lender only (except to the extent any Revolving Lender shall have acquired and funded a participating interest in any such Swingline Loan pursuant to Section 2.3(e), in which case such payments shall be pro rata in accordance with such participating interests).

Section 3.3 Sharing of Payments, Etc.

If a Lender shall obtain payment of any principal of, or interest on, any Loan made by it to the Borrower under this Agreement, or shall obtain payment on any other Obligation owing by any Loan Party through the exercise of any right of set-off, banker's lien or counterclaim or similar right or otherwise or through voluntary prepayments directly to a Lender or other payments made by any Loan Party to a Lender not in accordance with the terms of this Agreement (other than any payment in respect of Specified Derivatives Obligations) and such payment should be distributed to the Lenders pro rata in accordance with Section 3.2 or Section 11.4, as applicable, such Lender shall promptly purchase from the other Lenders participations in (or, if and to the extent specified by such Lender, direct interests in) the Loans made by the other Lenders or other Obligations owed to such other Lenders in such amounts, and make such other adjustments from time to time as shall be equitable, to the end that all the applicable Lenders shall, subject to Section 3.11 if applicable, share the benefit of such payment (net of any reasonable expenses which may be incurred by such Lender in obtaining or preserving such benefit) pro rata in accordance with Section 3.2 or Section 11.4, as applicable. To such end, all the Lenders shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be restored. The Borrower agrees that any Lender so purchasing a participation (or direct interest) in the Loans or other Obligations owed to such other Lenders may exercise all rights of set-off, banker's lien, counterclaim or similar rights with respect to such participation as fully as if such Lender were a direct holder of Loans in the amount of such participation. Nothing contained herein shall require any Lender to exercise any such right or shall affect the right of any Lender to exercise, and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of the Borrower.

Section 3.4 Several Obligations.

No Lender shall be responsible for the failure of any other Lender to make a Loan or to perform any other obligation to be made or performed by such other Lender hereunder, and the failure of any Lender to make a Loan or to perform any other obligation to be made or performed by it hereunder

shall not relieve the obligation of any other Lender to make any Loan or to perform any other obligation to be made or performed by such other Lender.

Section 3.5 Minimum Amounts.

(a) Borrowings and Conversions. Except as otherwise provided in Sections 2.3(d) and 2.4(e), each borrowing of Base Rate Loans shall be in an aggregate minimum amount of $500,000 and integral multiples of $500,000 in excess thereof. Each borrowing, Conversion and Continuation of LIBOR Loans shall be in an aggregate minimum amount of $500,000 and integral multiples of $500,000 in excess of that amount.

(b) Prepayments. Each voluntary prepayment of Revolving Loans shall be in an aggregate minimum amount of $500,000 and integral multiples of $100,000 in excess thereof (or, if less, the aggregate principal amount of Revolving Loans then outstanding). Each voluntary prepayment of Term Loans shall be in an aggregate minimum amount of $1,000,000 and integral multiples of $500,000 in excess thereof (or, if less, the aggregate principal amount of Term Loans then outstanding).

(c) Reductions of Revolving Commitments. Each reduction of the Revolving Commitments under Section 2.12 shall be in an aggregate minimum amount of $5,000,000 and integral multiples of $1,000,000 in excess thereof.

(d) Letters of Credit. The initial Stated Amount of each Letter of Credit shall be at least $100,000 (or such lesser amount as may be acceptable to the Borrower and the Administrative Agent).

Section 3.6 Fees.

(a) Unused Fees. During the period from the Effective Date to but excluding the Credit Rating Election Date, the Borrower agrees to pay to the Administrative Agent for the account of Revolving Lenders an unused facility fee equal to (i) the actual daily amount by which (A) the aggregate Revolving Commitment of all Revolving Lenders exceeds (B) the aggregate principal amount of all outstanding Revolving Loans and Swingline Loans, together with the aggregate amount of all Letter of Credit Liabilities, multiplied by (ii) the Applicable Unused Fee. Such fee shall be nonrefundable, computed quarterly in arrears based on such actual daily amount, and payable in arrears on (x) the first Business Day of each calendar quarter, (y) the Revolver Maturity Date, and (z) the date the Revolving Commitments are terminated or reduced to zero. If there is any change in the Applicable Unused Fee during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Unused Fee separately for each period during such quarter that such Applicable Unused Fee was in effect.

(b) Facility Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a facility fee (the "**Facility Fee**") equal to the average daily amount of the Revolving Commitment of such Revolving Lender (whether or not utilized) times the Applicable Facility Fee Rate for the period from and including the Credit Rating Election Date to but excluding the date such Revolving Commitment is terminated or reduced to zero or the Revolver Maturity Date, such fee to be paid in arrears on (i) the first Business Day of each calendar quarter, (ii) the date of each reduction in the Revolving Commitments (but only on the amount of the reduction) and (iii) the Revolver Maturity Date or any earlier date of termination of the Revolving Commitments or reduction of the Revolving Commitments to zero.

(c) Letter of Credit Fees. The Borrower agrees to pay to the Administrative Agent for the account of the Revolving Lenders a letter of credit fee at a rate per annum equal to the Applicable Margin in respect of Revolving Loans that are LIBOR Loans (or while an Event of Default exists, at a per annum rate equal to the Applicable Margin in respect of Revolving Loans that are LIBOR Loans plus 2.0%) times the daily average Stated Amount of each Letter of Credit for the period from and including the date of issuance of such Letter of Credit (x) through and including the date such Letter of Credit expires or is terminated or (y) to but excluding the date such Letter of Credit is drawn in full and is not subject to reinstatement, as the case may be. The fees provided for in the immediately preceding sentence shall be nonrefundable and payable in arrears on (i) the first Business Day of each calendar quarter, (ii) the Revolver Maturity Date, and (iii) the date the Revolving Commitments are terminated or reduced to zero. The Borrower shall pay directly to the Administrative Agent from time to time on demand all commissions, charges, costs and expenses in the amounts customarily charged by the Administrative Agent from time to time in like circumstances with respect to the issuance of each Letter of Credit, drawings, amendments and other transactions relating thereto.

(d) Extension Fee. If the Borrower exercises its right to extend the Revolver Maturity Date in accordance with Section 2.14, the Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a fee equal to 0.15% of the amount of such Lender's Revolving Commitment (whether or not utilized). Such fee shall be due and payable in full no later than 30 days prior to the current Revolver Maturity Date, as a condition precedent to the effectiveness of such extension.

(e) Fee Letter. The Borrower agrees to pay the fees set forth in the Fee Letter, in the amounts, to the Persons and for the account of the Persons identified therein.

Section 3.7 Computations.

Unless otherwise expressly set forth herein, any accrued interest on any Loan, any Fees or any other Obligations due hereunder shall be computed on the basis of a year of 360 days and the actual number of days elapsed; provided, however, interest on Base Rate Loans shall be computed on the basis of a year of 365 or 366 days, as applicable, and the actual number of days elapsed.

Section 3.8 Usury.

In no event shall the amount of interest due or payable on the Loans or other Obligations exceed the maximum rate of interest allowed by Applicable Law and, if any such payment is paid by any Loan Party or received by any Lender, then such excess sum shall be credited as a payment of principal, unless the Borrower shall notify the respective Lender in writing that the Borrower or other Loan Party elects to have such excess sum returned to it forthwith. It is the express intent of the parties hereto that the Borrower not pay and the Lenders not receive, directly or indirectly, in any manner whatsoever, interest in excess of that which may be lawfully paid by the Borrower under Applicable Law.

Section 3.9 Agreement Regarding Interest and Charges.

The parties hereto hereby agree and stipulate that the only charge imposed upon the Borrower for the use of money in connection with this Agreement is and shall be the interest specifically described in Sections 2.5(a)(i) and (ii) and in Section 2.3(c). Notwithstanding the foregoing, the parties hereto further agree and stipulate that all agency fees, syndication fees, unused fees, closing fees, letter of credit fees, underwriting fees, default charges, funding or "breakage" charges, increased cost charges, attorneys' fees and reimbursement for costs and expenses paid by the Administrative Agent or any

Lender to third parties or for damages incurred by the Administrative Agent or any Lender, in each case in connection with the transactions contemplated by this Agreement and the other Loan Documents, are charges made to compensate the Administrative Agent or any such Lender for underwriting or administrative services and costs or losses performed or incurred, and to be performed or incurred, by the Administrative Agent and the Lenders in connection with this Agreement and shall under no circumstances be deemed to be charges for the use of money. All charges other than charges for the use of money shall be fully earned and nonrefundable when due.

Section 3.10 Statements of Account.

The Administrative Agent will endeavor to account to the Borrower monthly with a statement of Loans, Letters of Credit, accrued interest and Fees, charges and payments made pursuant to this Agreement and the other Loan Documents, and such account rendered by the Administrative Agent shall be deemed conclusive upon the Borrower absent manifest error, provided that the failure of the Administrative Agent to deliver such a statement of accounts shall not relieve or discharge the Borrower from any of their obligations hereunder.

Section 3.11 Defaulting Lenders.

Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(a) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Requisite Lenders.

(b) Defaulting Lender Waterfall. Any payment of principal, interest, Fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article XI or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 13.3 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Administrative Agent or the Swingline Lender hereunder; third, to Cash Collateralize the Administrative Agent's Fronting Exposure with respect to such Defaulting Lender in accordance with subsection (e) below; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the Administrative Agent's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with subsection (e) below; sixth, to the payment of any amounts owing to the Lenders, the Administrative Agent or the Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Administrative Agent or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under

this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Revolving Loans or amounts owing by such Defaulting Lender under Section 2.4(j) in respect of Letters of Credit (such amounts " **L/C Disbursements**"), in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Revolving Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Article VI were satisfied or waived, such payment shall be applied solely to pay the Revolving Loans of, and L/C Disbursements owed to, all Revolving Lenders that are Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Revolving Loans of, or L/C Disbursements owed to, such Defaulting Lender until such time as all Revolving Loans and funded and unfunded participations in Letter of Credit Liabilities and Swingline Loans are held by the Revolving Lenders pro rata in accordance with their respective Revolving Commitment Percentages (determined without giving effect to subsection (d) of this Section 3.11). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this subsection shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(c) Certain Fees.

(i) No Defaulting Lender shall be entitled to receive any Fee payable under Section 3.6(a), (b) or (d) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(ii) Each Defaulting Lender shall be entitled to receive the Fee payable under Section 3.6(c) for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Revolving Commitment Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to subsection (e) of this Section 3.11.

(iii) With respect to any Fee not required to be paid to any Defaulting Lender pursuant to the immediately preceding clauses (i) or (ii), the Borrower shall (x) pay to each Revolving Lender that is a Non-Defaulting Lender that portion of any such Fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in Letter of Credit Liabilities or Swingline Loans that has been reallocated to such Non-Defaulting Lender pursuant to the immediately following subsection (d), (y) pay to the Administrative Agent and Swingline Lender, as applicable, the amount of any such Fee otherwise payable to such Defaulting Lender to the extent allocable to the Administrative Agent's or Swingline Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such Fee.

(d) Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in Letter of Credit Liabilities and Swingline Loans shall be reallocated among the Revolving Lenders that are Non-Defaulting Lenders in accordance with their respective Revolving Commitment Percentages (determined without regard to such Defaulting Lender's Revolving Commitment) but only to the extent that (x) the conditions set forth in Article VI are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Credit Exposure of any Revolving Lender that is a Non-Defaulting Lender to exceed such

Non-Defaulting Lender's Commitment. Subject to Section 13.20, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(e) Cash Collateral, Repayment of Swingline Loans .

(i) If the reallocation described in the immediately preceding subsection (d) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, (x) first, prepay Swingline Loans in an amount equal to the Swingline Lender's Fronting Exposure and (y) second, Cash Collateralize the Administrative Agent's Fronting Exposure in accordance with the procedures set forth in this subsection.

(ii) At any time that there shall exist a Defaulting Lender, within 1 Business Day following the written request of the Administrative Agent or the Administrative Agent (with a copy to the Administrative Agent), the Borrower shall Cash Collateralize the Administrative Agent's Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to the immediately preceding subsection (d) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than 105% of the aggregate Fronting Exposure of the Administrative Agent with respect to Letters of Credit issued and outstanding at such time.

(iii) The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grant to the Administrative Agent, for its own benefit, and agree to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lenders' obligation to fund participations in respect of Letter of Credit Liabilities, to be applied pursuant to the immediately following clause (iv). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than 105% of the aggregate Fronting Exposure of the Administrative Agent with respect to Letters of Credit issued and outstanding at such time, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(iv) Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of Letter of Credit Liabilities (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(v) Cash Collateral (or the appropriate portion thereof) provided to reduce the Administrative Agent's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this subsection following (x) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (y) the determination by the Administrative Agent that there exists

excess Cash Collateral; provided, that, subject to the other provisions of this Section 3.11, the Person providing Cash Collateral and the Administrative Agent may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations and provided further that to the extent that such Cash Collateral was provided by the Borrower, such Cash Collateral shall remain subject to the security interest granted pursuant to this Agreement and/or the Collateral Documents.

(f) Defaulting Lender Cure. If the Borrower, the Administrative Agent and the Swingline Lender agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swingline Loans to be held pro rata by the Lenders in accordance with their respective Commitment Percentages (determined without giving effect to the immediately preceding subsection (d)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to Fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(g) New Swingline Loans/Letters of Credit. So long as any Lender is a Defaulting Lender, (i) the Swingline Lender shall not be required to fund any Swingline Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swingline Loan and (ii) the Administrative Agent shall not be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

(h) Purchase of Defaulting Lender's Commitment and Loans. During any period that a Lender is a Defaulting Lender, the Borrower may, by giving written notice thereof to the Administrative Agent, such Defaulting Lender and the other Lenders, demand that such Defaulting Lender assign its Commitment and Loans to an Eligible Assignee subject to and in accordance with the provisions of Section 13.5(b). No party hereto shall have any obligation whatsoever to initiate any such replacement or to assist in finding an Eligible Assignee. In addition, any Lender who is not a Defaulting Lender may, but shall not be obligated, in its sole discretion, to acquire the face amount of all or a portion of such Defaulting Lender's Commitment and Loans via an assignment subject to and in accordance with the provisions of Section 13.5(b). In connection with any such assignment, such Defaulting Lender shall promptly execute all documents reasonably requested to effect such assignment, including an appropriate Assignment and Acceptance Agreement and, notwithstanding Section 13.5(b), shall pay to the Administrative Agent an assignment fee in the amount of $3,500. The exercise by the Borrower of its rights under this Section shall be at the Borrower's sole cost and expense and at no cost or expense to the Administrative Agent or any of the Lenders.

Section 3.12 Taxes; Lenders.

(a) Taxes Generally. All payments by the Borrower of principal of, and interest on, the Loans and all other Obligations shall be made free and clear of and without deduction for any present or future excise, stamp or other taxes, fees, duties, levies, imposts, charges, deductions, withholdings or other charges of any nature whatsoever imposed by any taxing authority, but excluding (i) franchise taxes, (ii) any taxes that would not be imposed but for a connection between the Administrative Agent

or a Lender and the jurisdiction imposing such taxes (other than a connection arising solely by virtue of the activities of the Administrative Agent or such Lender pursuant to or in respect of this Agreement or any other Loan Document), (iii) any taxes imposed on or measured by any Lender's assets, taxable income, receipts or branch profits, (iv) any taxes the Administrative Agent or a Lender is subject to at the time it becomes a party to this Agreement, (v) any taxes arising after the Agreement Date solely as a result of or attributable to a Lender changing its designated Lending Office after the date such Lender becomes a party hereto, (vi) any taxes imposed by Sections 1471 through Section 1474 of the Internal Revenue Code (including any official interpretations thereof, collectively "**FATCA**") on any "withholdable payment" payable to a recipient as a result of the failure of such recipient to satisfy the applicable requirements as set forth in FATCA after the Agreement Date, and (vii) any taxes imposed as a result of a failure by the Administrative Agent or a Lender to comply with Section 3.12(c) (such non-excluded items being collectively called "**Taxes**"). If any withholding or deduction from any payment to be made by the Borrower hereunder is required in respect of any Taxes pursuant to any Applicable Law, then the Borrower will:

(i) pay directly to the relevant Governmental Authority the full amount required to be so withheld or deducted;

(ii) promptly forward to the Administrative Agent an official receipt or other documentation reasonably satisfactory to the Administrative Agent evidencing such payment to such Governmental Authority; and

(iii) pay to the Administrative Agent for its account or the account of the applicable Lender such additional amount or amounts as is necessary to ensure that the net amount actually received by the Administrative Agent or such Lender will equal the full amount that the Administrative Agent or such Lender would have received had no such withholding or deduction of Taxes been required.

(b) Tax Indemnification. If the Borrower fails to pay any Taxes when due to the appropriate Governmental Authority or fails to remit to the Administrative Agent, for its account or the account of the respective Lender, the required receipts or other required documentary evidence, the Borrower shall indemnify the Administrative Agent and the Lenders for any incremental Taxes, interest or penalties thereon that may become payable by the Administrative Agent or any Lender as a result of any such failure. For purposes of this Section, a distribution hereunder by the Administrative Agent or any Lender to or for the account of any Lender shall be deemed a payment by the Borrower.

(c) Tax Forms. Prior to the date that any Lender becomes a party hereto, such Lender shall deliver to the Borrower and the Administrative Agent such certificates, documents or other evidence, as required by the Internal Revenue Code or Treasury Regulations issued pursuant thereto (including Internal Revenue Service Forms W-9, W-8ECI, W-8BEN-E and W-8EXP, as applicable, or appropriate successor forms), properly completed, currently effective and duly executed by such Lender establishing that payments to it hereunder and under the Notes are (i) not subject to United States Federal backup withholding tax and (ii) not subject to United States Federal withholding tax imposed under the Internal Revenue Code. Each such Lender shall, to the extent it may lawfully do so, (x) deliver further copies of such forms or other appropriate certifications on or before the date that any such forms expire or become obsolete and after the occurrence of any event requiring a change in the most recent form delivered to the Borrower or the Administrative Agent and (y) obtain such extensions of the time for filing, and renew such forms and certifications thereof, as may be reasonably requested by the Borrower or the Administrative Agent. The Borrower shall not be required to pay any amount pursuant to the last sentence of subsection (a) above to any Lender or the Administrative Agent, if such Lender

or the Administrative Agent, as applicable, fails to comply with the requirements of this subsection. If any such Lender, to the extent it may lawfully do so, fails to deliver the above forms or other documentation, then the Administrative Agent may withhold from any payments to such Lender under any of the Loan Documents such amounts as are required by the Internal Revenue Code. If any Governmental Authority asserts that the Administrative Agent did not properly withhold or backup withhold, as the case may be, any tax or other amount from payments made to or for the account of any Lender, such Lender shall indemnify the Administrative Agent therefor, including all penalties and interest, any taxes imposed by any jurisdiction on the amounts payable to the Administrative Agent under this Section, and costs and expenses (including all reasonable fees and disbursements of any law firm or other external counsel and the allocated cost of internal legal services and all disbursements of internal counsel) of the Administrative Agent. The obligation of the Lenders under this Section shall survive the termination of the Commitments, repayment of all Obligations and the resignation or replacement of the Administrative Agent.

(d) FATCA Forms. If a payment made to a Lender would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. The Administrative Agent shall deliver the comparable information about its own status to the Borrower at such times.

(e) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3.12 (including by the payment of additional amounts pursuant to this subsection (e)), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this subsection (e) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (e), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this subsection (e) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had never been owed or paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(f) USA Patriot Act Notice; Compliance. In order for the Administrative Agent to comply with the USA Patriot Act of 2001 (Public Law 107-56), prior to any Lender or Participant that is organized under the laws of a jurisdiction outside of the United States of America becoming a party hereto, the Administrative Agent may request, and such Lender or Participant shall provide to the

Administrative Agent, its name, address, tax identification number and/or such other identification information as shall be necessary for the Administrative Agent to comply with federal law.

Article IV.
YIELD PROTECTION, ETC.

Section 4.1 Additional Costs; Capital Adequacy.

(a) Capital Adequacy. If any Lender or any Participant determines that compliance with any Regulatory Change affects or would affect the amount of capital or liquidity required or expected to be maintained by such Lender or such Participant, or any corporation Controlling such Lender or such Participant, as a consequence of, or with reference to, such Lender's or such Participant's or such corporation's Commitments or its making or maintaining Loans or participating in Letters of Credit below the rate which such Lender or such Participant or such corporation Controlling such Lender or such Participant could have achieved but for such Regulatory Change (taking into account the policies of such Lender or such Participant or such corporation with regard to capital and liquidity), then the Borrower shall, from time to time, within thirty (30) calendar days after written demand by such Lender or such Participant, pay to such Lender or such Participant additional amounts sufficient to compensate such Lender or such Participant or such corporation Controlling such Lender or such Participant to the extent that such Lender or such Participant determines such increase in capital is allocable to such Lender's or such Participant's obligations hereunder. Any Participant's right to receive compensation pursuant to this subsection (a) is limited by the terms of Sections 13.5(d) and (e).

(b) Additional Costs. In addition to, and not in limitation of the immediately preceding subsection (a), the Borrower shall promptly pay to the Administrative Agent for the account of each affected Lender from time to time such amounts as such Lender may determine to be necessary to compensate such Lender for any costs incurred by such Lender that it determines are attributable to its making, continuing, converting to or maintaining of any LIBOR Loans or its obligation to make any LIBOR Loans hereunder, any reduction in any amount receivable by such Lender under this Agreement or any of the other Loan Documents in respect of any of such Loans or such obligation or the maintenance by such Lender of capital in respect of its Loans or its Commitments (such increases in costs and reductions in amounts receivable being herein called "**Additional Costs**"), to the extent resulting from any Regulatory Change that: (i) changes the basis of taxation of any amounts payable to such Lender under this Agreement or any of the other Loan Documents in respect of any of such Loans or its Commitments (other than taxes, fees, duties, levies, imposts, charges, deductions, withholdings or other charges which are excluded from the definition of Taxes pursuant to the first sentence of Section 3.12(a) and Taxes indemnified under Section 3.12 to the extent the Borrower (or any Person for the account or on behalf of the Borrower) has actually paid such indemnified amounts); or (ii) imposes or modifies any reserve, special deposit or similar requirements (other than Regulation D of the Board of Governors of the Federal Reserve System or other reserve requirement to the extent utilized in the determination of LIBOR for such Loan) relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, such Lender, or any commitment of such Lender (including, without limitation, the Commitments of such Lender hereunder); or (iii) has or would have the effect of reducing the rate of return on capital of such Lender to a level below that which such Lender could have achieved but for such Regulatory Change (taking into consideration such Lender's policies with respect to capital adequacy).

(c) Lender's Suspension of LIBOR Loans. Without limiting the effect of the provisions of the immediately preceding subsections (a) and (b), if, by reason of any Regulatory Change, any Lender either (i) incurs Additional Costs based on or measured by the excess above a specified

level of the amount of a category of deposits or other liabilities of such Lender that includes deposits by reference to which the interest rate on LIBOR Loans is determined as provided in this Agreement or a category of extensions of credit or other assets of such Lender that includes LIBOR Loans or (ii) becomes subject to restrictions on the amount of such a category of liabilities or assets that it may hold, then, if such Lender so elects by notice to the Borrower (with a copy to the Administrative Agent), the obligation of such Lender to make or Continue, or to Convert any other Type of Loans into, LIBOR Loans hereunder shall be suspended until such Regulatory Change ceases to be in effect (in which case the provisions of Section 4.6 shall apply).

(d) Additional Costs in Respect of Letters of Credit . Without limiting the obligations of the Borrower under the preceding subsections of this Section (but without duplication), if as a result of any Regulatory Change (including any Regulatory Change pertaining to any risk-based capital guideline or other requirement issued by any Governmental Authority) there shall be imposed, modified or deemed applicable any tax, reserve, special deposit, capital adequacy or similar requirement against or with respect to or measured by reference to Letters of Credit and the result shall be to increase the cost to the Administrative Agent of issuing (or any Revolving Lender of purchasing participations in) or maintaining its obligation hereunder to issue (or purchase participations in) any Letter of Credit or reduce any amount receivable by the Administrative Agent or any Revolving Lender hereunder in respect of any Letter of Credit, then, upon demand by the Administrative Agent or such Revolving Lender, the Borrower shall pay promptly, and in any event within 3 Business Days of demand, to the Administrative Agent for its account or the account of such Revolving Lender, as applicable, from time to time as specified by the Administrative Agent or a Revolving Lender, such additional amounts as shall be sufficient to compensate the Administrative Agent or such Revolving Lender for such increased costs or reductions in amount.

(e) Notification and Determination of Additional Costs . Each of the Administrative Agent and each Lender and each Participant (through its participating Lender), as the case may be, agrees to notify the Borrower of any event occurring after the Agreement Date entitling the Administrative Agent or such Lender or such Participant to compensation under any of the preceding subsections of this Section as promptly as practicable; provided, however, the failure of the Administrative Agent or any Lender or any Participant (through its participating Lender) to give such notice shall not release the Borrower from any of their obligations hereunder. Notwithstanding the foregoing, the Borrower shall not be required to compensate the Administrative Agent, any Lender or any Participant pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than six months prior to the date that the Administrative Agent or such Lender or such Participant (through its participating Lender) notifies the Borrower of the Regulatory Change giving rise to such increases costs or reductions and of the Administrative Agent's or such Lender's or such Participant's intention to claim compensation therefor (except that, if the Regulatory Change giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof). The Administrative Agent or such Lender or such Participant (through its participating Lender) agrees to furnish to the Borrower (and in the case of a Lender or a Participant, to the Administrative Agent) a certificate setting forth in reasonable detail the basis and amount of each request by the Administrative Agent or such Lender for compensation under this Section. Absent manifest error, determinations by the Administrative Agent or any Lender or any Participant of the effect of any Regulatory Change shall be conclusive, provided that such determinations are made on a reasonable basis and in good faith.

Section 4.2 Suspension of LIBOR Loans.

Anything herein to the contrary notwithstanding, if, on or prior to the determination of LIBOR for any Interest Period:

(a) the Administrative Agent reasonably determines (which determination shall be conclusive) that by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining LIBOR for such Interest Period, or

(b) the Administrative Agent reasonably determines (which determination shall be conclusive) that the relevant rates of interest referred to in the definition of LIBOR upon the basis of which the rate of interest for LIBOR Loans for an Interest Period is to be determined are not likely to adequately cover the cost to the Requisite Lenders of making or maintaining such LIBOR Loans;

then the Administrative Agent shall give the Borrower and each Lender prompt notice thereof and, so long as such condition remains in effect, the Lenders shall be under no obligation to, and shall not, make additional LIBOR Loans, Continue LIBOR Loans or Convert Loans into LIBOR Loans and the Borrower shall, on the last day of each current Interest Period for each outstanding LIBOR Loan, either repay such Loan or Convert such Loan into a Base Rate Loan.

Section 4.3 Illegality.

Notwithstanding any other provision of this Agreement, if any Lender shall reasonably determine (which determination shall be conclusive and binding) that it has become unlawful for such Lender to honor its obligation to make or maintain LIBOR Loans hereunder, then such Lender shall promptly notify the Borrower thereof (with a copy to the Administrative Agent) and such Lender's obligation to make or Continue, or to Convert Loans of any other Type into, LIBOR Loans shall be suspended until such time as such Lender may again make and maintain LIBOR Loans (in which case the provisions of Section 4.6 shall be applicable).

Section 4.4 Compensation.

The Borrower shall pay to the Administrative Agent for the account of each Lender, within 15 days after the Borrower receives a request for such payment accompanied by the certificate described in the final paragraph of this Section, such amount or amounts as shall be sufficient (in the reasonable opinion of such Lender) to compensate it for any loss, cost or expense that such Lender reasonably determines is attributable to:

(a) any payment or prepayment (whether mandatory or optional) of a LIBOR Loan or Conversion of a LIBOR Loan, made by such Lender for any reason (including, without limitation, acceleration) on a date other than the last day of the Interest Period for such Loan; or

(b) any failure by the Borrower for any reason (including, without limitation, the failure of any of the applicable conditions precedent specified in Article VI to be satisfied) to borrow a LIBOR Loan from such Lender on the requested date for such borrowing, or to Convert a Base Rate Loan into a LIBOR Loan or Continue a LIBOR Loan on the requested date of such Conversion or Continuation.

Not in limitation of the foregoing, such compensation shall include, without limitation, an amount equal to the then present value of (a) the amount of interest that would have accrued on such LIBOR Loan for the remainder of the applicable Interest Period at the rate applicable to such LIBOR Loan, less (b) the amount of interest that would accrue on the same LIBOR Loan or for the same period if LIBOR were set on the date on which such LIBOR Loan was repaid, prepaid or Converted or the date on which

the Borrower failed to borrow, Convert or Continue such LIBOR Loan, calculating present value by using as a discount rate LIBOR quoted on such date. Any Lender requesting compensation under this Section shall provide the Borrower with a statement setting forth in reasonable detail the basis for requesting such compensation and the method for determining the amount thereof. Absent manifest error, determinations by any Lender in any such statement shall be conclusive, provided that such determinations are made on a reasonable basis and in good faith.

Section 4.5 Affected Lenders and Non-Consenting Lenders.

If (a) a Lender requests compensation pursuant to Section 3.12 or 4.1, and the Requisite Lenders are not also doing the same, or (b) the obligation of any Lender to make LIBOR Loans or to Continue, or to Convert Base Rate Loans into, LIBOR Loans shall be suspended pursuant to Section 4.1(c) or 4.3 but the obligation of the Requisite Lenders shall not have been suspended under such Sections, or (c) a Lender is a Non-Consenting Lender, then, so long as there does not then exist any Default or Event of Default, the Borrower may demand that such Lender (the "**Affected Lender**"), and upon such demand the Affected Lender shall promptly, assign its Revolving Commitment and Loans to an Eligible Assignee (who, in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, shall have consented to the applicable amendment, waiver or consent) subject to and in accordance with the provisions of Section 13.5(b) for a purchase price equal to the aggregate principal balance of all Loans then owing to the Affected Lender plus any accrued but unpaid interest thereon and accrued but unpaid fees owing to the Affected Lender, or any other amount as may be mutually agreed upon by such Affected Lender and Eligible Assignee. Each of the Administrative Agent and the Affected Lender shall reasonably cooperate in effectuating the replacement of such Affected Lender under this Section, but at no time shall the Administrative Agent, such Affected Lender nor any other Lender be obligated in any way whatsoever to initiate any such replacement or to assist in finding an Eligible Assignee. The exercise by the Borrower of its rights under this Section shall be at the Borrower's sole cost and expense and at no cost or expense to the Administrative Agent, the Affected Lender or any of the other Lenders. The terms of this Section shall not in any way limit the Borrower's obligation to pay to any Affected Lender compensation owing to such Affected Lender pursuant to Section 3.12 or 4.1 with respect to periods up to the date of replacement.

Section 4.6 Treatment of Affected Loans.

If the obligation of any Lender to make LIBOR Loans or to Continue, or to Convert Base Rate Loans into, LIBOR Loans shall be suspended pursuant to Section 4.1(c) or 4.3, then such Lender's LIBOR Loans shall be automatically Converted into Base Rate Loans on the last day(s) of the then current Interest Period(s) for LIBOR Loans (or, in the case of a Conversion required by Section 4.1(c) or 4.3, on such earlier date as such Lender may specify to the Borrower with a copy to the Administrative Agent) and, unless and until such Lender gives notice as provided below that the circumstances specified in Section 4.1 or 4.3 that gave rise to such Conversion no longer exist:

(a) to the extent that such Lender's LIBOR Loans have been so Converted, all payments and prepayments of principal that would otherwise be applied to such Lender's LIBOR Loans shall be applied instead to its Base Rate Loans; and

(b) all Loans that would otherwise be made or Continued by such Lender as LIBOR Loans shall be made or Continued instead as Base Rate Loans, and all Base Rate Loans of such Lender that would otherwise be Converted into LIBOR Loans shall remain as Base Rate Loans.

If such Lender gives notice to the Borrower (with a copy to the Administrative Agent) that the circumstances specified in Section 4.1 or 4.3 that gave rise to the Conversion of such Lender's LIBOR Loans pursuant to this Section no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when LIBOR Loans made by other Lenders are outstanding, then such Lender's Base Rate Loans shall be automatically Converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding LIBOR Loans, to the extent necessary so that, after giving effect thereto, all Loans held by the Lenders holding LIBOR Loans and by such Lender are held pro rata (as to principal amounts, Types and Interest Periods) in accordance with their respective Revolving Commitments.

Section 4.7 Change of Lending Office.

Each Lender agrees that it will use reasonable efforts (consistent with legal and regulatory restrictions) to designate an alternate Lending Office with respect to any of its Loans affected by the matters or circumstances described in Section 3.12, 4.1 or 4.3 to reduce the liability of the Borrower or avoid the results provided thereunder, so long as such designation is not disadvantageous to such Lender as determined by such Lender in its sole discretion, except that such Lender shall have no obligation to designate a Lending Office located in the United States of America.

Section 4.8 Assumptions Concerning Funding of LIBOR Loans.

Calculation of all amounts payable to a Lender under this Article IV shall be made as though such Lender had actually funded LIBOR Loans through the purchase of deposits in the relevant market bearing interest at the rate applicable to such LIBOR Loans in an amount equal to the amount of the LIBOR Loans and having a maturity comparable to the relevant Interest Period; provided, however, that each Lender may fund each of its LIBOR Loans in any manner it sees fit and the foregoing assumption shall be used only for calculation of amounts payable under this Article IV.

Article V.
ELIGIBLE UNENCUMBERED PROPERTIES

Section 5.1 Initial Eligible Unencumbered Properties.

Each of the Initial Eligible Unencumbered Properties is listed on Schedule 5.1(a).

Section 5.2 Minimum Eligible Unencumbered Properties.

Prior to the Investment Grade Rating Date, the Unencumbered Asset Value will not be less than $250,000,000 and there will not be fewer than 25 Real Estate Assets that comprise the Unencumbered Asset Value, unless otherwise approved by the Requisite Lenders.

Article VI.
CONDITIONS PRECEDENT

Section 6.1 Initial Conditions Precedent.

The obligation of the Lenders to effect or permit the occurrence of the first Credit Event hereunder, whether as the making of a Loan or the issuance of a Letter of Credit, is subject to the following conditions precedent:

(a) Except as otherwise set forth in the Post-Closing Letter, the Administrative Agent shall have received each of the following, in form and substance satisfactory to the Administrative Agent and the Lenders:

(i) Counterparts of this Agreement, the Parent Guaranty and the Subsidiary Guaranty executed by each of the parties hereto and thereto;

(ii) Revolving Notes and Term Notes executed by the Borrower, payable to each Lender (other than a Lender that has requested not to receive a Revolving Note or a Term Note, as applicable) and complying with the applicable provisions of Section 2.11, and the Swingline Note executed by the Borrower;

(iii) Counterparts of the Pledge Agreement, executed by (a) the Borrower and each Wholly-Owned Subsidiary holding a direct or indirect Equity Interest in, any California Partnership, (b) each of the other holders of a direct Equity Interest in, any California Partnership, and (c) in the case of any California Partnership owning or leasing any Real Estate Asset through a California Partnership Subsidiary, such California Partnership and each California Partnership Subsidiary directly or indirectly owning or leasing the applicable Real Estate Asset, in each case in form and substance satisfactory to the Administrative Agent;

(iv) Opinions of counsel to the Loan Parties (limited in scope to NSA REIT, the Borrower, each Subsidiary Guarantor and each other pledgor under the Pledge Agreement), addressed to the Administrative Agent and the Lenders;

(v) Copies of the articles of incorporation, articles of organization, certificate of limited partnership, declaration of trust or other comparable organizational instrument (if any) of each Loan Party certified by the Secretary or Assistant Secretary (or other individual performing similar functions); provided that, for any Loan Party that is not a party to the Existing Credit Agreement, the Administrative Agent shall have received such articles of incorporation, articles of organization, certificate of limited partnership, declaration of trust or other organizational instrument (if any) for such Loan Party certified as of a recent date by the Secretary of State (or comparable official) of the state of formation of such Loan Party;

(vi) A certificate of good standing or certificate of similar meaning with respect to NSA REIT, the Borrower, each Subsidiary Guarantor, issued as of a recent date by the Secretary of State (or comparable official) of the state of formation of each such Loan Party and certificates of qualification to transact business or other comparable certificates issued by each Secretary of State (or comparable official and any state department of taxation, as applicable) of each state in which the failure of such Loan Party to be so qualified could reasonably be expected to result in a Material Adverse Effect;

(vii) A certificate of incumbency signed by the Secretary or Assistant Secretary (or other individual performing similar functions) of each Loan Party with respect to each of the officers of such Loan Party authorized to execute and deliver the Loan Documents to which such Loan Party is a party, and in the case of the Borrower, and the officers of NSA REIT, as general partner of the Borrower, then authorized to deliver Notices of Borrowing, Notices of Swingline Borrowings, Notices of Continuation and Notices of Conversion and to request the issuance of Letters of Credit;

(viii) Copies certified by the Secretary or Assistant Secretary (or other individual performing similar functions) of each Loan Party of (x) the by-laws of such Loan Party, if a corporation, the operating agreement of such Loan Party, if a limited liability company, the partnership agreement of such Loan Party, if a limited or general partnership, or other comparable document in the case of any other form of legal entity and (y) all corporate, partnership, member or other necessary action taken by such Loan Party to authorize the execution, delivery and performance of the Loan Documents to which it is a party;

(ix) The Fees then due and payable under Section 3.6, and any other Fees payable to the Administrative Agent, the Titled Agents and the Lenders on or prior to the Effective Date (including the reasonable and documented fees, charges and disbursements of counsel to the Administrative Agent);

(x) The results of a recent UCC lien search in the jurisdiction of organization of the Borrower, which search results shall reveal no Liens on any of the assets of the Borrower except for Liens permitted by Section 10.6 or discharged on or prior to the Effective Date pursuant to a payoff letter or other documentation reasonably satisfactory to the Administrative Agent;

(xi) A perfection certificate for each pledgor under the Pledge Agreement which is not a pledgor in connection with the Existing Credit Agreement, in the form provided by the Administrative Agent, signed by a Responsible Officer;

(xii) certificates and instruments representing the Equity Interests (to the extent such Equity Interests are certificated as of the Effective Date) pledged as Collateral pursuant to the Pledge Agreement, accompanied by undated stock powers or instruments of transfer executed in blank;

(xiii) Proper UCC-1 financing statements in form appropriate for filing under the Uniform Commercial Code of all jurisdictions that the Administrative Agent may deem necessary or desirable in order to perfect the Liens created under the Collateral Documents, covering the Collateral;

(xiv) A Compliance Certificate calculated as of December 31, 2015 (giving pro forma effect to the financing contemplated by this Agreement and the use of the proceeds of the Loans to be funded on the Effective Date);

(xv) A certificate signed by a Responsible Officer, certifying that the conditions set forth in Section 6.1(b) have been satisfied;

(xvi) such due diligence with respect to Eligible Unencumbered Properties as the Administrative Agent may reasonably request;

(xvii) All documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including USA PATRIOT Act, and a properly completed and signed IRS Form W-8 or W-9, as applicable, for each Loan Party; and

(xviii) Such other documents, agreements and instruments as the Administrative Agent on behalf of the Lenders may reasonably request.

(b) In the determination of the Administrative Agent and the Lenders:

(i) Both immediately before and immediately after giving effect to the financing contemplated by this Agreement and the use of the proceeds of the Loans to be funded on the Effective Date, (A) no Default or Event of Default exists, (B) the representations and warranties made or deemed made by each Loan Party in the Loan Documents to which it is a party are true and correct in all material respects (or in all respects to the extent that such representations and warranties are already subject to concepts of materiality) on and as of the Effective Date, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties are true and correct in such respects on and as of such earlier date);

(ii) There shall not have occurred any material adverse change since December 31, 2015, in the business, assets, operations or condition (financial or otherwise) of any Loan Party, or in the facts and information regarding any Loan Party provided by or on behalf of any Loan Party to the Administrative Agent or any Lender;

(iii) After giving effect to the financing contemplated by this Agreement and the use of the proceeds of the Loans to be funded on the Effective Date, there shall not have occurred any event or condition that constitutes an "event of default" (howsoever defined) or that, with the giving of any notice, the passage of time, or both, would be an "event of default" under any of the Loan Parties' financial obligations (other than de minimus obligations) in existence on the Effective Date; and

(iv) NSA REIT and its Subsidiaries shall have received all approvals, consents and waivers, and shall have made or given all necessary filings and notices, as shall be required to consummate the transactions contemplated hereby without the occurrence of any material default under, material conflict with or material violation of (1) any Applicable Law or (2) any agreement, document or instrument to which any Loan Party is a party or by which any Loan Party or its properties is bound.

Section 6.2 Conditions Precedent to All Loans and Letters of Credit.

The obligations of the Lenders to make any Loans, and of the Administrative Agent to issue Letters of Credit, are all subject to the further condition precedent that: (a) no Default or Event of Default shall exist as of the date of the making of such Loan or date of issuance of such Letter of Credit or would exist immediately after giving effect thereto; (b) the representations and warranties made or deemed made by each Loan Party in the Loan Documents to which it is a party shall be true and correct

in all material respects (or in all respects to the extent that such representations and warranties are already subject to concepts of materiality) on and as of the date of the making of such Loan or date of issuance of such Letter of Credit with the same force and effect as if made on and as of such date except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date); and (c) in the case of the issuance of a Letter of Credit or the making of a Swingline Loan, no Lender shall be a Defaulting Lender; provided, however, in the case of the issuance of a Letter of Credit, the Administrative Agent may, in its sole and absolute discretion, waive this condition precedent on behalf of itself and all Lenders. Each Credit Event shall constitute a certification by the Borrower to the effect set forth in clauses (a) and (b) of the preceding sentence (both as of the date of the giving of notice relating to such Credit Event and, unless the Borrower otherwise notifies the Administrative Agent prior to the date of such Credit Event, as of the date of the occurrence of such Credit Event). In addition, if such Credit Event is the making of a Loan or the issuance of a Letter of Credit, the Borrower shall be deemed to have represented to the Administrative Agent and the Lenders at the time such Loan is made or Letter of Credit issued that all conditions to the occurrence of such Credit Event contained in this Article VI have been satisfied.

Article VII.
REPRESENTATIONS AND WARRANTIES

In order to induce the Administrative Agent and each Lender to enter into this Agreement and to make Loans and issue Letters of Credit, each of the Loan Parties represents and warrants to the Administrative Agent and each Lender as follows:

Section 7.1 Organization; Power; Qualification.

Each of NSA REIT and each of its Subsidiaries is a corporation, partnership, trust or other legal entity, duly organized or formed, validly existing and in good standing under the jurisdiction of its incorporation or formation, has the power and authority to own or lease its respective properties and to carry on its respective business as now being and hereafter proposed to be conducted and is duly qualified and is in good standing as a foreign corporation, partnership, trust or other legal entity, and authorized to do business, in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization. No Loan Party nor any of its respective Subsidiaries is an EEA Financial Institution.

Section 7.2 Ownership Structure.

As of the Agreement Date, Part I of Schedule 7.2 is a complete and correct list of all Subsidiaries of NSA REIT (including each Controlled Partially-Owned Entity), setting forth for each such Subsidiary (a) the jurisdiction of organization of such Subsidiary, (b) each Person holding any Equity Interests in such Subsidiary, (c) the nature of the Equity Interests held by each such Person, and (d) the percentage of ownership of such Subsidiary represented by such Equity Interests. Except as disclosed in such Schedule, as of the Agreement Date (x) each of NSA REIT and each of its Subsidiaries owns, free and clear of all Liens (other than Permitted Liens), and has the unencumbered right to vote, all outstanding Equity Interests in each Person shown to be held by it on such Schedule, (y) all of the issued and outstanding capital stock of each such Person organized as a corporation is validly issued, fully paid and nonassessable and (z) there are no outstanding subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including, without limitation, any stockholders' or voting trust agreements) for the issuance, sale, registration or voting of, or outstanding securities convertible into, any additional shares of capital stock of any class, or partnership or other ownership interests of any type in, any such Person. As of the Agreement Date, Part II of Schedule 7.2 correctly sets forth all Partially-Owned Entities of NSA REIT, including the correct legal name of such Person, the type of legal entity which each such Person is, and all Equity Interests in such Person held directly or indirectly by NSA REIT.

Section 7.3 Authorization of Agreement, Etc.

The Borrower has the right and power, and has taken all necessary action to authorize it, to borrow and obtain other extensions of credit hereunder. Each Loan Party has the right and power, and has taken all necessary action to authorize it, to execute, deliver and perform each of the Loan Documents to which it is a party in accordance with their respective terms and to consummate the transactions contemplated hereby and thereby. The Loan Documents to which any Loan Party is a party have been duly executed and delivered by the duly authorized officers of such Person and each is a legal, valid and binding obligation of such Person enforceable against such Person in accordance with its respective terms except as the same may be limited by bankruptcy, insolvency, and other similar laws affecting the rights of creditors generally and the availability of equitable remedies for the enforcement of certain obligations (other than the payment of principal) contained herein or therein and as may be limited by equitable principles generally.

Section 7.4 Compliance of Loan Documents with Laws, Etc.

The execution, delivery and performance of this Agreement and the other Loan Documents to which any Loan Party is a party in accordance with their respective terms and the borrowings and other extensions of credit hereunder do not and will not, by the passage of time, the giving of notice, or both,

(a) require any Governmental Approval or violate any Applicable Law (including all applicable Environmental Laws) relating to any Loan Party; (b) conflict with, result in a breach of or constitute a default under (i) the articles of incorporation, bylaws, partnership agreement, trust indenture, operating agreement or other similar organizational documents of any Loan Party, or (ii) any material indenture, agreement or other instrument to which any Loan Party or any of their respective Subsidiaries is a party or by which any of them or any of their respective properties may be bound (including, in any event, the Material Contracts); or (c) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by any Loan Party other than Liens created under the Loan Documents.

Section 7.5 Compliance with Law; Governmental Approvals.

Each of NSA REIT, the Borrower, the other Loan Parties and the other Subsidiaries is in compliance with each Governmental Approval applicable to it and all other Applicable Laws relating to NSA REIT, the Borrower, such other Loan Party or such other Subsidiary except for noncompliances which, and Governmental Approvals the failure to possess which, could not, individually or in the aggregate, reasonably be expected to cause a Default or Event of Default or have a Material Adverse Effect.

Section 7.6 Title to Properties; Liens.

As of the Agreement Date, Part I of Schedule 7.6 is a complete and correct listing of all of the real property owned or leased by NSA REIT and each of its Subsidiaries. NSA REIT and each of its Subsidiaries has good, marketable and legal title to, or a valid leasehold interest in, its respective material assets. There are no Liens against any assets of the NSA REIT or any of its Subsidiaries except for Permitted Liens.

Section 7.7 [Reserved].

Section 7.8 Material Contracts.

Each of NSA REIT and each of its Subsidiaries that is a party to any Material Contract has performed and is in compliance in all material respects with all of the terms of such Material Contract, and no default or event of default, or event or condition which with the giving of notice, the lapse of time, or both, would constitute such a default or event of default, exists with respect to any such Material Contract.

Section 7.9 Litigation.

There are no actions, suits, investigations or proceedings pending (nor, to the knowledge of any Knowledgeable Officer of any Loan Party, are there any actions, suits or proceedings threatened) against or in any other way relating adversely to or affecting NSA REIT or any of its Subsidiaries or any of their respective properties in any court or before any arbitrator of any kind or before or by any other Governmental Authority which could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 7.10 Taxes.

All federal, state and other tax returns of NSA REIT or any of its Subsidiaries required by Applicable Law to be filed have been duly filed, and all federal, state and other taxes, assessments and other governmental charges or levies upon NSA REIT and its Subsidiaries and their respective

properties, income, profits and assets which are due and payable have been paid, except any such nonpayment which is at the time permitted under Section 8.6. As of the Agreement Date, none of the United States income tax returns of NSA REIT or any of its Subsidiaries is under audit. All charges, accruals and reserves on the books of NSA REIT and its Subsidiaries in respect of any taxes or other governmental charges are in accordance with GAAP.

Section 7.11 Financial Statements.

The Borrower has furnished to each Lender copies of the audited consolidated balance sheet of NSA REIT and its Subsidiaries for the fiscal year ended December 31, 2015, and the related audited consolidated statements of operations, cash flows and shareholders' equity for the fiscal year ended on such date, with the unqualified opinion thereon of independent certified public accountants of recognized national standing. All such financial statements (including in each case related schedules and notes) present fairly, in all material respects and in accordance with GAAP consistently applied throughout the periods involved, the consolidated financial position of NSA REIT and its Subsidiaries as at their respective dates and the results of operations and the cash flow for such periods. Neither NSA REIT nor any of its Subsidiaries has on the Agreement Date any material contingent liabilities, liabilities, liabilities for taxes, unusual or long-term commitments or unrealized or forward anticipated losses from any unfavorable commitments that would be required to be set forth in its financial statements or in the notes thereto, except as referred to or reflected or provided for in said financial statements.

Section 7.12 No Material Adverse Change; Solvency.

Since December 31, 2015, there has been no material adverse change in the business, assets, operations or condition (financial or otherwise) of any Loan Party. Each of the Loan Parties is Solvent. No Loan Party is entering into any of the transactions contemplated by the Loan Documents with the actual intent to hinder, delay, or defraud any creditor. Each Loan Party has received reasonably equivalent value in exchange for the obligations incurred by it under the Loan Documents to which it is a party.

Section 7.13 ERISA.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Internal Revenue Code and other Applicable Laws. Except with respect to Multiemployer Plans, each Qualified Plan (i) has received a favorable determination from the Internal Revenue Service applicable to such Qualified Plan's most recent remedial amendment cycle (as defined in Revenue Procedure 2007-44 or "2007-44" for short), or (ii) is maintained under a prototype or volume submitter plan and may rely upon a favorable opinion letter issued by the Internal Revenue Service with respect to such plan. To the best knowledge of NSA REIT and each of its Subsidiaries, nothing has occurred which would cause the loss of its reliance on each Qualified Plan's favorable determination letter or opinion letter.

(b) Except as could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect, (i) no ERISA Event has occurred or is expected to occur; (ii) there are no pending, or to the best knowledge of NSA REIT and the Borrower, threatened, claims, actions or lawsuits or other action by any Governmental Authority, plan participant or beneficiary with respect to a Plan; (iii) there are no violations of the fiduciary responsibility rules with respect to any Plan; and (iv) no member of the ERISA Group has engaged in a non-exempt "prohibited transaction," as defined in Section 406 of ERISA and Section 4975 of the Internal Revenue Code, in connection with

any Plan, that would subject any member of the ERISA Group to a tax on prohibited transactions imposed by Section 502(i) of ERISA or Section 4975 of the Internal Revenue Code.

(c) None of the assets of NSA REIT or any of its Subsidiaries constitutes "plan assets" within the meaning of ERISA, the Internal Revenue Code and the respective regulations promulgated thereunder.

Section 7.14 Absence of Defaults.

No Default or Event of Default exists.

Section 7.15 Environmental Laws.

Each of NSA REIT, the Borrower, each other Loan Party and each other Subsidiary: (i) is in compliance with all Environmental Laws applicable to its business, operations and the Real Estate Assets, (ii) has obtained all Governmental Approvals which are required under Environmental Laws, and each such Governmental Approval is in full force and effect, and (iii) is in compliance with all terms and conditions of such Governmental Approvals, where with respect to each of the immediately preceding clauses (i) through (iii) the failure to obtain or to comply with could reasonably be expected to have a Material Adverse Effect. Except for any of the following matters that could not, either individually or in the aggregate, be reasonably expected to have a Material Adverse Effect, (a) no Loan Party has received notice of, and neither is otherwise aware of, any past, present, or future events, conditions, circumstances, activities, practices, incidents, actions, or plans which, with respect to NSA REIT or any of its Subsidiaries, may interfere with or prevent compliance or continued compliance with Environmental Laws, or may give rise to any common-law or legal liability, or otherwise form the basis of any claim, action, demand, suit, proceeding, hearing, study, or investigation, based on or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling or the emission, discharge, release or threatened release into the environment, of any Hazardous Material; and (b) there is no civil, criminal, or administrative action, suit, demand, claim, hearing, notice, or demand letter, notice of violation, investigation, or proceeding pending or, to the knowledge of any Knowledgeable Officer of any Loan Party after due inquiry, threatened, against NSA REIT or any of its Subsidiaries relating in any way to Environmental Laws. To the knowledge of any Knowledgeable Officer of any Loan Party, no Hazardous Materials generated at or transported from any Real Estate Asset of NSA REIT or any of its Subsidiaries is or has been transported to, or disposed of at, any location that is listed or proposed for listing on the National Priority List, 40 C.F.R. Section 300 Appendix B, or any analogous state or local priority list, or any other location that is or has been the subject of a clean-up, removal or remedial action pursuant to any Environmental Law, except to the extent that such transportation or disposal could not reasonably be expected to have a Material Adverse Effect.

Section 7.16 Investment Company; Etc.

None of NSA REIT or any of its Subsidiaries is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 7.17 Margin Stock.

None of NSA REIT or any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate,

of buying or carrying "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System.

Section 7.18 [Reserved.]

Section 7.19 Intellectual Property.

Each of NSA REIT and each of its Subsidiaries owns or has the right to use, under valid license agreements or otherwise, all material patents, licenses, franchises, trademarks, trademark rights, service marks, service mark rights, trade names, trade name rights, trade secrets and copyrights which are required for the conduct of its businesses. To the knowledge of the Borrower, no material claim has been asserted by any Person with respect to the use of any such intellectual property by NSA REIT or any of its Subsidiaries.

Section 7.20 Business.

NSA REIT and its Subsidiaries are substantially engaged in the business of the ownership, operation, acquisition and development of self-storage facilities in the United States of America, together with other business activities incidental thereto.

Section 7.21 Broker's Fees.

No broker's or finder's fee, commission or similar compensation will be payable with respect to the transactions contemplated hereby. No other similar fees or commissions will be payable by any Loan Party for any other services rendered to NSA REIT or any of its Subsidiaries ancillary to the transactions contemplated hereby.

Section 7.22 Accuracy and Completeness of Information.

No written information, report or other papers or data (excluding financial projections and other forward looking statements) furnished to the Administrative Agent or any Lender by, on behalf of, or at the direction of, NSA REIT or any of its Subsidiaries in connection with, pursuant to or relating in any way to this Agreement, contained any untrue statement of a fact material to the creditworthiness of NSA REIT or any of its Subsidiaries or omitted to state a material fact necessary in order to make such statements contained therein, in light of the circumstances under which they were made, not misleading. All financial projections and other forward looking statements prepared by or on behalf of the NSA REIT or any of its Subsidiaries that have been or may hereafter be made available to the Administrative Agent or any Lender were or will be prepared in good faith based on reasonable assumptions. As of the Effective Date, no fact is known to any Knowledgeable Officer of any Loan Party which has had, or may in the future have (so far as any Knowledgeable Officer of any Loan Party can reasonably foresee), a Material Adverse Effect which has not been set forth in the financial statements referred to in Section 7.11 or in such information, reports or other papers or data or otherwise disclosed in writing to the Administrative Agent and the Lenders.

Section 7.23 REIT Status.

NSA REIT qualifies as a REIT and is in compliance with all requirements and conditions imposed under the Internal Revenue Code to allow NSA REIT to elect to be treated as a REIT and will elect to be treated as such on its U.S. federal income tax return for the taxable year ended December 31, 2015.

Section 7.24 OFAC, Other Sanctions Programs, Anti-Corruption and Anti-Terrorism.

Neither NSA REIT, any of its Subsidiaries or their respective Affiliates, any directors or officers thereof, nor any Person that has an interest therein, (a) is a Sanctioned Person or a Sanctioned Entity, (b) derives any of its funds, capital, assets or operating income from investments in or transactions with any such Sanctioned Person or Sanctioned Entity or in violation of Applicable Law, or (c) is owned or controlled, directly or indirectly, by any Sanctioned Person or Sanctioned Entity; and none of the proceeds of the Loans will be used (i) to finance any operations, investments or activities in, or make any payments to, any Sanctioned Person or Sanctioned Entity, (ii) in violation of any Anti-Corruption Laws or Anti-Terrorism Laws, or (iii) in violation of any other Applicable Law.

Article VIII.
AFFIRMATIVE COVENANTS

For so long as this Agreement is in effect, each Loan Party shall, and shall cause each of its respective Subsidiaries to, comply with the following covenants:

Section 8.1 Preservation of Existence and Similar Matters.

Except as otherwise permitted under Section 10.7, the Loan Parties shall, and shall cause each of their respective Subsidiaries to, preserve and maintain its respective existence, rights, franchises, licenses and privileges in the jurisdiction of its incorporation or formation and qualify and remain qualified and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification and authorization.

Section 8.2 Compliance with Applicable Laws, Anti-Corruption Laws, Anti-Terrorism Laws, and Material Contracts.

The Loan Parties shall comply, and shall cause each other Subsidiary to comply, with all Applicable Law, including the obtaining of all Governmental Approvals, the failure with which to comply could reasonably be expected to have a Material Adverse Effect. The Loan Parties shall, and shall cause each of their respective Subsidiaries to, comply in all material respects with all Anti-Corruption Laws, and Anti-Terrorism Laws. The Loan Parties shall, and shall cause each of their respective Subsidiaries to, comply in all material respects with the terms and conditions of all Material Contracts to which it is a party.

Section 8.3 Maintenance of Property.

The Loan Parties shall, and shall cause each of their respective Subsidiaries to, (a) protect and preserve all of its respective material properties necessary in the conduct of its business, and maintain in good repair, working order and condition all tangible properties, ordinary wear and tear excepted, and (b) make or cause to be made all needed and appropriate repairs, renewals, replacements and additions to such properties, so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

Section 8.4 Conduct of Business.

The Loan Parties shall, and shall cause each of their respective Subsidiaries to, carry on, their respective businesses as described in Section 7.20.

Section 8.5 Insurance.

The Loan Parties shall, and shall cause each of their respective Subsidiaries to, maintain insurance (on a replacement cost basis) with financially sound and reputable insurance companies against such risks and in such amounts as is customarily maintained by Persons engaged in similar businesses or as may be required by Applicable Law. The Borrower shall from time to time deliver to the Administrative Agent, upon its reasonable request, evidence of its insurance coverage, stating the names of the insurance companies, the amounts and rates of the insurance, the dates of the expiration thereof and the properties and risks covered thereby.

Section 8.6 Payment of Taxes and Claims.

The Loan Parties shall, and shall cause each of their respective Subsidiaries to, pay and discharge when due (a) all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or upon any properties belonging to it, and (b) all lawful claims of materialmen, mechanics, carriers, warehousemen and landlords for labor, materials, supplies and rentals which, if unpaid, might become a Lien on any properties of such Person; provided, however, that this Section shall not require the payment or discharge of any such tax, assessment, charge, levy or claim which is being contested in good faith by appropriate proceedings which operate to suspend the collection thereof and for which adequate reserves have been established on the books of such Loan Party or such Subsidiary, as applicable, in accordance with GAAP.

Section 8.7 Visits and Inspections.

The Loan Parties shall, and shall cause each of their respective Subsidiaries to, permit representatives or agents of the Administrative Agent and, if such visit or inspection is arranged by the Administrative Agent, of any Lender, from time to time after reasonable prior notice if no Event of Default shall be in existence, as often as may be reasonably requested, but only during normal business hours and at the expense of the Borrower, to: (a) visit and inspect all properties of such Loan Party or such Subsidiary to the extent any such right to visit or inspect is within the control of such Person; (b) inspect and make extracts from their respective books and records, including but not limited to management letters prepared by independent accountants; and (c) discuss with its officers, and its independent accountants, its business, assets, operations, condition (financial or otherwise), or prospects. If requested by the Administrative Agent, any Loan Party shall execute an authorization letter addressed to its accountants authorizing the Administrative Agent or, if the same has been arranged by the Administrative Agent, any Lender, to discuss the financial affairs of NSA REIT or any of its Subsidiaries with its accountants.

Section 8.8 Use of Proceeds; Letters of Credit.

The Borrower shall use the proceeds of the Loans and the Letters of Credit for general corporate purposes only, including to repay certain indebtedness existing as of the Effective Date, to acquire additional self-storage facilities in accordance with the terms hereof and to pay fees and expenses incurred in connection with this Agreement. No part of the proceeds of any Loan or Letter of Credit will be used (a) for the purpose of buying or carrying “margin stock” within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or to extend credit to others for the purpose of purchasing or carrying any such margin stock; (b) to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or Sanctioned Entity; or (c) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or Anti-Terrorism Laws.

Section 8.9 Environmental Matters.

The Loan Parties shall, and shall cause each of their respective Subsidiaries to, comply in all material respects with all Environmental Laws. If NSA REIT or any of its Subsidiaries shall (a) receive notice that any violation of any Environmental Law may have been committed or is about to be committed by such Person, (b) receive notice that any administrative or judicial complaint or order has been filed or is about to be filed against NSA REIT or any of its Subsidiaries alleging violations of any Environmental Law or requiring NSA REIT or any of its Subsidiaries to take any action in connection with the release of Hazardous Materials or (c) receive any notice from a Governmental Authority or private party alleging that NSA REIT or any of its Subsidiaries may be liable or responsible for costs associated with a response to or cleanup of a release of Hazardous Materials or any damages caused thereby, and the matters referred to in such notices, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, the Borrower shall provide the Administrative Agent with a copy of such notice promptly, and in any event within 10 Business Days, after the receipt thereof by NSA REIT or any of its Subsidiaries. The Loan Parties shall, and shall cause each of their respective Subsidiaries to, take promptly all actions necessary to prevent the imposition of any Liens on any of their respective properties arising out of or related to any Environmental Laws.

Section 8.10 Books and Records.

The Loan Parties shall, and shall cause each of their respective Subsidiaries to, maintain books and records pertaining to its respective business operations in such detail, form and scope as is consistent with good business practice and in accordance with GAAP.

Section 8.11 Further Assurances.

The Loan Parties shall, at their sole cost and expense and promptly following the request of the Administrative Agent, execute and deliver or cause to be executed and delivered, to the Administrative Agent such further instruments, documents and certificates, and do and cause to be done such further acts that may be reasonably necessary or advisable in the reasonable opinion of the Administrative Agent to carry out more effectively the provisions and purposes of this Agreement and the other Loan Documents relating to the Collateral.

Section 8.12 REIT Status.

The Parent Guarantor shall elect to be treated as a REIT on its U.S. federal income tax return for the taxable year ended December 31, 2015 and shall thereafter maintain its status as a REIT and election to be treated as a REIT under the Internal Revenue Code. Without limitation of the immediately preceding sentence, and notwithstanding any other provision of this Agreement to the contrary, NSA REIT shall not engage in any business other than the business of acting as a real estate investment trust and serving as the general partner of the Borrower and matters directly relating thereto, and shall (x) conduct all of its business operations through the Borrower or through Subsidiaries of the Borrower, and (y) own no real property or material personal property other than through its ownership interests in the Borrower, provided that NSA REIT shall be permitted to conduct financing activities and incur senior unsecured Indebtedness to the extent such Indebtedness is otherwise permitted hereunder. NSA REIT shall maintain its common shares having trading privileges on the New York Stock Exchange or the American Stock Exchange or which is subject to price quotations on The NASDAQ Stock Market's National Market System.

Section 8.13 Material Subsidiary Guarantors; Other Subsidiary Guarantors; Unencumbered Asset Value.

(a) Requirements to Become a Material Subsidiary Guarantor or Other Subsidiary Guarantor . At all times prior to the Investment Grade Rating Date, but subject to the next two sentences of this clause (a), no later than 45 days following the last day of any fiscal quarter of NSA REIT during which any Person becomes a Material Subsidiary after the Agreement Date, or otherwise to the extent necessary to permit the Borrower to remain in compliance with Section 8.13(c), the Borrower shall deliver to the Administrative Agent an Accession Agreement executed by such Material Subsidiary and each of the items that would have been delivered under clauses (iv) through (viii) of Section 6.1(a) with respect to such Material Subsidiary (or Other Subsidiary Guarantor) as if such Material Subsidiary (or Other Subsidiary Guarantor) had been a Material Subsidiary Guarantor (or Other Subsidiary Guarantor) on the Agreement Date (provided that the Borrower shall only be required to deliver the legal opinions required by Section 6.1(a)(iv) if so requested by the Administrative Agent). Notwithstanding the foregoing or the other provisions of this clause (a), a Material Subsidiary that has incurred Nonrecourse Indebtedness permitted to be incurred under Section 10.3 shall not be required to be a Subsidiary Guarantor hereunder to the extent such guaranty would be prohibited under the terms of such Nonrecourse Indebtedness (and if any such Material Subsidiary is a Guarantor at the time of the incurrence of any such Nonrecourse Indebtedness, the Administrative Agent shall, upon the written request of the Borrower, terminate such Guaranty). If after the Investment Grade Rating Date and release of Material Subsidiaries and Other Subsidiary Guarantors from the Guaranty pursuant to the following subsection (b), the Borrower does not continue to maintain an Investment Grade Rating, then within 10 Business Days of such occurrence, the Borrower shall cause each Material Subsidiary and each other Subsidiary required in order to permit the Borrower to be in compliance with Section 8.13(c), to deliver to the Administrative Agent a new Guaranty in the form of Exhibit I attached hereto or, as applicable, an Accession Agreement executed by each Material Subsidiary and Other Subsidiary Guarantor, if applicable, and each of the items that would have been delivered under clauses (iv) through (viii) of Section 6.1(a) with respect to each Material Subsidiary (or Other Subsidiary Guarantor) as if each Material Subsidiary (or Other Subsidiary Guarantor) had been a Material Subsidiary Guarantor (or Other Subsidiary Guarantor) on the Agreement Date (provided that the Borrower shall only be required to deliver the legal opinions required by Section 6.1(a)(iv) if so requested by the Administrative Agent), and the first sentence of this subsection (a) shall be effective with respect to any Person that becomes a Material Subsidiary thereafter, notwithstanding that the Investment Grade Rating Date had previously occurred.

(b) Release of Material Subsidiary Guarantors or Other Subsidiary Guarantors . Subject to Section 8.13(a), on or at any time after the Investment Grade Rating Date, upon the Administrative Agent's receipt of a certificate from the chief financial officer, chief accounting officer or treasurer of NSA REIT and the Borrower certifying that no Default or Event of Default exists, the Administrative Agent shall release all Subsidiary Guarantors that are Material Subsidiaries or Other Subsidiary Guarantors (in each case, other than Subsidiary Obligors) from the Subsidiary Guaranty pursuant to a Guarantor Release Letter. Prior to the Investment Grade Rating Date, provided no Default or Event of Default shall then exist or be caused thereby, the Borrower may request in writing that the Administrative Agent release, and upon receipt of such request the Administrative Agent shall release, a Material Subsidiary Guarantor or Other Subsidiary Guarantor from the Guaranty pursuant to a Guarantor Release Letter, provided that (i) such Guarantor has ceased to be, or simultaneously with its release from the Guaranty will cease to be a Material Subsidiary or Other Subsidiary Guarantor; (ii) the Borrower has delivered to the Administrative Agent a Compliance Certificate executed by the chief executive officer or chief financial officer of NSA REIT evidencing that the Borrower shall be in compliance with each of the financial covenants set forth in Section 10.1 on a pro forma basis after giving effect to such release, together with a certificate, in form and substance reasonably satisfactory to the Administrative Agent, executed by a duly authorized officer of NSA REIT, in its capacity as the

general partner of the Borrower, certifying (A) as to the satisfaction of the conditions in the immediately preceding clause (i) and including such other information in reasonable detail as the Administrative Agent may reasonably require to evidence such satisfaction, and (B) that no Default or Event of Default shall exist either before or after giving effect to the requested release, and (iii) the Borrower has provided to the Administrative Agent such other items, documents or certificates reasonably requested by the Administrative Agent, in each case in form and substance reasonably satisfactory to the Administrative Agent.

(c) Unencumbered Asset Value. At all times prior to the Investment Grade Rating Date, but subject to the last sentence of Section 8.13(a), the Borrower shall ensure that at least ninety percent (90%) of the Unencumbered Asset Value is attributable to Eligible Unencumbered Properties owned or leased under a Ground Lease by Material Subsidiary Guarantors and/or Other Subsidiary Guarantors.

Section 8.14 Non-Material Subsidiary Guarantors.

(a) Requirements to Become a Guarantor. Whether or not the Investment Grade Rating Date has occurred, within ten (10) days of the date that any Person becomes a Subsidiary Obligor, the Borrower shall deliver to the Administrative Agent an Accession Agreement executed by such Subsidiary Obligor and each of the items that would have been delivered under clauses (iv) through (viii) of Section 6.1(a) with respect to such Subsidiary Obligor as if such Subsidiary Obligor had been a Non-Material Subsidiary Guarantor on the Agreement Date (provided that the Borrower shall only be required to deliver the legal opinions required by Section 6.1(a)(iv) if so requested by the Administrative Agent).

(b) Release of Non-Material Subsidiary Guarantors. At any time and from time to time, provided no Default or Event of Default shall then exist, the Borrower may provide the Administrative Agent with a written notice that the Borrower would like a Non-Material Subsidiary Guarantor to be released from the Subsidiary Guaranty, and the Administrative Agent shall release such Non-Material Subsidiary Guarantor from the Subsidiary Guaranty pursuant to a Guarantor Release Letter, provided that (i) such Person has ceased to be, or simultaneously with its release from the Guaranty will cease to be, a Subsidiary Obligor, (ii) the Borrower shall have delivered to the Administrative Agent a Compliance Certificate executed by the chief executive officer or chief financial officer of NSA REIT evidencing that the Borrower shall be in compliance with each of the financial covenants set forth in Section 10.1 on a pro forma basis after giving effect to such release, together with a certificate, in form and substance reasonably satisfactory to the Administrative Agent, executed by a duly authorized officer of NSA REIT, in its capacity as general partner of the Borrower, certifying (A) as to the satisfaction of the conditions in the immediately preceding clause (i) and including such other information in reasonable detail as the Administrative Agent may reasonably require to evidence such satisfaction, and (B) that no Default or Event of Default shall exist either before or after giving effect to the requested release, and (iii) the Borrower has provided to the Administrative Agent such other items, documents or certificates reasonably requested by the Administrative Agent, in each case in form and substance reasonably satisfactory to the Administrative Agent.

Article IX.
INFORMATION

For so long as this Agreement is in effect, the applicable Loan Party shall furnish to the Administrative Agent (with copies for each Lender) at its Lending Office:

Section 9.1 Quarterly Financial Statements.

Within 45 days after the end of each of the first, second and third fiscal quarters of NSA REIT, the unaudited consolidated balance sheet of NSA REIT and its Subsidiaries as at the end of such period and the related unaudited consolidated statements of income, shareholders' equity and cash flows of NSA REIT and its Subsidiaries for such period, setting forth in each case in comparative form the figures as of the end of and for the corresponding periods of the previous fiscal year, all of which shall be certified by the chief financial officer or chief accounting officer of NSA REIT, in his or her opinion, to present fairly, in accordance with GAAP and in all material respects, the consolidated financial position of NSA REIT and its Subsidiaries as at the date thereof and the results of operations for such period (subject to normal year-end audit adjustments).

Section 9.2 Year-End Statements.

Within 90 days after the end of each fiscal year of NSA REIT, the audited consolidated balance sheet of NSA REIT and its Subsidiaries as at the end of such fiscal year and the related audited consolidated statements of income, shareholders' equity and cash flows of NSA REIT and its Subsidiaries for such fiscal year, setting forth in comparative form the figures as at the end of and for the previous fiscal year, all of which shall be (a) certified by the chief financial officer, treasurer, or chief accounting officer of NSA REIT, in his or her opinion, to present fairly, in accordance with GAAP and in all material respects, the consolidated financial position of NSA REIT and its Subsidiaries as at the date thereof and the results of operations for such period), and (b) accompanied by the audit report thereon of independent certified public accountants of recognized national standing, whose report shall be unqualified and who shall have authorized NSA REIT to deliver such financial statements and report to the Administrative Agent and the Lenders.

Section 9.3 Compliance Certificate.

At the time financial statements are furnished pursuant to Sections 9.1 and 9.2, a certificate substantially in the form of Exhibit L (a "Compliance Certificate") executed by the chief financial officer, treasurer, or chief accounting officer of NSA REIT and the Borrower: (a) setting forth in reasonable detail as at the end of such quarterly accounting period or fiscal year, as the case may be, the calculations required to establish whether or not the Loan Parties were in compliance with the covenants set forth in Section 10.1 through 10.5 and (b) stating that, to the best of his or her knowledge, information and belief after due inquiry, no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default and its nature, when it occurred, whether it is continuing and the steps being taken by NSA REIT and its Subsidiaries with respect to such event, condition or failure.

Section 9.4 [Reserved]

Section 9.5 Other Information.

(a) Management Reports. Promptly upon receipt thereof, copies of all management reports, if any, submitted to NSA REIT or its governing board by its independent public accountants disclosing any material weakness;

(b) Shareholder Information. Promptly upon the mailing thereof to the shareholders of NSA REIT generally, copies of all financial statements, reports and proxy statements so mailed and

promptly upon the issuance thereof copies of all press releases issued by NSA REIT or any of its Subsidiaries;

(c) ERISA. If any ERISA Event shall occur that individually, or together with any other ERISA Event that has occurred, could reasonably be expected to result in liability in excess of $10,000,000, a certificate of the chief executive officer or chief financial officer of the Borrower setting forth details as to such occurrence and the action, if any, which the Borrower or applicable member of the ERISA Group is required or proposes to take;

(d) Litigation. To the extent any Knowledgeable Officer of NSA REIT or any of its Subsidiaries is aware of the same, prompt notice of the commencement of any proceeding or investigation by or before any Governmental Authority and any action or proceeding in any court or other tribunal or before any arbitrator against or in any other way relating adversely to, or adversely affecting, NSA REIT or any of its Subsidiaries or any of their respective properties, assets or businesses which could reasonably be expected to have a Material Adverse Effect, and prompt notice of the receipt of notice that any United States income tax returns of NSA REIT or any of its Subsidiaries are being audited;

(e) Modification of Organizational Documents. A copy of any amendment to the articles of incorporation, bylaws, partnership agreement, declaration of trust, operating agreement or other similar organizational documents of any Loan Party within 15 Business Days after the effectiveness thereof;

(f) Change of Management or Financial Condition. Prompt notice of any change in the chief executive officer or chief financial officer and any change in the business, assets, liabilities, financial condition or results of operations of NSA REIT or any of its Subsidiaries which has had or could reasonably be expected to have a Material Adverse Effect;

(g) Default. Notice of the occurrence of any of the following promptly upon a Responsible Officer obtaining knowledge thereof: (i) any Default or Event of Default or (ii) any event which constitutes or which with the passage of time, the giving of notice, or otherwise, would constitute a default or event of default by NSA REIT or any of its Subsidiaries under any Material Contract to which any such Person is a party or by which any such Person or any of its respective properties may be bound;

(h) Judgments. Prompt notice of any order, judgment or decree in excess of $5,000,000 having been entered against NSA REIT or any of its Subsidiaries or any of their respective properties;

(i) Notice of Violations of Law. Prompt notice if NSA REIT or any of its Subsidiaries shall receive any notification from any Governmental Authority alleging a violation of any Applicable Law or any inquiry which, in either case, could reasonably be expected to have a Material Adverse Effect;

(j) [Reserved];

(k) [Reserved];

(l) Securities Filings. Within five Business Days after the filing thereof, electronic copies of all registration statements and reports on Forms 10-K, 10-Q and 8-K (or their equivalents)

which any Loan Party or any Subsidiary shall file with the Securities and Exchange Commission (or any Governmental Authority substituted therefor) or any national securities exchange;

(m) Other Information. From time to time and promptly upon each request, such data, certificates, reports, statements, documents or further information regarding the business, assets, liabilities, financial condition, results of operations or business prospects of NSA REIT or any of its Subsidiaries as the Administrative Agent or any Lender may reasonably request in writing.

Section 9.6 Delivery of Documents.

Documents required to be delivered pursuant to Article IX may be delivered electronically; provided, that such documents shall be deemed to have been delivered on the date on which such documents are received by the Administrative Agent for posting on the Borrower's behalf on an internet or intranet website, if any, to which each Lender and the Administrative Agent has access (whether a commercial, third-party website (such as Intralinks or SyndTrak) or a website sponsored by the Administrative Agent). Notwithstanding anything contained herein, if requested by the Administrative Agent, the Borrower shall provide paper copies of each Compliance Certificate required by Section 9.3 to the Administrative Agent. The Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents. The Borrower shall be deemed to have delivered reports and other information referred to in Sections 9.1, 9.2 and 9.5(l) when such reports or other information have been posted on the internet website of the Securities and Exchange Commission (http://www.sec.gov) or on Borrower's internet website as previously identified to the Administrative Agent and Lenders.

Section 9.7 USA Patriot Act Notice; Compliance.

The USA Patriot Act of 2001 (Public Law 107-56) and federal regulations issued with respect thereto require all financial institutions to obtain, verify and record certain information that identifies individuals or business entities which open an "account" with such financial institution. Consequently, a Lender (for itself and/or as the Administrative Agent for all Lenders hereunder) may from time-to-time request, and each Loan Party shall provide to such Lender such Loan Party's name, address, tax identification number and/or such other identification information as shall be necessary for such Lender to comply with federal law. An "account" for this purpose may include, without limitation, a deposit account, cash management service, a transaction or asset account, a credit account, a loan or other extension of credit, and/or other financial services product.

Article X.
NEGATIVE COVENANTS

For so long as this Agreement is in effect, each applicable Loan Party shall comply with the following covenants:

Section 10.1 Financial Covenants.

The Loan Parties shall not permit at any time (as certified and reported on a quarterly basis as of the last day of each fiscal quarter (for the Reference Period then ended) and at each other date of determination):

(a) Maximum Total Leverage Ratio. The Total Leverage Ratio to exceed 0.60 to 1.00.

(b) Minimum Fixed Charge Coverage Ratio. The ratio of (i) Adjusted EBITDA for any Reference Period to (ii) Fixed Charges for such Reference Period, to be less than 1.50 to 1.00.

(c) Minimum Net Worth. Net Worth to be less than (i) $682,601,000, plus (ii) 75% of the Net Proceeds of all Equity Issuances by NSA REIT and its Subsidiaries after the Effective Date (other than Equity Issuances to NSA REIT or any of its Subsidiaries).

(d) Maximum Unsecured Indebtedness to Unencumbered Asset Value Ratio. The ratio of (i) Unsecured Indebtedness of NSA REIT and its Subsidiaries as of the last day of such Reference Period to (ii) Unencumbered Asset Value as of such date to exceed 0.60 to 1.00.

(e) Minimum Unencumbered Adjusted NOI to Unsecured Interest Expense Ratio. The ratio of (i) Unencumbered Adjusted NOI for any Reference Period (which amount for each individual Eligible Unencumbered Property and for the Eligible Unencumbered Properties as a whole shall not be less than zero) of NSA REIT and its Subsidiaries to (ii) Unsecured Interest Expense for such Reference Period to be less than 2.00 to 1.00.

Section 10.2 Restricted Payments.

The Loan Parties shall not, and shall not permit any other Subsidiary to, declare or make any Restricted Payment; provided, however, that NSA REIT and each of its Subsidiaries may declare and make the following Restricted Payments so long as no Default or Event of Default exists or would result therefrom:

(a) the Borrower may declare or make cash distributions to NSA REIT and the Borrower's limited partners and each California Partnership or other Controlled Partially-Owned Entity may declare or make cash distributions to its third-party limited partners (i.e., other than the Borrower), such that during the period of four consecutive fiscal quarters most recently ending, the aggregate amount of such distributions does not exceed the greater of (i) the amount required to be distributed by NSA REIT to remain in compliance with the first sentence of Section 8.12 and (ii) 95.0% of Funds From Operations of NSA REIT;

(b) [Reserved];

(c) Subsidiaries of the Borrower may declare or make Restricted Payments to the Borrower or any of its other Subsidiaries; and

(d) NSA REIT may declare or make cash distributions to its shareholders.

Notwithstanding the foregoing, if a Default or Event of Default exists or would result therefrom, (x) the Borrower may declare and make cash distributions to NSA REIT and other holders of partnership interests in the Borrower with respect to any fiscal year only to the extent necessary for NSA REIT to distribute, and NSA REIT may so distribute, an aggregate amount not to exceed the minimum amount necessary for NSA REIT to remain in compliance with the first sentence of Section 8.12, and (y) except to the extent permitted pursuant to clause (x) above, the Loan Parties shall not, and shall not permit any other Subsidiary of the Borrower to, make any Restricted Payments to any Person other than to the Borrower or any of its Subsidiaries.

Section 10.3 Indebtedness.

The Loan Parties shall not, and shall not permit any of their respective Subsidiaries to, incur, assume, suffer to exist or otherwise become obligated in respect of any Indebtedness, except:

(iv) Indebtedness under the Loan Documents;

(v) Secured Indebtedness in an aggregate principal amount not to exceed 45.0% of Gross Asset Value at any time outstanding; provided, that the aggregate principal amount of such Secured Indebtedness constituting Secured Recourse Indebtedness shall not exceed 15.0% of Gross Asset Value at any time outstanding; and provided further, that (x) with respect to any underlying Secured Recourse Indebtedness for any given Real Estate Asset, the aggregate original principal amount of such Secured Recourse Indebtedness shall be less than 75% of the Appraised Value of such Real Estate Asset at the time such Secured Recourse Indebtedness is incurred and (y) such Secured Indebtedness shall not be in the nature of a revolving credit facility;

(vi) Indebtedness of NSA REIT to any of its Subsidiaries and of any such Subsidiary to NSA REIT or any other Subsidiary; provided, that (A) such Indebtedness shall be subject to the limitations on Investments set forth in Section 10.5 and (B) any such Indebtedness of any Loan Party to a non-Loan Party shall be subordinated to the Obligations on terms reasonably satisfactory to the Administrative Agent;

(vii) Guarantees by (A) NSA REIT of Indebtedness of the Borrower, any Wholly-Owned Subsidiary of the Borrower, or any Subsidiary Guarantor and (B) the Borrower, any Subsidiary Guarantor or any Wholly-Owned Subsidiary of Indebtedness of NSA REIT, the Borrower, any Subsidiary Guarantor or any other Wholly-Owned Subsidiary of the Borrower; provided, that (x) the Indebtedness so Guaranteed is permitted by this Section 10.3, and (y) Guarantees permitted under this clause (iv) shall be subordinated to the Obligations on the same terms as the Indebtedness so Guaranteed is subordinated to the Obligations;

(viii) Indebtedness of NSA REIT or any of its Subsidiaries constituting purchase money Indebtedness (including Capital Lease Obligations); provided, that (A) such Indebtedness is incurred prior to or within 90 days after the acquisition of the assets financed thereby and (B) the aggregate principal amount of Indebtedness permitted by this clause (v) shall not exceed $5,000,000 at any time outstanding;

(ix) Indebtedness owed to any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business;

(x) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations, in each case provided in the ordinary course of business;

(xi) obligations under Derivatives Contracts permitted under Section 10.13; and

(xii) Unsecured Indebtedness of the Borrower or NSA REIT consisting of investment grade or high-yield senior unsecured notes issued in a public offering or private placement or other unsecured term loan facility (but excluding any other revolving credit facility) (any such issuance, a "**Senior Unsecured Debt Issuance**"), provided that (i) any such Unsecured Indebtedness shall be at market rates and subject to market terms, (ii) both before and immediately after giving effect any Senior Unsecured Debt Issuance, no Default or Event of Default exists, and (iii) immediately prior to such Senior Unsecured Debt Issuance, the Administrative Agent shall have received a pro forma Compliance Certificate from the Borrower as of the date of, and after giving effect to, such Senior Unsecured Debt Issuance evidencing compliance with the financial covenants set forth in Section 10.1 (in each case using consolidated Indebtedness of NSA REIT and its Subsidiaries as of the date of, and after giving effect to, such Senior Unsecured Debt Issuance and the repayment of any Indebtedness in connection therewith, and Gross Asset Value as at the end of the most recent Reference Period).

Section 10.4 [Reserved].

Section 10.5 Investments.

The Loan Parties shall not, and shall not permit any other Subsidiary to, directly or indirectly, acquire, make or purchase any Investment, or permit any Investment of such Person to be outstanding on and after the Agreement Date, other than the following:

(a) Investments in cash and Cash Equivalents;

(b) Investments in any Loan Party or any Wholly-Owned Subsidiary of any Loan Party;

(c) Investments by the Borrower and its Subsidiaries in the Equity Interests of their respective Subsidiaries and Partially-Owned Entities;

(d) loans or advances made by the Borrower or any Wholly-Owned Subsidiary to the Borrower or any other Wholly-Owned Subsidiary of the Borrower, provided that with respect to any loan or advance made by any Wholly-Owned Subsidiary to the Borrower, such loan or advance shall be expressly subordinate to the Obligations;

(e) Guarantees constituting Indebtedness permitted by Section 10.3(iv);

(f) Investments in the form of Derivatives Contracts permitted by Section 10.13;

(g) loans and advances to officers and employees for moving, entertainment, travel and other similar expenses in the ordinary course of business consistent with past practices;

(h) any Investment constituting an acquisition (other than an acquisition by a California Partnership (or a California Partnership Subsidiary)) of assets or Equity Interests of another Person so long as (i) immediately prior to making such Investment, and immediately thereafter and after giving effect thereto, no Default or Event of Default is or would be in existence, and (ii) in the case of any such acquisition of the Equity Interests of another Person, such Person becomes a Wholly-Owned Subsidiary or a Partially-Owned Entity or a Non-Wholly-Owned Subsidiary; and

(i) Mezz Loan Investments made by the Borrower in an aggregate principal amount outstanding at any time not to exceed $50,000,000.

Section 10.6 Liens; Negative Pledges; Restrictive Agreements.

(a) The Loan Parties shall not, and shall not permit any of their respective Subsidiaries to, create, assume, or incur any Lien upon any of their respective properties, assets, income or profits of any character whether now owned or hereafter acquired, except for any of the following if, both immediately prior to and immediately after the creation, assumption or incurring of such Lien, no Default or Event of Default is or would be in existence, including, without limitation, a Default or Event of Default resulting from a violation of any of the covenants contained in Section 10.1:

(xiii) Permitted Liens;

(xiv) Liens securing Nonrecourse Indebtedness permitted to be incurred at the time of its incurrence under Section 10.3(ii) and encumbering only the specific Real Estate Assets being financed by such Indebtedness;

(xv) Liens securing Secured Recourse Indebtedness permitted to be incurred at the time of its incurrence under Sections 10.3(ii), and encumbering only the specific assets being financed by such Indebtedness;

(xvi) [Reserved];

(xvii) Liens on fixed or capital assets acquired by NSA REIT or any of its Subsidiaries; provided, that (A) such Liens secure Indebtedness permitted by Section 10.3(v), (B) such Liens and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition, (C) the Indebtedness secured thereby does not exceed the cost of acquiring such fixed or capital assets, and (D) such Liens shall not apply to any other property or assets of the Borrower or any Subsidiary; and

(xviii) Deposits securing Indebtedness permitted under Sections 10.3(vii).

(b) The Loan Parties shall not, and shall not permit any of their respective Subsidiaries to, enter into, assume or otherwise be bound by any Negative Pledge except for:

(i) Negative Pledges contained in any Loan Document;

(ii) customary Negative Pledges in connection with any sale of assets pending such sale, provided such Negative Pledges apply only to the Person or property that is to be sold;

(iii) Negative Pledges imposed by any agreement relating to Secured Indebtedness permitted to be incurred by this Agreement at the time of its incurrence if such Negative Pledges (x) apply only to the Person or Persons obligated under such Indebtedness and its Subsidiaries and/or the property or assets intended to secure such Indebtedness and (y) are pursuant to Indebtedness that is not incurred by a Person or such Person's direct or indirect parent that owns Real Estate Assets or other assets the value of which are included in determining Unencumbered Asset Value;

(iv) Negative Pledges binding on a Subsidiary or Real Estate Asset at the time of acquisition by NSA REIT or any of its Subsidiaries, so long as such Negative Pledges (x) were not entered into solely in contemplation of such acquisition and (y) are pursuant to Indebtedness that is not incurred by a Person or such Person's direct or indirect parent that owns Real Estate Assets or other assets the value of which are included in determining Unencumbered Asset Value, together with any renewal, extension, replacement or refinancing thereof so long as such renewal, extension, replacement or refinancing does not expand the scope of such Negative Pledge;

(v) customary Negative Pledges in joint venture agreements and other similar agreements applicable solely to such joint venture;

(vi) restrictions on cash or other deposits imposed under contracts entered into in the ordinary course of business; and

(vii) Negative Pledges contained in agreements evidencing Senior Unsecured Debt Issuances permitted to be incurred by this Agreement at the time of its incurrence that are substantially similar to those contained in this Agreement.

(c) The Loan Parties shall not, and shall not permit any other Subsidiary to, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind (other than pursuant to any Loan Document) on the ability of any Loan Party to: (i) pay dividends or make any other distribution on any of such Loan Party's capital stock or other equity interests owned by any other Loan Party; (ii) pay any Indebtedness owed to any other Loan Party; (iii) make loans or advances to any other Loan Party; or (iv) transfer any of its property or assets to any other Loan Party.

Section 10.7 Fundamental Changes.

The Loan Parties shall not, and shall not permit any of their respective Subsidiaries to: (i) enter into any transaction of merger or consolidation; (ii) liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution); or (iii) convey, sell, lease, sublease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or substantially all of its business or assets, whether now owned or hereafter acquired; provided, however, that:

(a) any of the actions described in the immediately preceding clauses (i) through (iii) may be taken with respect to any Subsidiary of NSA REIT (other than the Borrower) so long as immediately prior to the taking of such action, and immediately thereafter and after giving effect thereto, no Default or Event of Default is or would be in existence;

(b) a Person (other than a Loan Party) may merge with and into, and may dispose of its assets to, any Loan Party so long as (i) such Loan Party is the survivor of such merger, (ii) immediately prior to such merger, and immediately thereafter and after giving effect thereto, no Default or Event of Default is or would be in existence and (iii) the Borrower shall have given the Administrative Agent at least 10 Business Days' prior written notice of such merger, such notice to include a certification as to the matters described in the immediately preceding clause (ii); and

(c) the Loan Parties may convey, sell, lease, sublease, transfer or otherwise dispose of assets among themselves, and any Subsidiary of NSA REIT (other than the Borrower) may convey,

sell, lease, sublease, transfer or otherwise dispose of assets to NSA REIT or any other Wholly-Owned Subsidiary of NSA REIT.

Section 10.8 Fiscal Year.

NSA REIT shall not change its fiscal year from that in effect as of the Agreement Date.

Section 10.9 Modifications to Material Contracts.

NSA REIT and the Borrower shall not, and shall not permit any of their respective Subsidiaries to, enter into any amendment or modification to any Material Contract which could reasonably be expected to have a Material Adverse Effect. Without limitation of the foregoing, NSA REIT and the Borrower shall not, and shall not permit any of their respective Subsidiaries to, enter into any amendment or modification to any PRO Designation or Facilities Management Agreement that would give any PRO any greater rights to consent to any action with respect to the sale, transfer, disposition, encumbrance, financing or refinancing of any Real Estate than the PRO Consent Rights; provided, however, that this Section 10.9 shall not restrict NSA REIT, the Borrower or any of their respective Subsidiaries from entering into any new PRO Designation in the ordinary course of business providing rights to consent no less favorable to the Borrower than PRO Consent Rights.

Section 10.10 Modifications of Organizational Documents.

The Loan Parties shall not, and shall not permit any of their respective Subsidiaries to, amend, supplement, restate or otherwise modify its certificate or articles of incorporation or formation, by-laws, operating agreement, declaration of trust, partnership agreement or other applicable organizational document if such amendment, supplement, restatement or other modification (a) results in an Event of Default or (b) could reasonably be expected to have a Material Adverse Effect (but, in no event shall the Loan Parties amend, supplement, restate or otherwise modify any provisions related to or in connection with Control contained in the articles or certificate of incorporation, bylaws, operating agreement, declaration of trust, partnership agreement or other applicable organizational document of a Controlled Partially-Owned Entity owning an Eligible Unencumbered Property in any manner adverse to the Borrower or its Subsidiaries without the prior written consent of the Administrative Agent).

Section 10.11 Transactions with Affiliates.

The Loan Parties shall not, and shall not permit any of their respective Subsidiaries to, permit to exist or enter into, any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate (other than a Loan Party), except (a) transactions that (i) are in the ordinary course of business and (ii) are at prices and on terms and conditions not less favorable to such Loan Party or such other Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions among the Parent Guarantor, the Borrower and any of their respective Wholly-Owned Subsidiaries not involving any other Affiliate, (c) any transaction that is contemplated by a Facilities Management Agreement so long as such transaction is in the ordinary course of business or is at a price and on terms and conditions not less favorable to such Loan Party or such other Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (d) any transaction otherwise expressly permitted by this Agreement, and (e) the payment of compensation and employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers or employees of NSA REIT or any of its Subsidiaries in the ordinary course of business.

Section 10.12 [Reserved]

Section 10.13 Derivatives Contracts.

The Loan Parties shall not, and shall not permit any of their respective Subsidiaries to, enter into or become obligated in respect of, Derivatives Contracts other than Derivatives Contracts (i) entered into by NSA REIT or any of its Subsidiaries in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a "market view;" and (ii) that do not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party.

Section 10.14 Foreign Assets Control.

NSA REIT and the Borrower shall not be at any time a Person with whom the Administrative Agent and the Lenders are restricted from doing business under the regulations of OFAC (including, Sanctioned Persons) or under any statute, executive order (including, the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and shall not engage in any dealings or transactions or otherwise be associated with such Persons.

Article XI.
DEFAULT

Section 11.1 Events of Default.

Each of the following shall constitute an Event of Default, whatever the reason for such event and whether it shall be voluntary or involuntary or be affected by operation of Applicable Law or pursuant to any judgment or order of any Governmental Authority:

(a) Default in Payment of Principal. The Borrower shall fail to pay when due (whether upon demand, at maturity, by reason of acceleration or otherwise) the principal of any of the Loans, or any Reimbursement Obligation.

(b) Default in Payment of Interest and Other Obligations. The Borrower shall fail to pay when due any interest on any of the Loans or any of the other payment Obligations owing by the Borrower under this Agreement or any other Loan Document, or any other Loan Party shall fail to pay when due any payment Obligation owing by such other Loan Party under any Loan Document to which it is a party, and any such failure shall continue for a period of three Business Days.

(c) Default in Performance. (i) Any Loan Party shall fail to perform or observe any term, covenant, condition or agreement contained in Section 8.1, 8.5 (other than any such failure that affects only Real Estate Assets having an aggregate Operating Property Value or Cost Basis Value, as applicable, less than 5% of Gross Asset Value), 8.7, 8.8, 8.12, 8.13 or 8.14 or in Article IX or in Article X or (ii) any Loan Party shall fail to perform or observe any term, covenant, condition or agreement contained in this Agreement or any other Loan Document to which it is a party and not otherwise mentioned in this Section 11.1 and in the case of this clause (ii) only such failure shall continue for a period of 30 days.

(d) Misrepresentations. Any written statement, representation or warranty made or deemed made by or on behalf of the Borrower or any other Loan Party under this Agreement or under any other Loan Document, or any amendment hereto or thereto, or in any financial statements (including

in each case all related schedules and notes) or related certifications furnished pursuant hereto, or in any other writing or statement at any time furnished or made or deemed made by or on behalf of any Loan Party to the Administrative Agent or any Lender pursuant to any Loan Document, shall at any time prove to have been incorrect or misleading, in light of the circumstances in which made or deemed made, in any material respect when furnished or made or deemed made.

(i) Indebtedness Cross-Default; Derivatives Contracts.

(i) With respect to any Nonrecourse Indebtedness having an aggregate outstanding principal amount of $25,000,000 or more, (x) NSA REIT or any of its Subsidiaries shall fail to pay when due and payable, within any applicable grace or cure period (not to exceed 30 days), the principal of, or interest on, such Nonrecourse Indebtedness, (y) the maturity of such Nonrecourse Indebtedness shall have been accelerated in accordance with the provisions of any indenture, contract or instrument evidencing, providing for the creation of or otherwise concerning such Nonrecourse Indebtedness, or (z) such Nonrecourse Indebtedness shall have been required to be prepaid or repurchased prior to the stated maturity thereof other than as a result of the sale or other transfer of the Real Estate Asset securing such Non-Recourse Indebtedness and not as a result of a default;

(ii) with respect to any Indebtedness that is Recourse Indebtedness having an aggregate outstanding principal amount (or, in the case of any Derivatives Contract, having, without regard to the effect of any close-out netting provision, a Derivatives Termination Value) of $25,000,000 or more, (w) NSA REIT or any of its Subsidiaries shall fail to pay when due and payable (1) without regard to any applicable grace or cure period, the principal of, or (2) giving effect to any applicable grace or cure period (not to exceed 5 days) interest on, such Indebtedness, (x) the maturity of such Indebtedness shall have been accelerated in accordance with the provisions of any indenture, contract or instrument evidencing, providing for the creation of or otherwise concerning such Indebtedness, (y) such Indebtedness shall have been required to be prepaid or repurchased prior to the stated maturity thereof, or (z) any other event shall have occurred and be continuing which permits any holder or holders of such Indebtedness, any trustee or agent acting on behalf of such holder or holders or any other Person, to accelerate the maturity of any such Indebtedness or require any such Indebtedness to be prepaid, repurchased or redeemed prior to its stated maturity or original date of amortization; or

(iii) there occurs an "Event of Default" under and as defined in any Derivatives Contract having, without regard to the effect of any close-out netting provision, a Derivatives Termination Value of $25,000,000 or more as to which NSA REIT or any of its Subsidiaries is a "Defaulting Party" (as defined therein), or there occurs an "Early Termination Date" (as defined therein) in respect of any Derivatives Contract as a result of a "Termination Event" (as defined therein) as to which NSA REIT or any of its Subsidiaries is an "Affected Party" (as defined therein).

(e) Voluntary Bankruptcy Proceeding. NSA REIT or any of its Subsidiaries shall: (i) commence a voluntary case under the Bankruptcy Code of 1978, as amended, or other federal bankruptcy laws (as now or hereafter in effect); (ii) file a petition seeking to take advantage of any other Applicable Laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; (iii) consent to, or fail to contest in a timely and appropriate manner, any petition filed against it in an involuntary case under such bankruptcy laws or other

Applicable Laws or consent to any proceeding or action described in the immediately following subsection; (iv) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of a substantial part of its property, domestic or foreign; (v) admit in writing its inability to pay its debts as they become due; (vi) make a general assignment for the benefit of creditors; (vii) make a conveyance fraudulent as to creditors under any Applicable Law; or (viii) take any corporate or partnership action for the purpose of effecting any of the foregoing.

(f) Involuntary Bankruptcy Proceeding. A case or other proceeding shall be commenced against NSA REIT or any of its Subsidiaries in any court of competent jurisdiction seeking: (i) relief under the Bankruptcy Code of 1978, as amended, or other federal bankruptcy laws (as now or hereafter in effect) or under any other Applicable Laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; or (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of such Person, or of all or any substantial part of the assets, domestic or foreign, of such Person, and such case or proceeding shall continue undismissed or unstayed for a period of 60 consecutive calendar days, or an order granting the remedy or other relief requested in such case or proceeding against such Person (including, but not limited to, an order for relief under such Bankruptcy Code or such other federal bankruptcy laws) shall be entered.

(g) Litigation; Enforceability. Any Loan Party shall disavow, revoke or terminate (or attempt to terminate) any Loan Document to which it is a party or shall otherwise challenge or contest in any action, suit or proceeding in any court or before any Governmental Authority the validity or enforceability of this Agreement, or any other Loan Document or this Agreement or any other Loan Document shall cease to be in full force and effect (except as a result of the express terms thereof).

(h) Judgment. A final judgment or order for the payment of money or for an injunction shall be entered against NSA REIT or any of its Subsidiaries by any court or other tribunal and (i) such judgment or order shall continue for a period of 30 consecutive days without being paid, stayed or dismissed through appellate proceedings prosecuted by NSA REIT or such Subsidiary in good faith and (ii) either (A) the amount of such judgment or order for which insurance has not been acknowledged in writing by the applicable insurance carrier (or the amount as to which the insurer has denied liability) exceeds, individually or together with all other such outstanding judgments or orders entered against NSA REIT and its Subsidiaries, $5,000,000 or (B) in the case of an injunction or other non-monetary judgment, such injunction or judgment could reasonably be expected to have a Material Adverse Effect.

(i) Attachment. A warrant, writ of attachment, execution or similar process shall be issued against any property of NSA REIT or any of its Subsidiaries which exceeds, individually or together with all other such warrants, writs, executions and processes, $5,000,000, and such warrant, writ, execution or process shall not be discharged, vacated, stayed or bonded for a period of 30 consecutive days; provided, however, that if a bond has been issued in favor of the claimant or other Person obtaining such warrant, writ, execution or process, the issuer of such bond shall execute a waiver or subordination agreement in form and substance satisfactory to the Administrative Agent pursuant to which the issuer of such bond subordinates its right of reimbursement, contribution or subrogation to the Obligations and waives or subordinates any Lien it may have on the assets of any Loan Party.

(j) ERISA. Any ERISA Event shall have occurred that results or could reasonably be expected to result in liability to any member of the ERISA Group aggregating in excess of $10,000,000.

(k) Change of Control.

(i) Any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a Person will be deemed to have "beneficial ownership" of all securities that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 25% of the total voting power of the then outstanding voting stock of NSA REIT;

(ii) During any period of 12 consecutive months ending after the Agreement Date, individuals who at the beginning of any such 12-month period constituted the governing board of NSA REIT (together with any new directors whose election by such board or whose nomination for election by the shareholders of NSA REIT, as the case may be, was approved by a vote of at least two-thirds of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the governing board of NSA REIT, as the case may be, then in office;

(iii) NSA REIT shall cease to be the sole general partner of the Borrower or shall cease to have the sole and exclusive power to Control the Borrower (including, without limitation, the power to cause the sale or other transfer, financing or refinancing, or encumbrance of assets (including Equity Interests and Real Estate Assets) owned directly, or indirectly through one or more Subsidiaries, of the Borrower, subject only to Negative Pledges permitted by Section 10.6(b)); or

(iv) The Borrower or a Wholly-Owned Subsidiary of the Borrower shall cease to Control any Controlled Partially-Owned Entity.

(l) Loan Documents. Any Collateral Document shall for any reason fail to create a valid and perfected first priority security interest in any portion of the Collateral purported to be covered thereby, except as permitted by the terms of any Loan Document, or any Loan Document shall for any reason cease to be in full force and effect (other than in accordance with the terms of the Loan Documents), or any Loan Party shall assert in writing that its obligations under any Loan Document has ceased to be or is not enforceable, or any Guarantor shall seek to terminate it Guaranty (other than as contemplated by this Agreement).

Section 11.2 Remedies Upon Event of Default.

Upon the occurrence of an Event of Default the following provisions shall apply:

(a) Acceleration; Termination of Facilities.

(viii) Automatic. Upon the occurrence of an Event of Default specified in Section 11.1(f) or 11.1(g), (A)(i) the principal of, and all accrued interest on, the Loans and the Notes at the time outstanding, (ii) an amount equal to the Stated Amount of all Letters of Credit outstanding as of the date of the occurrence of such Event of Default for deposit into the Collateral Account pursuant to Section 11.5 and (iii) all of the other Obligations (other than obligations in respect of Derivatives Contracts), including, but not limited to, the other amounts owed to the Lenders, the Swingline Lender and the

Administrative Agent under this Agreement, the Notes or any of the other Loan Documents shall become immediately and automatically due and payable without presentment, demand, protest, or other notice of any kind, all of which are expressly waived by the Borrower and (B) all of the Commitments, the obligation of the Lenders to make Loans, the Swingline Commitment, the obligation of the Swingline Lender to make Swingline Loans, and the obligation of the Administrative Agent to issue Letters of Credit hereunder, shall all immediately and automatically terminate.

(ix) Optional. If any other Event of Default shall exist, the Administrative Agent may, and at the direction of the Requisite Lenders shall: (A) declare (1) the principal of, and accrued interest on, the Loans and the Notes at the time outstanding, (2) an amount equal to the Stated Amount of all Letters of Credit outstanding as of the date of the occurrence of such other Event of Default for deposit into the Collateral Account pursuant to Section 11.5 and (3) all of the other Obligations (other than obligations in respect of Derivatives Contracts), including, but not limited to, the other amounts owed to the Lenders and the Administrative Agent under this Agreement, the Notes or any of the other Loan Documents to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by the Borrower and (B) terminate the Commitments, the Swingline Commitment, the obligation of the Lenders to make Loans hereunder and the obligation of the Administrative Agent to issue Letters of Credit hereunder. Moreover, notwithstanding anything contained in this Agreement to the contrary, so long as any Default or Event of Default exists, Lenders shall have no obligation to make any Loans hereunder.

(b) Loan Documents. The Requisite Lenders may direct the Administrative Agent to, and the Administrative Agent if so directed shall, exercise any and all of its rights under any and all of the other Loan Documents.

(c) Applicable Law. The Requisite Lenders may direct the Administrative Agent to, and the Administrative Agent if so directed shall, exercise all other rights and remedies it may have under any Applicable Law.

(d) Appointment of Receiver. To the extent permitted by Applicable Law, the Administrative Agent and the Lenders shall be entitled to the appointment of a receiver for the assets and properties of the Borrower and its Subsidiaries, without notice of any kind whatsoever and without regard to the adequacy of any security for the Obligations or the solvency of any party bound for its payment, to take possession of all or any portion of the business operations of the Borrower and its Subsidiaries and to exercise such power as the court shall confer upon such receiver.

(e) Specified Derivatives Contract Remedies. Notwithstanding any other provision of this Agreement or other Loan Document, each Specified Derivatives Provider shall have the right, with prompt notice to the Administrative Agent, but without the approval or consent of or other action by the Administrative Agent or the Lenders, and without limitation of other remedies available to such Specified Derivatives Provider under contract or Applicable Law, to undertake any of the following: (i) to declare an event of default, termination event or other similar event under any Specified Derivatives Contract and to create an “Early Termination Date” (as defined therein) in respect thereof, (ii) to determine net termination amounts in respect of any and all Specified Derivatives Contracts in accordance with the terms thereof, and to set off amounts among such contracts, and (iii) to prosecute

any legal action against any Loan Party to enforce or collect net amounts owing to such Specified Derivatives Provider by any such Person pursuant to any Specified Derivatives Contract.

Section 11.3 Marshaling; Payments Set Aside.

None of the Administrative Agent, any Lender or any Specified Derivatives Provider shall be under any obligation to marshal any assets in favor of any Loan Party or any other party or against or in payment of any or all of the Obligations or the Specified Derivatives Obligations. To the extent that any Loan Party makes a payment or payments to the Administrative Agent, any Lender or any Specified Derivatives Provider, or the Administrative Agent, any Lender or any Specified Derivatives Provider enforces any Lien or exercises any of its rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law or other Applicable Law, then to the extent of such recovery, the Obligations or Specified Derivatives Obligations, or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor, shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

Section 11.4 Allocation of Proceeds.

If an Event of Default shall exist and maturity of any of the Obligations has been accelerated, or if an Event of Default specified in Section 11.1(a) and/or (b) shall exist, any amounts received on account of the Obligations or the Specified Derivatives Obligations shall be applied in the following order and priority:

(a) that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent) payable to the Administrative Agent (in its capacity as administrative agent);

(b) that portion of the Obligations constituting fees, indemnities, expenses and other amounts (other than principal, interest and Letter of Credit fees) payable to the Lenders and the Administrative Agent (in its capacity as the issuer of Letters of Credit);

(c) payments of interest on Swingline Loans;

(d) payments of Letter of Credit fees and interest on all other Loans and Reimbursement Obligations, pro rata in the amount then due each Lender;

(e) payments of principal of Swingline Loans;

(f) payments of principal of all other Loans, Reimbursement Obligations and other Letter of Credit Liabilities, and all Specified Derivatives Obligations then owing, pro rata in the amount then due each Lender and Specified Derivatives Provider; provided, however, to the extent that any amounts available for distribution pursuant to this subsection are attributable to the issued but undrawn amount of an outstanding Letter of Credit, such amounts shall be paid to the Administrative Agent for deposit into the Collateral Account;

(g) payment of all other Obligations and other amounts due and owing by the Loan Parties under any of the Loan Documents, if any, to be applied for the ratable benefit of the Lenders; and

(h) any amount remaining after application as provided above, shall be paid to the Borrower or whomever else may be legally entitled thereto.

In no event shall the Administrative Agent apply any amounts so received, or any proceeds of Collateral, to the payment of Specified Derivatives Obligations if and to the extent that, with respect to the Loan Party making such payment, or owning such Collateral, such Specified Derivatives Obligations constitute Excluded Swap Obligations.

Notwithstanding the foregoing, Specified Derivatives Obligations shall be excluded from the application described above if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may request, from the applicable Specified Derivatives Provider. Each Specified Derivatives Provider not a party to the Credit Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article XII hereof for itself and its Affiliates as if a "Lender" party hereto.

Section 11.5 Collateral Account.

(a) As collateral security for the prompt payment in full when due of all Letter of Credit Liabilities and the other Obligations, the Borrower hereby pledges and grants to the Administrative Agent, for the ratable benefit of the Administrative Agent and the Lenders as provided herein, a security interest in all of its right, title and interest in and to the Collateral Account and the balances from time to time in the Collateral Account (including the investments and reinvestments therein provided for below). The balances from time to time in the Collateral Account shall not constitute payment of any Letter of Credit Liabilities until applied by the Administrative Agent as provided herein. Anything in this Agreement to the contrary notwithstanding, funds held in the Collateral Account shall be subject to withdrawal only as provided in this Section.

(b) Amounts on deposit in the Collateral Account shall be invested and reinvested by the Administrative Agent in such Cash Equivalents as the Administrative Agent shall determine in its sole discretion. All such investments and reinvestments shall be held in the name of and be under the sole dominion and control of the Administrative Agent for the ratable benefit of itself and the Lenders. The Administrative Agent shall exercise reasonable care in the custody and preservation of any funds held in the Collateral Account and shall be deemed to have exercised such care if such funds are accorded treatment substantially equivalent to that which the Administrative Agent accords other funds deposited with the Administrative Agent, it being understood that the Administrative Agent shall not have any responsibility for taking any necessary steps to preserve rights against any parties with respect to any funds held in the Collateral Account.

(c) If a drawing pursuant to any Letter of Credit occurs on or prior to the expiration date of such Letter of Credit, the Borrower and the Lenders authorize the Administrative Agent to use the monies deposited in the Collateral Account and proceeds thereof to make payment to the beneficiary with respect to such drawing or the payee with respect to such presentment.

(d) If an Event of Default exists, the Requisite Lenders may, in their discretion, at any time and from time to time, instruct the Administrative Agent to liquidate any such investments and reinvestments and apply proceeds thereof to the Obligations in accordance with Section 11.4.

(e) So long as no Default or Event of Default exists, and to the extent amounts on deposit in or credited to the Collateral Account exceed the aggregate amount of the Letter of Credit

Liabilities then due and owing, the Administrative Agent shall, from time to time, at the request of the Borrower, deliver to the Borrower within 10 Business Days after the Administrative Agent's receipt of such request from the Borrower, against receipt but without any recourse, warranty or representation whatsoever, such amount of the credit balances in the Collateral Account as exceeds the aggregate amount of the Letter of Credit Liabilities at such time.

(f) The Borrower shall pay to the Administrative Agent from time to time such fees as the Administrative Agent normally charges for similar services in connection with the Administrative Agent's administration of the Collateral Account and investments and reinvestments of funds therein.

Section 11.6 Performance by Administrative Agent.

If any Loan Party shall fail to perform any covenant, duty or agreement contained in any of the Loan Documents, the Administrative Agent may, after notice to the Borrower, perform or attempt to perform such covenant, duty or agreement on behalf of such Loan Party after the expiration of any cure or grace periods set forth herein. In such event, the Borrower shall, at the request of the Administrative Agent, promptly pay any amount reasonably expended by the Administrative Agent in such performance or attempted performance to the Administrative Agent, together with interest thereon at the applicable Post-Default Rate from the date of such expenditure until paid. Notwithstanding the foregoing, neither the Administrative Agent nor any Lender shall have any liability or responsibility whatsoever for the performance of any obligation of the Borrower under this Agreement or any other Loan Document.

Section 11.7 Rights Cumulative.

The rights and remedies of the Administrative Agent and the Lenders under this Agreement, each of the other Loan Documents shall be cumulative and not exclusive of any rights or remedies which any of them may otherwise have under Applicable Law. In exercising their respective rights and remedies the Administrative Agent and the Lenders may be selective and no failure or delay by the Administrative Agent or any of the Lenders in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

Article XII.
THE ADMINISTRATIVE AGENT

Section 12.1 Authorization and Action.

Each Lender hereby appoints and authorizes the Administrative Agent to take such action as contractual representative on such Lender's behalf and to exercise such powers under this Agreement and the other Loan Documents as are specifically delegated to the Administrative Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto.

The Administrative Agent shall also act as "collateral agent" under the Loan Documents, and each of the Lenders hereby appoints and authorizes the Administrative Agent to act as the agent of such Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as "collateral agent" and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent, shall be entitled to the benefits of all provisions of this Article XII and Article XIII (as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Loan Documents) as if set forth in full herein with respect thereto.

Not in limitation of the foregoing, each Lender authorizes and directs the Administrative Agent to enter into the Loan Documents for the benefit of the Lenders. Each Lender hereby agrees that, except as otherwise set forth herein, any action taken by the Requisite Lenders in accordance with the provisions of this Agreement or the Loan Documents, and the exercise by the Requisite Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders. Nothing herein shall be construed to deem the Administrative Agent a trustee or fiduciary for any Lender or to impose on the Administrative Agent duties or obligations other than those expressly provided for herein. Without limiting the generality of the foregoing, the use of the terms "Administrative Agent", "agent" and similar terms in the Loan Documents with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, use of such terms is merely a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. At the request of a Lender, the Administrative Agent will forward to such Lender copies or, where appropriate, originals of the documents delivered to the Administrative Agent pursuant to this Agreement or the other Loan Documents. The Administrative Agent will also furnish to any Lender, upon the request of such Lender, a copy of any certificate or notice furnished to the Administrative Agent by the Borrower, any other Loan Party or any other Affiliate thereof, pursuant to this Agreement or any other Loan Document not already delivered to such Lender pursuant to the terms of this Agreement or any such other Loan Document. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection of any of the Obligations), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Requisite Lenders (or all of the Lenders if explicitly required under any other provision of this Agreement), and such instructions shall be binding upon all Lenders and all holders of any of the Obligations; provided, however, that, notwithstanding anything in this Agreement to the contrary, the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to this Agreement or any other Loan Document or Applicable Law. Not in limitation of the foregoing, the Administrative Agent may exercise any right or remedy it or the Lenders may have under any Loan Document upon the occurrence of a Default or an Event of Default unless the Requisite Lenders have directed the Administrative Agent otherwise. Without limiting the foregoing, no Lender shall have any right of action whatsoever against the Administrative Agent as a result of the Administrative Agent acting or refraining from acting under this Agreement or any of the other Loan Documents in accordance with the instructions of the Requisite Lenders, or where applicable, all the Lenders.

Section 12.2 Administrative Agent's Reliance, Etc.

Notwithstanding any other provisions of this Agreement or any other Loan Documents, neither the Administrative Agent nor any of its directors, officers, agents, employees or counsel shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or any other Loan Document, except for its or their own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment. Without limiting the generality of the foregoing, the Administrative Agent: (a) may treat the payee of any Note as the holder thereof until the Administrative Agent receives written notice of the assignment or transfer thereof signed by such payee and in form satisfactory to the Administrative Agent; (b) may consult with legal counsel (including its own counsel or counsel for any Loan Party), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (c) makes no warranty or representation to any Lender or any other Person and shall not be responsible to any Lender or any other Person for any statements, warranties or representations made by any Person in or in connection with this Agreement or any other Loan Document; (d) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any of this Agreement or any other Loan Document or the satisfaction of any conditions precedent under this Agreement or any Loan Document on the part of the Borrower or other Persons (except for the delivery to it of any certificate or document specifically required to be delivered to it pursuant to Section 6.1) or inspect the property, books or records of the Borrower or any other Person; (e) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document, any other instrument or document furnished pursuant thereto or any collateral covered thereby or the perfection or priority of any Lien in favor of the Administrative Agent on behalf of the Lenders in any such collateral; and (f) shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telephone, telecopy, or electronic mail) believed by it to be genuine and signed, sent or given by the proper party or parties. The Administrative Agent may execute any of its duties under the Loan Documents by or through agents, employees or attorneys-in-fact. Unless set forth in writing to the contrary, the making of its initial Loan by a Lender shall constitute a certification by such Lender to the Administrative Agent and the other Lenders that the Borrower has satisfied the conditions precedent for initial Loans set forth in Sections 6.1 and 6.2 that have not previously been waived by the Requisite Lenders.

Section 12.3 Notice of Defaults.

The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of a Default or Event of Default unless the Administrative Agent has received notice from a Lender or a Loan Party referring to this Agreement, describing with reasonable specificity such Default or Event of Default and stating that such notice is a "notice of default." If any Lender (excluding the Lender which is also serving as the Administrative Agent) becomes aware of any Default or Event of Default, it shall promptly send to the Administrative Agent such a "notice of default." Further, if the Administrative Agent receives such a "notice of default", the Administrative Agent shall give prompt notice thereof to the Lenders.

Section 12.4 Administrative Agent as Lender.

The Lender acting as Administrative Agent shall have the same rights and powers under this Agreement and any other Loan Document as any other Lender and may exercise the same as though it were not the Administrative Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include the Lender then acting as Administrative Agent in each case in its individual capacity. Such Lender and its Affiliates may each accept deposits from, maintain deposits or credit balances for,

invest in, lend money to, act as trustee under indentures of, serve as financial advisor to, and generally engage in any kind of business with, any Loan Party or any other Affiliate thereof as if it were any other bank and without any duty to account therefor to the Lenders. Further, such Lender and any Affiliate may accept fees and other consideration from the Borrower for services in connection with this Agreement, any Specified Derivatives Contract or otherwise without having to account for the same to the Lenders. The Lenders acknowledge that, pursuant to such activities, the Lender acting as Administrative Agent or its Affiliates may receive information regarding the Loan Parties, other Subsidiaries of the Loan Parties and other Affiliates thereof (including information that may be subject to confidentiality obligations in favor of such Person) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them.

Section 12.5 [Reserved].

Section 12.6 Lender Credit Decision, Etc.

Each Lender expressly acknowledges and agrees that neither the Administrative Agent nor any of its officers, directors, employees, agents, counsel, attorneys-in-fact or other Affiliates has made any representations or warranties as to the financial condition, operations, creditworthiness, solvency or other information concerning the business or affairs of the Borrower, any other Loan Party, any Subsidiary or any other Person to such Lender and that no act by the Administrative Agent hereafter taken, including any review of the affairs of the Borrower, any other Loan Party or any other Subsidiary, shall be deemed to constitute any such representation or warranty by the Administrative Agent to any Lender. Each Lender acknowledges that it has made its own credit and legal analysis and decision to enter into this Agreement and the transactions contemplated hereby, independently and without reliance upon the Administrative Agent, any other Lender or counsel to the Administrative Agent, or any of their respective officers, directors, employees and agents, and based on the financial statements of the Borrower, the Subsidiaries or any other Affiliate thereof, and inquiries of such Persons, its independent due diligence of the business and affairs of the Borrower, the other Loan Parties, the Subsidiaries and other Persons, its review of the Loan Documents, the advice of its own counsel and such other documents and information as it has deemed appropriate. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, any other Lender or counsel to the Administrative Agent or any of their respective officers, directors, employees and agents, and based on such review, advice, documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under the Loan Documents. The Administrative Agent shall not be required to keep itself informed as to the performance or observance by the Borrower or any other Loan Party of the Loan Documents or any other document referred to or provided for therein or to inspect the properties or books of, or make any other investigation of, the Borrower, any other Loan Party or any other Person. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders by the Administrative Agent under this Agreement or any of the other Loan Documents, the Administrative Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrower, any other Loan Party or any other Affiliate thereof which may come into possession of the Administrative Agent, or any of its officers, directors, employees, agents, attorneys-in-fact or other Affiliates. Each Lender acknowledges that the Administrative Agent's legal counsel in connection with the transactions contemplated by this Agreement is only acting as counsel to the Administrative Agent and is not acting as counsel to such Lender.

Section 12.7 Indemnification of Administrative Agent.

Each Lender agrees to indemnify the Administrative Agent (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) pro rata in accordance with such Lender's respective Commitment Percentage, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, reasonable out-of-pocket costs and expenses, or disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against the Administrative Agent (in its capacity as Administrative Agent but not as a Lender) in any way relating to or arising out of the Loan Documents, any transaction contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under the Loan Documents (collectively, "Indemnifiable Amounts"); provided, however, that no Lender shall be liable for any portion of such Indemnifiable Amounts to the extent resulting from the Administrative Agent's gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment or if the Administrative Agent fails to follow the written direction of the Requisite Lenders (or all of the Lenders if expressly required hereunder) unless such failure results from the Administrative Agent following the advice of counsel to the Administrative Agent of which advice the Lenders have received notice. Without limiting the generality of the foregoing but subject to the preceding proviso, each Lender agrees to reimburse the Administrative Agent (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees of the counsel(s) of the Administrative Agent's own choosing) incurred by the Administrative Agent in connection with the preparation, negotiation, execution, administration, or enforcement of, or legal advice with respect to the rights or responsibilities of the parties under, the Loan Documents, any suit or action brought by the Administrative Agent to enforce the terms of the Loan Documents and/or collect any Obligations, any "lender liability" suit or claim brought against the Administrative Agent and/or the Lenders, and any claim or suit brought against the Administrative Agent, and/or the Lenders arising under any Environmental Laws. Such out-of-pocket expenses (including counsel fees) shall be advanced by the Lenders on the request of the Administrative Agent notwithstanding any claim or assertion that the Administrative Agent is not entitled to indemnification hereunder upon receipt of an undertaking by the Administrative Agent that the Administrative Agent will reimburse the Lenders if it is actually and finally determined by a court of competent jurisdiction that the Administrative Agent is not so entitled to indemnification. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder or under the other Loan Documents and the termination of this Agreement. If the Borrower shall reimburse the Administrative Agent for any Indemnifiable Amount following payment by any Lender to the Administrative Agent in respect of such Indemnifiable Amount pursuant to this Section, the Administrative Agent shall share such reimbursement on a ratable basis with each Lender making any such payment.

Section 12.8 Resignation or Removal of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Requisite Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no such successor shall have been so appointed by the Requisite Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Requisite Lenders) (the "**Resignation Effective Date**"), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent (i) is a Defaulting Lender pursuant to clause (d) of the definition thereof, or (ii) is also the administrative agent under the Senior Unsecured Term Loan Agreement when an Event of Default under any of Sections 11.1(a), (b), (f) or (g), or any other Event of Default that results in the acceleration of the Obligations (or the Requisite Lenders directing the Administrative Agent to accelerate the Obligations) pursuant to Section 11.2(a), has occurred and is continuing, the Requisite Lenders (excluding for this purpose the Lender that is the Administrative Agent) may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person (a "**Removal Notice**") remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. In the event that any such Removal Notice is given to the Person then serving as Administrative Agent as a result of the circumstances described in clause (b)(ii) above, the Administrative Agent shall have 45 days to resign as administrative agent under the Senior Unsecured Term Loan Agreement (and the Removal Effective Date shall not occur during such period), and if such Person has so resigned within such 45 days, the Removal Notice given pursuant to clause (b)(ii) above shall be deemed withdrawn and null and void. If no such successor shall have been so appointed by the Requisite Lenders and shall have accepted such appointment within 50 days (the "**Removal Effective Date**"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the Administrative Agent (in its capacity as issuer of the Letters of Credit) under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the Administrative Agent (in its capacity as issuer of the Letters of Credit) directly, until such time, if any, as the Requisite Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Sections 13.2 and 13.9 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective related Indemnified Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

Section 12.9 Titled Agent.

The Titled Agents, in such capacities, assume no responsibility or obligation hereunder, including, without limitation, for servicing, enforcement or collection of any of the Loans, or for any duties as an agent hereunder for the Lenders. The titles of "Lead Arranger" and "Bookrunner" and "Syndication Agent" are solely honorific and imply no fiduciary responsibility on the part of the Titled Agents to the Administrative Agent, the Borrower or any Lender and the use of such title does not

impose on the Titled Agents any duties or obligations greater than those of any other Lender or entitle the Titled Agents to any rights other than those to which any other Lender is entitled.

Section 12.10 Collateral Matters.

Each of the Lenders irrevocably authorizes the Administrative Agent, at its option and in its discretion, to take any of the following actions:

(a) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon termination of the Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent have been made), (ii) if, with respect to any such release of a Lien on the Equity Interests of a Subsidiary Borrower, such Subsidiary Borrower has ceased to be a Borrower and has been released from its Obligations under the Loan Documents pursuant to Section 5.2(c), (iii) if approved, authorized or ratified in writing in accordance with Section 13.6, or (iv) in connection with the Collateral Fallaway; and

(b) to subordinate any Lien on any property (excluding, for the avoidance of doubt, any Collateral) granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property, to the extent such holder is permitted by Section 10.3 to have a more senior Lien.

Upon request by the Administrative Agent at any time, the Requisite Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property pursuant to this Section 12.10. In each case as specified in this Section 12.10, the Administrative Agent will, at the Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Documents or to subordinate its interest in such item, in each case in accordance with the terms of the Loan Documents and this Section 12.10.

Section 12.11 Rights of Specified Derivatives Providers.

No Specified Derivatives Provider that obtains the benefits of Section 11.4, the Guaranty, or any Collateral by virtue of the provisions hereof or of the Guaranty or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article XII to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Specified Derivatives Obligations unless the Administrative Agent has received written notice of such Specified Derivatives Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Specified Derivatives Provider. The Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Specified Derivatives Obligations as a condition to releasing Liens pursuant to Section 12.10(a).

Article XIII.
MISCELLANEOUS

Section 13.1 Notices.

Unless otherwise provided herein, communications provided for hereunder shall be in writing and shall be mailed, telecopied or delivered as follows:

If to a Loan Party:	5200 DTC Parkway, Suite 200 Greenwood Village, CO 80111 Attn: Tamara D. Fischer, Chief Financial Officer Telephone: (303) 768-8191 Telecopy: (303) 705-8021
with a copy to:	Clifford Chance US LLP 31 West 52nd Street New York, NY 10019 Attn: Gary Brooks, Esq. Telephone: (212) 878-8242 Telecopy: (212) 878-8375
If to the Administrative Agent:	KeyBank National Association 127 Public Square Cleveland, Ohio Attn: Real Estate Capital Telephone: (216) 689-5984 Telecopy: (216) 689-5819 with a copy to: KeyBank National Association 127 Public Square Cleveland, Ohio Attn: Michael Szuba Telephone: (216) 689-5984 Telecopy: (216) 689-5819 and a copy to: KeyBank National Association 127 Public Square Cleveland, Ohio Attn: Jonathan Bond Telephone: (216) 689-4495 Telecopy: (216) 689-5819
If to the Administrative Agent under Article II:	KeyBank National Association 127 Public Square Cleveland, Ohio Attn: Real Estate Capital Telephone: (216) 689-5984 Telecopy: (216) 689-5819
If to a Lender:	To such Lender's address or telecopy number, as applicable, set forth in its Administrative Questionnaire;

or, as to each party at such other address as shall be designated by such party in a written notice to the other parties delivered in compliance with this Section; provided, a Lender shall only be required to give notice of any such other address to the Administrative Agent and the Borrower. All such notices and other communications shall be effective (i) if mailed, when received; (ii) if sent by electronic means (whether by electronic mail, facsimile or otherwise), when transmitted; or (iii) if hand delivered or sent by overnight courier, when delivered. Notwithstanding the immediately preceding sentence, all notices or communications to the Administrative Agent or any Lender under Article II shall be effective only when actually received. Neither the Administrative Agent nor any Lender shall incur any liability to any Loan Party (nor shall the Administrative Agent incur any liability to the Lenders) for acting upon any telephonic notice referred to in this Agreement which the Administrative Agent or such Lender, as the case may be, believes in good faith to have been given by a Person authorized to deliver such notice or for otherwise acting in good faith hereunder. Failure of a Person designated to get a copy of a notice to receive such copy shall not affect the validity of notice properly given to any other Person.

Section 13.2 Expenses.

The Borrower agrees (a) to pay or reimburse the Administrative Agent for all of its reasonable and documented out-of-pocket costs and expenses incurred in connection with the preparation, negotiation and execution of, and any amendment, supplement or modification to, any of the Loan Documents (including due diligence expenses and travel expenses relating to closing), and the consummation of the transactions contemplated thereby, including the reasonable and documented fees and disbursements of outside counsel to the Administrative Agent and costs and expenses in connection with the use of IntraLinks, Inc., SyndTrak or other similar information transmission systems in connection with the Loan Documents, (b) to pay or reimburse the Administrative Agent and the Lenders for all their reasonable and documented costs and expenses incurred in connection with the enforcement or preservation of any rights under the Loan Documents, including the reasonable and documented fees and disbursements of their respective counsel and any payments in indemnification or otherwise payable by the Lenders to the Administrative Agent pursuant to the Loan Documents, (c) to pay, and indemnify and hold harmless the Administrative Agent and the Lenders from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any failure to pay or delay in paying, documentary, stamp, excise and other similar taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of any of the Loan Documents, or consummation of any amendment, supplement or modification of, or any waiver or consent under or in respect of, any Loan Document and (d) to the extent not already covered by any of the preceding subsections, to pay the reasonable and documented fees and disbursements of counsel to the Administrative Agent and any Lender incurred in connection with the representation of the Administrative Agent or such Lender in any matter relating to or arising out of any bankruptcy or other proceeding of the type described in Section 11.1(f) or 11.1(g), including, without limitation (i) any motion for relief from any stay or similar order, (ii) the negotiation, preparation, execution and delivery of any document relating to the Obligations and (iii) the negotiation and preparation of any debtor-in-possession financing or any plan of reorganization of the Borrower or any other Loan Party, whether proposed by the Borrower, such other Loan Party, the Lenders or any other Person, and whether such fees and expenses are incurred prior to, during or after the commencement of such proceeding or the confirmation or conclusion of any such proceeding. If the Borrower shall fail to pay any amounts required to be paid by it pursuant to this Section within 15 days after invoiced or demand therefor, the Administrative Agent and/or the Lenders may pay such amounts on behalf of the Borrower and either deem the same to be Loans outstanding hereunder or otherwise Obligations owing hereunder.

Section 13.3 Setoff.

Subject to Section 3.3 and in addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, each Loan Party hereby authorizes the Administrative Agent, each Lender, and each Affiliate of the Administrative Agent or any Lender, at any time while an Event of Default exists, without prior notice to the Borrower or to any other Person, any such notice being hereby expressly waived, but in the case of a Lender or an Affiliate of a Lender subject to receipt of the prior written consent of the Administrative Agent and the Requisite Lenders exercised in their sole discretion, to set off and to appropriate and to apply any and all deposits (general or special, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured) and any other indebtedness at any time held or owing by the Administrative Agent, such Lender or any such Affiliate of the Administrative Agent or such Lender, to or for the credit or the account of the Loan Parties against and on account of any of the Obligations, irrespective of whether or not any or all of the Loans and all other Obligations have been declared to be, or have otherwise become, due and payable as permitted by Section 11.2, and although such Obligations shall be contingent or unmatured.

Section 13.4 Litigation; Jurisdiction; Other Matters; Waivers.

(a) EACH PARTY HERETO ACKNOWLEDGES THAT ANY DISPUTE OR CONTROVERSY BETWEEN OR AMONG ANY OF SUCH PARTIES WOULD BE BASED ON DIFFICULT AND COMPLEX ISSUES OF LAW AND FACT AND WOULD RESULT IN DELAY AND EXPENSE TO THE PARTIES. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST ANY PARTY HERETO ARISING OUT OF THIS AGREEMENT, THE NOTES, OR ANY OTHER LOAN DOCUMENT OR BY REASON OF ANY OTHER SUIT, CAUSE OF ACTION OR DISPUTE WHATSOEVER BETWEEN OR AMONG ANY OF THE PARTIES HERETO OF ANY KIND OR NATURE RELATING TO ANY OF THE LOAN DOCUMENTS.

(b) EACH PARTY HERETO HEREBY AGREES THAT ANY FEDERAL DISTRICT COURT AND ANY STATE COURT LOCATED IN NEW YORK, NEW YORK, IN THE BOROUGH OF MANHATTAN, SHALL HAVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN OR AMONG ANY OF THE PARTIES HERETO, PERTAINING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE LOANS AND LETTERS OF CREDIT, THE NOTES OR ANY OTHER LOAN DOCUMENT OR TO ANY MATTER ARISING HEREFROM OR THEREFROM. EACH PARTY HERETO EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS WITH RESPECT TO SUCH CLAIMS OR DISPUTES. EACH PARTY HERETO FURTHER WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT FORUM, AND EACH AGREES NOT TO PLEAD OR CLAIM THE SAME. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY ANY PARTY OR THE ENFORCEMENT BY ANY PARTY OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION.

(c) THE PROVISIONS OF THIS SECTION HAVE BEEN CONSIDERED BY EACH PARTY WITH THE ADVICE OF COUNSEL AND WITH A FULL UNDERSTANDING OF

THE LEGAL CONSEQUENCES THEREOF, AND SHALL SURVIVE THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER OR UNDER THE OTHER LOAN DOCUMENTS, THE TERMINATION OR EXPIRATION OF ALL LETTERS OF CREDIT AND THE TERMINATION OF THIS AGREEMENT.

Section 13.5 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) below, (ii) by way of participation in accordance with the provisions of subsection (d) below or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) below (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) below and, to the extent expressly contemplated hereby, the Affiliates and the partners, directors, officers, employees, agents and advisors of the Administrative Agent and the Lenders and of their respective Affiliates) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it); provided that (in each case with respect to any Facility) any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it (in each case with respect to any Facility), or contemporaneous assignments to related Approved Funds that equal at least the amount specified in subsection (b)(i)(B) below in the aggregate, or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) above, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the outstanding principal balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance Agreement with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Acceptance Agreement, as of the Trade Date) shall not be less than $5,000,000 in the case of any assignment in respect of the Revolving Credit Facility, or $1,000,000 in the case of any assignment in respect of the Term Loan Facility, unless each of the Administrative Agent and, so long as no Default or Event of Default shall exist, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or Commitment assigned, except that this subsection (b)(ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non-pro rata basis.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) above and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default or Event of Default shall exist at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided, that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of any Term Loans to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the consent of the Administrative Agent and the Swingline Lender shall be required for any assignment in respect of the Revolving Commitments or Revolving Loans.

(iv) Assignment and Acceptance Agreements . The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance Agreement, together with a processing and recordation fee of $3,500; provided, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons . No such assignment shall be made to (A) any Loan Party or its Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing persons described in this clause (B).

(vi) No Assignment to Natural Persons . No such assignment shall be made to a natural person.

(vii) Certain Additional Payments . In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the

applicable assignee and assignor hereby irrevocably consent), to (A) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the Swingline Lender and each other Lender hereunder (and interest accrued thereon), and (B) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swingline Loans. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) below, from and after the effective date specified in each Assignment and Acceptance Agreement, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Acceptance Agreement, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance Agreement covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 4.4, 13.2 and 13.9 and the other provisions of this Agreement and the other Loan Documents as provided in Section 13.11 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) below.

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at the Principal Office a copy of each Assignment and Acceptance Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of the Borrower, the Administrative Agent or the Swingline Lender (but with notice to the Administrative Agent), sell participations to any Person (other than to a natural person or to a Loan Party or its Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Loan Parties, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment,

modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to (x) increase such Lender's Commitment, (y) extend the date fixed for the payment of principal on the Loans or portions thereof owing to such Lender or (z) reduce the rate at which interest is payable thereon. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.12, 4.1, 4.4 (subject to the requirements and limitations therein, including the requirements under Section 3.12 (it being understood that the documentation required under Section 3.12 shall be delivered to the participating Lender)) to the same extent as if it were the Lender it purchased such participation from and had acquired its interest by assignment pursuant to subsection (b) above; provided, that such Participant (A) agrees to be subject to the provisions of Sections 4.5 and 4.7 as if it were an assignee under subsection (b) above; and (B) shall not be entitled to receive any greater payment under Section 3.12 or 4.1, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Regulatory Change that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and the expense of the Borrower, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 4.5 with respect to any Participant. To the extent permitted by Applicable Law, each Participant also shall be entitled to the benefits of Section 13.3 as though it were a Lender, provided such Participant agrees to be subject to Section 3.3 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person other than the Administrative Agent except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 13.6 Amendments.

(a) Except as otherwise expressly provided in this Agreement (including as provided in Section 2.16 with respect to an Incremental Term Loan Amendment and Section 13.20(b)), any consent or approval required or permitted by this Agreement or any other Loan Document (other than the Fee Letter) to be given by the Lenders may be given, and any term of this Agreement or of any other Loan Document may be amended, and the performance or observance by any Loan Party of any terms of this Agreement or such other Loan Document or the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Requisite Lenders (or the Administrative

Agent at the written direction of the Requisite Lenders) and, in the case of an amendment to any Loan Document, the written consent of each Loan Party that is a party thereto. Any term of the Fee Letter may be amended, and the performance or observance by the Borrower of any terms of the Fee Letter may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the parties thereto. Without limitation of clause (b) below, any term of this Agreement or of any other Loan Document relating solely to the rights or obligations of the Lenders of a particular class of Loans (i.e., Revolving Loans, Tranche A Loans or Tranche B Loans), and not Lenders of any other such class, may be amended, and the performance or observance by the Borrower of any such terms may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Requisite Class Lenders, as applicable and, in the case of an amendment to any Loan Document, the written consent of each Loan Party that is a party thereto. For the avoidance of doubt, the waiver of any condition set forth in Section 6.2 shall require the consent of the Requisite Class Lenders holding Revolving Loans.

(b) Notwithstanding the foregoing, no amendment (including any Incremental Term Loan Amendment), waiver or consent shall do any of the following:

(i) extend or increase the Commitments of any Lender, without the prior written consent of such Lender;

(ii) reduce the principal of, or the rates of interest that will be charged on the outstanding principal amount of, any Loans or other Obligations, or any fees or other amounts payable under any Loan Document, without the prior written consent of each Lender adversely affected thereby; provided, however, that only the consent of the Requisite Lenders shall be necessary (A) to amend the definition of "Post-Default Rate" or to waive any obligation of the Borrower to pay interest at the Post-Default Rate, excess Letter of Credit fees pursuant to Section 3.6(c), or any charge pursuant to Section 2.5(d) or (B) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or other Obligation or to reduce any fee payable hereunder;

(iii) except in accordance with Section 2.14, modify the definition of the term "Maturity Date" or otherwise postpone any date fixed for any payment of any principal of, or interest on, any Loans or any other Obligations or any fee or other amount payable under any Loan Document (including the waiver of any Default or Event of Default as a result of the nonpayment of any such Obligations as and when due), or extend the expiration date of any Letter of Credit beyond the Revolver Maturity Date, in each case without the prior written consent of each Lender adversely affected thereby;

(iv) amend or otherwise modify the provisions of Section 3.2 or the definition of the term "Commitment Percentage", without the prior written consent of each Lender adversely affected thereby;

(v) modify the definition of the term "Requisite Lenders" or otherwise modify in any other manner the number or percentage of the Lenders required to make any determinations or waive any rights hereunder or to modify any provision hereof, including without limitation, any modification of this Section 13.6 if such modification would have such effect, without the prior written consent of each Lender adversely affected thereby (it being understood that, solely with the consent of the parties to an Incremental Term Loan Amendment, Incremental Term Loans may be included in the

determination of Requisite Lenders and Requisite Class Lenders on substantially the same basis as the Commitments and the Loans are included on the Effective Date);

(vi) release the Parent Guarantor from its obligations under the Parent Guaranty, or release all or substantially all of the Subsidiaries under the Subsidiary Guaranty or of the value thereunder, without the prior written consent of each Lender;

(vii) release all or substantially all of the Collateral in any transaction or series of related transactions (except in connection with the Collateral Fallaway), or modify Section 13.9 in a manner that makes the conditions to effectiveness of the Collateral Fallaway more favorable to the Loan Parties, in each case without the prior written consent of each Lender; or

(viii) amend or otherwise modify the provisions of Section 2.15, without the prior written consent of each Lender adversely affected thereby.

(c) No amendment, waiver or consent, unless in writing and signed by the Administrative Agent, in such capacity, in addition to the Lenders required hereinabove to take such action, shall affect the rights or duties of the Administrative Agent (including in its capacity as the issuer of Letters of Credit) under this Agreement or any of the other Loan Documents. Any amendment, waiver or consent relating to Section 2.3 or the obligations of the Swingline Lender under this Agreement or any other Loan Document shall, in addition to the Lenders required hereinabove to take such action, require the written consent of the Swingline Lender. Any amendment, waiver or consent with respect to any Loan Document that (i) diminishes the rights of a Specified Derivatives Provider in a manner or to an extent dissimilar to that affecting the Lenders or (ii) increases the liabilities or obligations of a Specified Derivatives Provider shall, in addition to the Lenders required hereinabove to take such action, require the consent of the Lender that is (or having an Affiliate that is) such Specified Derivatives Provider.

(d) No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon and any amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose set forth therein. Except as otherwise provided in Section 12.5, no course of dealing or delay or omission on the part of the Administrative Agent or any Lender in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. Any Event of Default occurring hereunder shall continue to exist until such time as such Event of Default is waived in writing in accordance with the terms of this Section, notwithstanding any attempted cure or other action by the Borrower, any other Loan Party or any other Person subsequent to the occurrence of such Event of Default. Except as otherwise explicitly provided for herein or in any other Loan Document, no notice to or demand upon the Borrower shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

Section 13.7 Nonliability of Administrative Agent and Lenders.

The relationship between the Borrower, on the one hand, and the Lenders and the Administrative Agent, on the other hand, shall be solely that of borrower and lender. Neither the Administrative Agent nor any Lender shall have any fiduciary responsibilities to the Borrower or any other Loan Party and no provision in this Agreement or in any of the other Loan Documents, and no course of dealing between or among any of the parties hereto, shall be deemed to create any fiduciary duty owing by the Administrative Agent or any Lender to any Lender, the Borrower, any Subsidiary or any other Loan Party. Neither the Administrative Agent nor any Lender undertakes any responsibility to the Borrower

to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations. In connection with all aspects of each transaction contemplated hereby, the Borrower and each other Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that (a) the credit facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document) are an arm's-length commercial transaction between the Borrower, each other Loan Party and their respective Affiliates, on the one hand, and the Administrative Agent and the Lenders, on the other hand; (b) neither the Administrative Agent nor any Lender has assumed or will assume any advisory, agency or fiduciary responsibility in favor of the Borrower or any other Loan Party with respect to any of the transactions contemplated hereby or the process leading hereto (irrespective of whether the Administrative Agent, any Lender or any of their respective Affiliates has advised or is currently advising the Borrower, any other Loan Party or any of their respective Affiliates on other matters) and neither the Administrative Agent nor any Lender has any obligation to the Borrower, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (c) the Administrative Agent, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, the other Loan Parties and their respective Affiliates, and neither the Administrative Agent nor any Lender has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship.

Section 13.8 Confidentiality.

The Administrative Agent and each Lender shall use reasonable efforts to assure that information about NSA REIT and its Subsidiaries, and the respective properties thereof and their operations, affairs and financial condition, not generally disclosed to the public, which is furnished to the Administrative Agent or any Lender pursuant to the provisions of this Agreement or any other Loan Document, is used only for the purposes of this Agreement and the other Loan Documents and shall not be divulged to any Person other than the Administrative Agent, the Lenders, and their respective agents who are actively and directly participating in the evaluation, administration or enforcement of the Loan Documents and other transactions between the Administrative Agent or such Lender, as applicable, and the Borrower, but in any event the Administrative Agent and the Lenders may make disclosure: (a) to any of their respective Affiliates and to any of their (and their Affiliates') respective directors, officers, agents, employees, advisors and counsel (provided such Persons shall be informed of the confidential nature of such information and be instructed to keep such information confidential); (b) as reasonably requested by (i) any potential or actual Assignee, Participant or other transferee in connection with the contemplated transfer of any Commitment or participations therein as permitted hereunder or (ii) any actual or prospective party (or its Affiliates or their respective directors, officers, agents, employees, advisors or counsel) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder (provided, in each case, that they shall agree to keep such information confidential in accordance with the terms of this Section); (c) as required or requested by any Governmental Authority or representative thereof or pursuant to legal process or in connection with any legal proceedings or as otherwise required by Applicable Law; provided, however, if the Administrative Agent or a Lender receives a summons or subpoena to disclose any such confidential information to any Person, the Administrative Agent or such Lender, as applicable, shall, if legally permitted, endeavor to notify the Borrower thereof as soon as possible after receipt of such request, summons or subpoena and the Borrower shall be afforded an opportunity to seek protective orders, or such other confidential treatment of such disclosed information, as the Borrower and the Administrative Agent or such Lender, as applicable, may deem reasonable; (d) to the Administrative Agent's or such Lender's independent auditors and other professional advisors

(provided they shall be notified of the confidential nature of the information); (e) after the happening and during the continuance of an Event of Default, to any other Person, in connection with the exercise by the Administrative Agent or the Lenders of rights hereunder or under any of the other Loan Documents; (f) upon Borrower's prior consent (which consent shall not be unreasonably withheld), to any contractual counter-parties to any swap or similar hedging agreement or to any rating agency; (g) with the consent of the Borrower, and (h) to the extent such information (x) becomes publicly available other than as a result of a breach of this Section actually known to such Lender to be such a breach or (y) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower or any Affiliate. Notwithstanding the foregoing, the Administrative Agent and each Lender may disclose any such confidential information, without notice to the Borrower or any other Loan Party, to Governmental Authorities and other regulatory authorities (including any self-regulatory authority, such as the National Association of Insurance Commissioners) in connection with any regulatory examination of the Administrative Agent or such Lender or in accordance with the regulatory compliance policy of the Administrative Agent or such Lender.

Section 13.9 Collateral Fallaway.

Following the Investment Grade Rating Date, upon the written request of the Borrower, the Administrative Agent shall release the Liens under the Collateral Documents and return to the applicable Loan Parties any equity certificates held as Collateral (the "**Collateral Fallaway**"), provided that, (i) immediately prior to the Collateral Fallaway and immediately after giving effect thereto, no Default or Event of Default exists, (ii) immediately prior to the Collateral Fallaway and immediately after giving effect thereto, the representations and warranties made or deemed made by the Borrower and each other Loan Party in the Loan Documents to which any of them is a party are true and correct in all material respects on and as of the date of the Collateral Fallaway with the same force and effect as if made on and as of such date, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties were true and correct in all material respects on and as of such earlier date), (iii) immediately following the occurrence of the Investment Grade Rating Date, the Loan Parties will be in compliance with the covenants set forth in Section 10.1 through 10.5, and (iv) the Administrative Agent shall have received a certificate from the chief executive officer or chief financial officer of the Borrower and NSA REIT certifying (with supporting calculations reasonably acceptable to the Administrative Agent) the matters referred to in the immediately preceding clauses (i) through (iii). The Lenders hereby authorize the Administrative Agent to take all actions, and execute all documents, necessary to effect the Collateral Fallaway upon the satisfaction of the conditions set forth in this Section 13.9.

Section 13.10 Indemnification.

(a) Each Loan Party shall and hereby agrees to indemnify, defend and hold harmless the Administrative Agent, each of the Lenders, any Affiliate of the Administrative Agent or any Lender, and their respective directors, officers, agents, employees and counsel (each referred to herein as an "**Indemnified Party**") from and against any and all of the following (collectively, the "**Indemnified Costs**"): losses, costs, claims, damages, liabilities, deficiencies, judgments or reasonable expenses of every kind and nature (including, without limitation, amounts paid in settlement, court costs and the reasonable and documented fees and disbursements of counsel incurred in connection with any litigation, investigation, claim or proceeding or any advice rendered in connection therewith, but excluding losses, costs, claims, damages, liabilities, deficiencies, judgments or expenses indemnification in respect of which is specifically covered by Section 3.12 or 4.1 or expressly excluded from the coverage of such Section 3.12 or 4.1) incurred by an Indemnified Party in connection with, arising out of, or by reason of, any suit, cause of action, claim, arbitration, investigation or settlement, consent decree or other

proceeding (the foregoing referred to herein as an " **Indemnity Proceeding**") which is in any way related directly or indirectly to: (i) this Agreement or any other Loan Document or the transactions contemplated thereby; (ii) the making of any Loans or issuance of Letters of Credit hereunder; (iii) any actual or proposed use by the Borrower of the proceeds of the Loans or Letters of Credit; (iv) the Administrative Agent's or any Lender's entering into this Agreement; (v) the fact that the Administrative Agent and the Lenders have established the credit facility evidenced hereby in favor of the Borrower; (vi) the fact that the Administrative Agent and the Lenders are creditors of the Borrower and have or are alleged to have information regarding the financial condition, strategic plans or business operations of the Borrower and the Subsidiaries; (vii) the fact that the Administrative Agent and the Lenders are material creditors of the Borrower and are alleged to influence directly or indirectly the business decisions or affairs of the Borrower and the Subsidiaries or their financial condition; (viii) the exercise of any right or remedy the Administrative Agent or the Lenders may have under this Agreement or the other Loan Documents; (ix) any civil penalty or fine assessed by the OFAC against, and all reasonable costs and expenses (including reasonable and documented counsel fees and disbursements) incurred in connection with defense thereof by, the Administrative Agent or any Lender as a result of conduct of the Borrower, any other Loan Party or any Subsidiary that violates a sanction enforced by the OFAC; or (x) any violation or non-compliance by the Borrower or any Subsidiary of any Applicable Law (including any Environmental Law) including, but not limited to, any Indemnity Proceeding commenced by (A) the Internal Revenue Service or state taxing authority or (B) any Governmental Authority or other Person under any Environmental Law, including any Indemnity Proceeding commenced by a Governmental Authority or other Person seeking remedial or other action to cause the Borrower or its Subsidiaries (or its respective properties) (or the Administrative Agent and/or the Lenders as successors to the Borrower) to be in compliance with such Environmental Laws; provided, however, that the Borrower shall not be obligated to indemnify any Indemnified Party for (A) any acts or omissions of such Indemnified Party in connection with matters described in this subsection to the extent arising from the gross negligence or willful misconduct of such Indemnified Party, as determined by a court of competent jurisdiction in a final, non-appealable judgment, (B) Indemnified Costs to the extent arising directly out of or resulting directly from claims of one or more Indemnified Parties against another Indemnified Party not arising from any act or omission of the Borrower, or (C) Indemnified Costs to the extent resulting from a claim brought by the Borrower or any other Loan Party against an Indemnified Party for breach in bad faith of such Indemnified Party's obligations hereunder or under any other Loan Document, if the Borrower or such other Loan Party has obtained a final and non-appealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(b) The Loan Parties' indemnification obligations under this Section 13.10 shall apply to all Indemnity Proceedings arising out of, or related to, the foregoing whether or not an Indemnified Party is a named party in such Indemnity Proceeding. In this regard, this indemnification shall cover all Indemnified Costs of any Indemnified Party in connection with any deposition of any Indemnified Party or compliance with any subpoena (including any subpoena requesting the production of documents). This indemnification shall, among other things, apply to any Indemnity Proceeding commenced by other creditors of any Loan Party or any Subsidiary, any shareholder of any Loan Party or any Subsidiary (whether such shareholder(s) are prosecuting such Indemnity Proceeding in their individual capacity or derivatively on behalf of the Borrower or any other Loan Party), any account debtor of any Loan Party or any Subsidiary or by any Governmental Authority. If indemnification is to be sought hereunder by an Indemnified Party, then such Indemnified Party shall notify the Borrower of the commencement of any Indemnity Proceeding; provided, however, that the failure to so notify the Borrower shall not relieve the Loan Parties from any liability that they may have to such Indemnified Party pursuant to this Section 13.10.

(c) This indemnification shall apply to any Indemnity Proceeding arising during the pendency of any bankruptcy proceeding filed by or against NSA REIT, the Borrower and/or any Subsidiary.

(d) [Reserved].

(e) An Indemnified Party may conduct its own investigation and defense of, and may formulate its own strategy with respect to, any Indemnity Proceeding covered by this Section and, as provided above, all Indemnified Costs incurred by such Indemnified Party shall be reimbursed by the Loan Parties. No action taken by legal counsel chosen by an Indemnified Party in investigating or defending against any such Indemnity Proceeding shall vitiate or in any way impair the obligations and duties of the Loan Parties hereunder to indemnify and hold harmless each such Indemnified Party; provided, however, that if (i) any Loan Party is required to indemnify an Indemnified Party pursuant hereto and (ii) the Borrower has provided evidence reasonably satisfactory to such Indemnified Party that the Borrower has the financial wherewithal to reimburse such Indemnified Party for any amount paid by such Indemnified Party with respect to such Indemnity Proceeding, such Indemnified Party shall not settle or compromise any such Indemnity Proceeding without the prior written consent of the Borrower (which consent shall not be unreasonably withheld or delayed). Notwithstanding the foregoing, an Indemnified Party may settle or compromise any such Indemnity Proceeding without the prior written consent of the Borrower where (x) no monetary relief is sought against such Indemnified Party in such Indemnity Proceeding or (y) there is an allegation of a violation of law by such Indemnified Party.

(f) If and to the extent that the obligations of the Loan Parties under this Section are unenforceable for any reason, the Loan Parties hereby agree to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under Applicable Law.

(g) The Loan Parties' obligations under this Section shall survive any termination of this Agreement and the other Loan Documents and the payment in full in cash of the Obligations, and are in addition to, and not in substitution of, any other of their obligations set forth in this Agreement or any other Loan Document to which it is a party.

(h) References in this Section to "Lender" or "Lenders" shall be deemed to include such Persons (and their Affiliates) in their capacity as Specified Derivatives Providers.

Section 13.11 Termination; Survival.

This Agreement shall terminate at such time as (a) all of the Commitments have been terminated, (b) all Letters of Credit have terminated or expired (or the Borrower's obligations in respect of all outstanding Letters of Credit have been Cash Collateralized on terms acceptable to the Administrative Agent and the Borrower has executed and delivered a reimbursement agreement in form and substance acceptable to the Administrative Agent and such other documents requested by the Administrative Agent evidencing the Borrower's reimbursement obligations in respect of such Letters of Credit), (c) none of the Lenders is obligated any longer under this Agreement to make any Loans and (d) all Obligations (other than obligations which survive as provided in the following sentence) have been paid and satisfied in full. The indemnities to which the Administrative Agent, the Lenders and the Swingline Lender are entitled under the provisions of Sections 3.12, 4.1, 4.4, 12.7, 13.2 and 13.9 and any other provision of this Agreement and the other Loan Documents which, by its terms, expressly survives termination of this Agreement or such other Loan Document, and the provisions of Section 13.4, shall continue in full force and effect and shall protect the Administrative Agent, the Lenders and the Swingline Lender (i)

notwithstanding any termination of this Agreement, or of the other Loan Documents, against events arising after such termination as well as before and (ii) at all times after any such party ceases to be a party to this Agreement with respect to all matters and events existing on or prior to the date such party ceased to be a party to this Agreement.

Section 13.12 Severability of Provisions.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 13.13 GOVERNING LAW.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

Section 13.14 Counterparts.

This Agreement and any amendments, waivers, consents or supplements may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all of which counterparts together shall constitute but one and the same instrument.

Section 13.15 Obligations with Respect to Loan Parties.

The obligations of the Loan Parties to direct or prohibit the taking of certain actions by the other Loan Parties as specified herein shall be absolute and not subject to any defense any Loan Party may have that it does not control any such other Loan Party.

Section 13.16 Limitation of Liability.

Neither the Administrative Agent nor any Lender, nor any Affiliate, officer, director, employee, attorney, or agent of the Administrative Agent or any Lender shall have any liability with respect to, and each Loan Party hereby waives, releases, and agrees not to sue any of them upon, any claim for any special, indirect, incidental, or consequential damages suffered or incurred by any Loan Party in connection with, arising out of, or in any way related to, this Agreement or any of the other Loan Documents, or any of the transactions contemplated by this Agreement or any of the other Loan Documents. Each Loan Party hereby waives, releases, and agrees not to sue the Administrative Agent or any Lender or any of the Administrative Agent's or any Lender's Affiliates, officers, directors, employees, attorneys, or agents for punitive damages in respect of any claim in connection with, arising out of, or in any way related to, this Agreement or any of the other Loan Documents, or any of the transactions contemplated by this Agreement or financed hereby. Neither the Administrative Agent nor any Lender, nor any Affiliate, officer, director, employee, attorney, or agent of the Administrative Agent or any Lender shall have any liability with respect to, and each Loan Party hereby waives, releases, and agrees not to sue any of them upon, any damages arising from the use by unintended recipients of any information or other materials distributed by them through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby and thereby.

Section 13.17 Entire Agreement.

This Agreement, the Notes, and the other Loan Documents referred to herein embody the final, entire agreement among the parties hereto and supersede any and all prior commitments, agreements, representations, and understandings, whether written or oral, relating to the subject matter hereof and thereof and may not be contradicted or varied by evidence of prior, contemporaneous, or subsequent oral agreements or discussions of the parties hereto. There are no oral agreements among the parties hereto.

Section 13.18 Construction.

Each Loan Party, each Lender and the Administrative Agent acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement and the other Loan Documents with its legal counsel and that this Agreement and the other Loan Documents shall be construed as if jointly drafted by each Loan Party, each Lender and the Administrative Agent.

Section 13.19 Joint and Several Liability of the Loan Parties.

(a) Each of the Loan Parties, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the other Loan Parties with respect to the payment and performance of all of the Obligations, it being the intention of the parties hereto that all of the Obligations shall be the joint and several obligations of each of the Loan Parties without preferences or distinction among them.

(b) If and to the extent that any of the Loan Parties shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event the other Loan Parties will make such payment with respect to, or perform, such Obligation.

(c) The Obligations of each of the Loan Parties under the provisions of this Section 13.19 constitute full recourse obligations of each such Loan Party enforceable against each such Loan Party to the full extent of its properties and assets.

(d) Except as otherwise expressly provided in this Agreement, each of the Loam Parties, to the fullest extent permitted by Applicable Law, hereby waives notice of acceptance of its joint and several liability, notice of any Loans or Letters of Credit or other extensions of credit made under this Agreement, notice of any action at any time taken or omitted by the Administrative Agent or any Lender under or in respect of any of the Obligations, and, generally, to the extent permitted by Applicable Law, all demands, notices (other than those required pursuant to the terms of any Loan Document) and other formalities of every kind in connection with the Loan Documents. Each Loan Party, to the fullest extent permitted by Applicable Law, hereby waives all defenses which may be available by virtue of any valuation, stay, moratorium law or other similar law now or hereafter in effect, any right to require the marshaling of assets of the Loan Parties and any other entity or Person primarily or secondarily liable with respect to any of the Obligations and all suretyship defenses generally. Each of the Loan Parties, to the fullest extent permitted by Applicable Law, hereby assents to, and waives notice of, any extension or postponement of the time for the payment of any of the Obligations, the acceptance of any payment of any of the Obligations, the acceptance of any partial payment thereon, any waiver, consent or other action or acquiescence by the Administrative Agent or any Lender at any time or times in respect of any default by any of the Loan Parties in the performance or satisfaction of

any term, covenant, condition or provision of any Loan Document, any and all other indulgences whatsoever by the Administrative Agent or any Lender in respect of any of the Obligations, and the taking, addition, substitution or release, in whole or in part, at any time or times, of any collateral security for any of the Obligations or the addition, substitution or release, in whole or in part, of the Loan Parties. Without limiting the generality of the foregoing, each of the Loan Parties assents to any other action or delay in acting or failure to act on the part of the Administrative Agent or any Lender with respect to the failure by any of the Loan Parties to comply with any of its respective Obligations, including any failure strictly or diligently to assert any right or to pursue any remedy or to comply fully with Applicable Laws thereunder, which might, but for the provisions of this Section 13.19, afford grounds for terminating, discharging or relieving any Loan Party, in whole or in part, from any of its Obligations under this Section 13.19, it being the intention of each of the Loan Parties that, so long as any of the Obligations hereunder remain unsatisfied, the Obligations of such Loan Parties under this Section 13.19 shall not be discharged except by performance and then only to the extent of such performance. The Obligations of each of the Loan Parties under this Section 13.19 shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, re-construction or similar proceeding with respect to any of the Loan Parties or the Administrative Agent or any Lender. The joint and several liability of the Loan Parties hereunder shall continue in full force and effect notwithstanding any absorption, merger, amalgamation or any other change whatsoever in the name, membership, constitution or place of formation of any of the Loan Parties, the Administrative Agent or any Lender.

(e) To the extent any Loan Party makes a payment hereunder in excess of the aggregate amount of the benefit received by such Loan Party in respect of the extensions of credit under this Agreement (the "**Benefit Amount**"), then such Loan Party, after the irrevocable payment in full of all of the Obligations, shall be entitled to recover from each other Loan Party such excess payment, pro rata, in accordance with the ratio of the Benefit Amount received by each such other Loan Party to the total Benefit Amount received by all the Loan Parties, and the right to such recovery shall be deemed to be an asset and property of such Loan Party so funding; provided, that each of the Loan Parties hereby agrees that it will not enforce any of its rights of contribution or subrogation against the other the Loan Parties with respect to any liability incurred by it hereunder or under any of the other Loan Documents, any payments made by it to the Administrative Agent or any Lender with respect to any of the Obligations or any collateral security therefor until such time as all of the Obligations have been irrevocably paid in full. Any claim which any Loan Party may have against any other Loan Party with respect to any payments to the Administrative Agent or any Lender hereunder or under any other Loan Document are hereby expressly made subordinate and junior in right of payment, without limitation as to any increases in the Obligations arising hereunder or thereunder, to the prior irrevocable payment in full of the Obligations and, in the event of any insolvency, bankruptcy, receivership, liquidation, reorganization or other similar proceeding under the laws of any jurisdiction relating to any Loan Party, its debts or its assets, whether voluntary or involuntary, all such Obligations shall be irrevocably paid in full before any payment or distribution of any character, whether in cash, securities or other property, shall be made to any other Loan Party therefor.

(f) Each of the Loan Parties hereby agrees that the payment of any amounts due with respect to the indebtedness owing by any Loan Party to any other Loan Party is hereby subordinated to the prior irrevocable payment in full of the Obligations. Each Loan Party hereby agrees that after the occurrences and during the continuance of any Default or Event of Default, such Loan Party will not demand, sue for or otherwise attempt to collect any indebtedness of any other Loan Party owing to such Loan Party until the Obligations shall have been irrevocably paid in full. If, notwithstanding the foregoing sentence, such Loan Party shall collect, enforce or receive any amounts in respect of such

indebtedness before the irrevocable payment in full of the Obligations, such amounts shall be collected, enforced, received by such Loan Party as trustee for Administrative Agent and be paid over to the Administrative Agent for the pro rata accounts of the Lenders to be applied to repay (or be held as collateral security for the repayment of) the Obligations.

Section 13.20 Acknowledgement and Consent to Bail-In of EEA Financial Institutions.

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

Section 13.21 Effect of Existing **Credit** Agreement**.**

(a) Existing Credit Facilities. Upon satisfaction of the conditions precedent set forth in Sections 6.1. and 6.2. of this Agreement with respect to the first Credit Event hereunder on the Effective Date, this Agreement shall exclusively control and govern the mutual rights and obligations of the parties hereto with respect to the Existing Credit Agreement, and the Existing Credit Agreement shall be superseded by this Agreement in all respects on a prospective basis only.

(b) NO NOVATION. THE PARTIES HERETO HAVE ENTERED INTO THIS AGREEMENT SOLELY TO AMEND AND RESTATE THE TERMS OF, AND THE OBLIGATIONS OWING UNDER AND IN CONNECTION WITH, THE EXISTING CREDIT AGREEMENT. THE PARTIES DO NOT INTEND THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY TO BE, AND THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING BY THE BORROWER OR ANY OTHER LOAN PARTY UNDER OR IN CONNECTION WITH THE EXISTING CREDIT AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS (AS DEFINED IN THE EXISTING CREDIT AGREEMENT).

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Credit Agreement to be executed by their authorized officers all as of the day and year first above written.

BORROWER:

NSA OP, LP

By: NATIONAL STORAGE AFFILIATES TRUST, its general partner

By: /s/ TAMARA D. FISCHER
Name: Tamara D. Fischer
Title: Authorized Signatory

ACKNOWLEDGED AND AGREED:

GUARANTORS;

NATIONAL STORAGE AFFILIATES TRUST

By: /s/ TAMARA D. FISCHER
Name: Tamara D. Fischer
Title: Authorized Signatory

ACKNOWLEDGED AND AGREED: SUBSIDIARY GUARANTORS

All Stor Indian Trail, LLC,
American Mini Storage-San Antonio, LLC,
Eagle Bow Wakefield, LLC,
Great American Storage Partners, LLC,
NSA BV DR, LLC,
NSA-C Holdings, LLC,
NSA-G Holdings, LLC,
NSA Northwest Holdings II, LLC,
NSA – Optivest Acquisition Holdings, LLC,
NSA Property Holdings, LLC,
NSA Storage Solutions, LLC,
NSA Universal DR, LLC,
SAP-II YSI #1, LLC,
SecurCare American Portfolio, LLC,
SecurCare American Properties II, LLC,
SecurCare Colorado III, LLC,
SecurCare Moveit McAllen, LLC,
SecurCare of Colorado Springs #602 GP, LLC, SecurCare Moreno Valley, LLC,
SecurCare Oklahoma I, LLC,
SecurCare Oklahoma II, LLC,
SecurCare Properties I, LLC,
SecurCare Properties II, LLC,
SecurCare Portfolio Holdings, LLC,
StoreMore Self Storage – Pecos Road, LLC,
each, a Delaware limited liability company

By: /s/ TAMARA D. FISCHER
Name: Tamara D. Fischer
Title: Authorized Signatory

ABC RV and Mini Storage, L.L.C.,
Banks Storage, LLC,
Bauer NW Storage LLC,
Canyon Road Storage, LLC,
Damascus Mini Storage LLC,
East Bank Storage, L.L.C.,
Gresham Mini & RV Storage, LLC,
Hood River Mini Storage LLC,
HPRH Storage, LLC,
ICDC II, LLC,
Portland Mini Storage, LLC,
Sherwood Storage, LLC,
Tualatin Storage, LLC,
Wilsonville Just Store It, LLC,
each, an Oregon limited liability company

By: /s/ TAMARA D. FISCHER
Name: Tamara D. Fischer
Title: Authorized Signatory

Aberdeen Mini Storage, L.L.C.,
Freeway Self Storage, L.L.C,
S and S Storage, LLC,
Salem Self Stor, LLC,
Vancouver Mini Storage, LLC,
each, a Washington limited liability company

By: /s/ TAMARA D. FISCHER
Name: Tamara D. Fischer
Title: Authorized Signatory

Bullhead Freedom Storage, L.L.C,
an Arizona limited liability company

By: /s/ TAMARA D. FISCHER
Name: Tamara D. Fischer
Title: Authorized Signatory

SecurCare of Colorado Springs 602, Ltd.,
a Colorado limited partnership

By: /s/ TAMARA D. FISCHER
Name: Tamara D. Fischer

Title: Authorized Signatory

GAK, LLC,
Washington Murrieta II, LLC,
Washington Murrieta IV, LLC,
Universal Self Storage Hesperia LLC,
Universal Self Storage San Bernardino LLC,
each a California limited liability company

By: /s/ TAMARA D. FISCHER
Name: Tamara D. Fischer
Title: Authorized Signatory

Universal Self Storage Highland,
a California Limited Partnership,
Corona Universal Self Storage,
a California Limited Partnership,
Fontana Universal Self Storage,
a California Limited Partnership,
Hesperia Universal Self Storage,
a California Limited Partnership,
Loma Linda Universal Self Storage,
a California Limited Partnership,
Upland Universal Self Storage,
a California Limited Partnership,
Colton Encinitas, L.P.,
Colton Campus PT., L.P., and
GSC Irvine / Main LP,
each, a California limited partnership

By: /s/ TAMARA D. FISCHER
Name: Tamara D. Fischer
Title: Authorized Signatory

WCAL, LLC,
a Texas limited liability company
By: /s/ TAMARA D. FISCHER
Name: Tamara D. Fischer
Title: Authorized Signatory

KEYBANK NATIONAL ASSOCIATION,
as Administrative Agent and Swingline Lender

By: /s/ MICHAEL P. SZUBA
Name: Michael P. Szuba
Title: Vice President

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ MICHAEL P. SZUBA
Name: Michael P. Szuba
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ JAMES A. HARMANN
Name: James A. Harmann
Title: Senior Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ KEVIN A. STACKER
Name: Kevin A. Stacker
Title: Senior Vice President

U.S. BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ TODD SCHRADER
Name: Todd Schrader
Title: Vice President

THE HUNTINGTON NATIONAL BANK, a National Banking Association, as a Lender

By: /s/ FLORENTINA DJULVEZAN
Name: Florentina Djulvezan
Title: Assistant Vice President

REGIONS BANK, as a Lender

By: /s/ PAUL E. BURGAN
Name: Paul E. Burgan
Title: Vice President

MORGAN STANLEY SENIOR
FUNDING, INC., as a Lender

By: /s/ MICHAEL KING
Name: Michael King
Title: Vice President

CAPITAL ONE NATIONAL
ASSOCIATION, as a Lender

By: /s/ FREDERICK H. DENECKE
Name: Frederick H. Denecke
Title: Senior Vice President

SUNTRUST BANK, as a Lender

By: /s/ FRANCINE GLANDT
Name: Francine Glandt
Title: Senior Vice President

ROYAL BANK OF CANADA, as a Lender

y: /s/ RINA KANSAGRA
Name: Rina Kansagra
Title: Authorized Signatory

BMO HARRIS BANK N.A., as a Lender

y: /s/ GWENDOLYN GATZ
Name: Gwendolyn Gatz
Title: Vice President

Exhibit 31.1

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

I, Arlen D. Nordhagen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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)) *[language omitted in accordance with SEC release Nos. 33-8760 and 34-54942]* 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) *[language omitted in accordance with SEC release Nos. 33-8760 and 34-54942]*;

   (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: August 9, 2016

By: /s/ Arlen D. Nordhagen
Arlen D. Nordhagen
Chairman of the Board of Trustees, President and Chief Executive Officer

Exhibit 31.2

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

I, Tamara D. Fischer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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)) *[language omitted in accordance with SEC release Nos. 33-8760 and 34-54942]* 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) *[language omitted in accordance with SEC release Nos. 33-8760 and 34-54942]*;

   (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: August 9, 2016

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

Exhibit 32.1

Certification, Chief Executive Officer and Chief Financial Officer Pursuant To
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of National Storage Affiliates Trust (the "Company") on Form 10-Q for the period ended June 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Arlen D. Nordhagen, Chairman of the Board of Trustees, President and Chief Executive Officer of the Company, and I, Tamara D. Fischer, Executive Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2016

By: /s/ Arlen D. Nordhagen
Arlen D. Nordhagen
Chairman of the Board of Trustees, President and Chief Executive Officer

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

Pursuant to the Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.