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

FORM 10-K

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

For the fiscal year ended December 31, 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)

Title of each Class	**Name of Each Exchange on Which Registered**
Common Shares of Beneficial Interest, $0.01 par value per share	New York Stock Exchange

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. 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 ☒

The aggregate market value of the voting and non-voting common shares of beneficial interest of National Storage Affiliates Trust held by non-affiliates of National Storage Affiliates Trust was approximately $484.0 million as of June 30, 2016. As of February 27, 2017, 43,259,875 common shares of beneficial interest, $0.01 par value per share, were outstanding.

Documents Incorporated by Reference

Portions of National Storage Affiliates Trust's definitive proxy statement to be issued in conjunction with National Storage Affiliates Trust's annual meeting of shareholders to be held May 25, 2017, are incorporated by reference into Part III of this Annual Report on Form 10-K.

EXPLANATORY NOTE

This Annual Report on Form 10-K of National Storage Affiliates Trust includes the results of operations and financial condition of National Storage Affiliates Trust and its consolidated subsidiaries (the "Company", "NSA," "we," "our", and "us") 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 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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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, participating regional operators ("PROs");*
- *our ability to effectively align the interests of our PROs with us and our shareholders;*
- *the integration of our PROs and their managed portfolios into the Company, including into our financial and operational reporting infrastructure and internal control framework;*
- *our operating performance and projected operating results, including our ability to achieve market rents and occupancy levels, reduce operating expenditures and increase the sale of ancillary products and services;*
- *our ability to access additional off-market acquisitions;*
- *actions and initiatives of the U.S. federal, state and local government and changes to U.S. federal, state and local government policies and the execution and impact of these actions, initiatives and policies;*
- *the state of the U.S. economy generally or in specific geographic regions, states 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 continue to qualify and maintain our qualification as a real estate investment trust for U.S. federal income tax purposes ("REIT");*
- *availability of qualified personnel;*
- *the timing of conversions of each series of Class B common units of limited partner interest ("subordinated performance units") in NSA OP, LP (our "operating partnership") and subsidiaries of our operating partnership into Class A common units of limited partner interest ("OP units") in our operating partnership,*

the conversion ratio in effect at such time and the impact of such convertibility on our diluted earnings (loss) per share;

- *the risks of investing through joint ventures, including whether the anticipated benefits from a joint venture are realized or may take longer to realize than expected;*
- *estimates relating to our ability to make distributions to our shareholders in the future; and*
- *our understanding of our competition.*

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

PART I

Item 1. Business

General

National Storage Affiliates Trust is a fully integrated, self-administered and self-managed real estate investment trust organized in the state of Maryland on May 16, 2013. We have elected and we believe that we have qualified to be taxed as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2015. We serve as the sole general partner of our operating partnership subsidiary, NSA OP, LP (our "operating partnership"), a Delaware limited partnership formed on February 13, 2013 to conduct our business, which is focused on the ownership, operation, and acquisition of self storage properties located within the top 100 metropolitan statistical areas ("MSAs") throughout the United States. As of December 31, 2016, we held ownership interests in and operated a geographically diversified portfolio of 448 self storage properties, located in 23 states, comprising approximately 27.6 million rentable square feet, configured in approximately 220,000 storage units. According to the 2017 Self-Storage Almanac, we are the sixth largest owner and operator of self storage properties in the United States based on number of properties, self storage units, and rentable square footage. We completed our initial public offering in the second quarter 2015 and our common shares are listed on the New York Stock Exchange under the symbol "NSA."

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' "managed portfolios", which means, with respect to each PRO, the portfolio of properties that such PRO manages on our behalf. A key component of this strategy is to capitalize on the local market expertise and knowledge of regional self storage operators by maintaining the continuity of their roles as property managers.

We believe that our structure creates the right financial incentives to accomplish these objectives. We require our PROs to exchange the self storage properties they contribute to the Company for a combination of OP units and subordinated performance units in our operating partnership or subsidiaries of our operating partnership that issue units intended to be economically equivalent to the OP units and subordinated performance units issued by our operating partnership ("DownREIT partnerships"). OP units, which are economically equivalent to our common shares, create alignment with the performance of the Company as a whole. Subordinated performance units, which are linked to the performance of specific managed portfolios, incentivize our PROs to drive operating performance and support the sustainability of the operating cash flow generated by the self storage properties that they manage on our behalf. Because

subordinated performance unit holders receive distributions only after portfolio-specific minimum performance thresholds are satisfied, subordinated performance units play a key role in aligning the interests of our PROs with us and our shareholders. Our structure thus offers PROs a unique opportunity to serve as regional property managers for their managed portfolios and directly participate in the potential upside of those properties while simultaneously diversifying their investment to include a broader portfolio of self storage properties. We believe our structure provides us with a competitive growth advantage over self storage companies that do not offer property owners the ability to participate in the performance and potential future growth of their managed portfolios.

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

Our PROs

The Company had seven PROs as of December 31, 2016: 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"), Arizona Mini Storage Management Company d/b/a Storage Solutions and its controlled affiliates ("Storage Solutions"), and Hide-Away Storage Services, Inc. and its controlled affiliates ("Hide-Away"). In February 2017, we entered into definitive agreements with an affiliate of Shader Brothers Corporation d/b/a Personal Mini Storage ("Personal Mini") of Orlando, Florida, to add Personal Mini as the Company's eighth PRO, including a facilities portfolio management agreement with the Company and Personal Mini's key persons which is substantially similar to the facilities portfolio management agreement entered into by the Company and each of its other PROs and their key persons. To capitalize on their recognized and established local brands, our PROs continue to function as property managers for their managed portfolios under their existing brands (which include various brands in addition to those discussed below). Over the long-run, we may seek to brand or co-brand each location as part of NSA.

- SecurCare, which is headquartered in Lone Tree, Colorado, has been operating since 1988 and is one of our PROs responsible for covering the west, mountain, midwest and southeast regions. SecurCare provided property management services to 185 of our properties located in California, Colorado, Florida, Georgia, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, Ohio, Oklahoma, South Carolina and Texas as of December 31, 2016. SecurCare is currently managed by David Cramer, who has worked in the self storage industry for more than 18 years.
- Northwest, which is headquartered in Portland, Oregon, is our PRO responsible for covering the northwest region. Northwest provided property management services to 69 of our properties located in Oregon and Washington as of December 31, 2016. In January 2017, we acquired two additional properties in Oregon and Washington that Northwest will manage. Northwest is run by Kevin Howard, who founded the company over 30 years ago and is recognized in the industry for his successful track record as a self storage specialist in the areas of design and development, operations and property management, consultation, and brokerage.
- Optivest, which is based in Dana Point, California, is one of our PROs responsible for covering New Hampshire and the southwest region. Optivest managed 39 of our properties located in Arizona, California, Nevada, New Hampshire, New Mexico and Texas as of December 31, 2016. Optivest is run by its co-founder, Warren Allan, who has more than 25 years of financial and operational management experience in the self storage industry and is recognized as a self storage acquisition and development specialist.
- Guardian, which is based in Irvine, California, is one of our PROs responsible for covering portions of the southern California region and the Arizona market. Guardian managed 48 of our properties located in California and Arizona as of December 31, 2016. This operator is led by John Minar, who has over 30 years of self storage acquisition and operational management experience. Mr. Minar brings close to 40 years of real estate acquisition, rehabilitation, ownership, operations and development experience to the Company.

- Move It, which is based in Dallas, Texas, is one of our PROs responsible for covering certain portions of the Texas and southeast markets. Move It provided property management services to 22 of our properties located in Alabama, Louisiana, Mississippi and Texas as of December 31, 2016. In February 2017, we acquired one additional property in Texas that Move It will manage. This operator is led by its founder, Tracy Taylor, who has more than 40 years of experience in self storage development, acquisition and management, and is currently on the board of directors for the Large Owners Council of the Self Storage Association and is a former Chairman of the national Self Storage Association.
- Storage Solutions, based in Chandler, Arizona, is our PRO responsible for covering most of the Arizona market. Storage Solutions managed four of our properties in Arizona as of December 31, 2016. In February 2017, we acquired one additional property in Arizona that Storage Solutions will manage. This operator is led by its founder, Bill Bohannan, who is one of the largest operators in Phoenix and has more than 35 years of self storage acquisition, development and management experience. Mr. Bohannan is recognized in the industry as a self storage acquisition, development and management specialist.
- Hide-Away is our PRO responsible for covering the western Florida market. Based in Sarasota, Florida, Hide-Away managed 15 of our properties in western Florida as of December 31, 2016. In January 2017, we acquired one additional property in Florida that Hide-Away will manage.This operator is led by its founder, Steve Wilson, one of the early developers of the self storage business, who has served for more than 35 years as the President of Hide-Away and its related entities, and is a former Chairman of the national Self-Storage Association.
- Personal Mini is our PRO responsible for covering portions of the central Florida market. Based in Orlando, Florida, Personal Mini is expected to manage five of our properties in central Florida. This operator is led by Marc Smith, an active self storage investor who has been involved in all facets of the self storage business. Mr. Smith is currently completing a six-year term on the national Self Storage Association board, where he served as Chairman of the board in 2016. Mr. Smith also previously served as president of the Southeast Region of the Self Storage Association.

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

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

Our Joint Venture

In September 2016, we entered into an agreement to form an unconsolidated real estate venture (the "Joint Venture") with a state pension fund (the "JV Investor") advised by Heitman Capital Management LLC to acquire and operate the "iStorage" facilities portfolio (the "JV Portfolio") for an aggregate consideration of approximately $630 million. The JV Portfolio consists of 66 properties containing approximately 4.5 million rentable square feet, configured in approximately 36,000 storage units and located across 12 states. Separately, we also agreed to acquire the property management platform related to the JV Portfolio, including a property management company, a captive insurance company, and related intellectual property for approximately $20 million.

On October 4, 2016, the Joint Venture completed its acquisition of the JV Portfolio and we completed our acquisition of the property management platform. The Joint Venture was financed with approximately $320 million in equity (an investment of approximately $80 million from the Company in exchange for a 25% ownership interest and approximately $240 million from the JV Investor in exchange for a 75% ownership interest) with the balance of the consideration funded using proceeds from a new debt financing by the Joint Venture. Both the Company and the JV Investor have also committed to fund up to $100 million of additional equity to fund future acquisitions by the Joint Venture.

The following is a summary of the properties acquired in the unconsolidated JV Portfolio (dollars in thousands):

State	Number of Properties	Number of Units	Rentable Square Feet	Fair Value
Florida	21	11,485	1,331,745	$ 232,612
Alabama	11	4,032	591,030	61,450
New Jersey	10	7,520	925,410	124,849
California	9	5,832	802,176	95,952
Other[1]	15	6,704	868,607	115,137
Total[2]	**66**	**35,573**	**4,518,968**	**$ 630,000**

(1) Other states in the unconsolidated real estate venture include Arizona, Georgia, New Mexico, Nevada, Pennsylvania, Ohio, Texas and Virginia.

(2) The Company holds a 25% ownership interest in the unconsolidated JV Portfolio.

Acquisition and Disposition Activity

We acquired 107 consolidated self storage properties during the year ended December 31, 2016, and 58 consolidated self storage properties during the year ended December 31, 2015. 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. A complete listing of, and additional information about, our self storage properties is included in Item 2 of this Report.

The following is a summary of our 2016 consolidated acquisition activity (dollars in thousands):

State	Number of Properties	Number of Units	Rentable Square Feet	Fair Value
2016 Acquisitions:				
California[1]	31	19,034	2,325,969	$ 228,656
Florida	20	16,090	1,461,564	197,966
Indiana	14	7,854	1,009,695	79,885
Ohio	7	2,688	349,088	22,730
Louisiana	5	2,250	315,473	24,485
Oregon	5	2,219	299,162	34,553
New Hampshire	5	1,905	233,175	28,800
Oklahoma	4	1,678	252,690	20,999
Texas	3	1,501	192,886	11,400
Nevada	3	1,407	177,566	15,686
New Mexico	2	1,161	156,020	8,450
Arizona	2	1,100	146,400	17,100
Colorado	2	904	111,430	12,610
Georgia	2	683	111,929	8,847
Other[2]	2	1,226	173,187	9,204
Total	**107**	**61,700**	**7,316,234**	**$ 721,371**

(1) In December 2016, we sold to an unrelated third party one of the properties we acquired in California.

(2) Self storage properties in other states acquired during the year ended December 31, 2016 include Alabama and Mississippi.

The following is a summary of our 2015 consolidated acquisition activity (dollars in thousands):

State	Number of Properties	Number of Units	Rentable Square Feet	Fair Value
2015 Acquisitions:				
California	25	14,187	1,872,646	$ 159,802
North Carolina	11	5,288	681,528	58,233
Louisiana	5	2,192	298,710	16,500
Arizona	4	2,024	222,788	23,270
Texas	3	1,054	155,889	10,050
South Carolina	2	724	96,780	6,694
Georgia	2	607	95,873	8,050
Florida	2	696	80,556	4,912
Other[(1)]	4	1,698	204,420	25,495
Total	**58**	**28,470**	**3,709,190**	**$ 313,006**

(1) Self storage properties in other states acquired during the year ended December 31, 2015 include Kentucky, Oregon, New Hampshire, and Washington.

In December 2016, we sold to an unrelated party one of the self storage properties acquired as part of a larger portfolio of properties during the third quarter of 2016. The Company decided during the underwriting process to pursue the sale of certain properties following the portfolio acquisition. The gross sales price for the property sold was $4.9 million.

Our Competitive Strengths

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

High Quality Properties in Key Growth Markets. We held ownership interests in and operated a geographically diversified portfolio of 448 self storage properties, located in 23 states, comprising approximately 27.6 million rentable square feet, configured in approximately 220,000 storage units, as of December 31, 2016. Over 75% of our consolidated portfolio is located in the top 100 MSAs, based on our 2016 net operating income ("NOI"). We believe that these properties are primarily located in high quality growth markets that have attractive supply and demand characteristics and are less sensitive to the fluctuations of the general economy. Many of these markets have multiple barriers to entry against increased supply, including zoning restrictions against new construction and new construction costs that we believe are higher than our properties' fair market value. Furthermore, we believe that our significant size and the overall geographic diversification of our portfolio reduces risks associated with specific local or regional economic downturns or natural disasters.

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

Integrated Platform Utilizing Advanced Technology for Enhanced Operational Performance and Best Practices. Our national platform allows us to capture cost savings through integration and centralization, thereby eliminating redundancies and utilizing economies of scale across the property management platforms of our PROs. As compared to a stand-alone operator, our national platform has greater access to lower-cost capital, reduced Internet marketing costs per customer lead, discounted property insurance expense, and reduced overhead costs. In addition, the Company has sufficient scale for various centralized functions, including financial reporting, the operation of two

call centers, expanding cell tower leasing, a national credit card processing program, marketing, information technology, legal support, and capital market functions, to achieve substantial cost savings over smaller, individual operators.

Our national platform utilizes advanced technology for our data warehouse program, Internet marketing (including through GoStorageUnits.com, which is owned by the Company), our centralized call center, financial and property analytic dashboards, revenue optimization analytics and expense management tools to enhance operational performance. These centralized programs, which are run through our Technology and Best Practices Group, are positively impacting our business performance, and we believe that they will continue to be a driver of organic growth going forward. We will utilize our Technology and Best Practices Group to help us benefit from the collective sharing of key operating strategies among our PROs in areas like human resource management, local marketing and operating procedures and building tenant insurance-related arrangements.

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

Our Business and Growth Strategies

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

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

Acquire Built-in Captive Pipeline of Target Properties from Existing PROs. We have an attractive, high quality potential acquisition pipeline (our "captive pipeline") of over 120 self storage properties valued at nearly $1.0 billion that we anticipate will drive our future growth. We consider a property to be in our captive pipeline if it (i) is under a management service agreement with one of our PROS, (ii) meets our property quality criteria, and (iii) is either required to be offered to us under the applicable facilities portfolio management agreement or a PRO has a reasonable basis to believe that the controlling owner of the property intends to sell the property in the next seven years.

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

There can be no assurance as to whether we will acquire any of these properties or the actual timing of any such acquisitions. Each captive pipeline property is subject to additional due diligence and the determination by us to pursue the acquisition of the property. In addition, with respect to the captive pipeline properties in which our PROs have a

non-controlling ownership interest or no ownership interest, the current owner of each property is not required to offer such property to us and there can be no assurance that we will acquire these properties.

Access Additional Off-Market Acquisition Opportunities. Our PROs and their "on-the-ground" personnel have established an extensive network of industry relationships and contacts in their respective markets. Through these local connections, our PROs are able to access acquisition opportunities that are not publicly marketed or sold through auctions. Our structure incentivizes our PROs to source acquisitions in their markets from third-party sellers and consolidate these properties into the Company. Other public self storage companies generally have acquisition teams located at their central offices, which in many instances are far removed from regional and local markets. We believe our operators' networks and close familiarity with the other operators in their markets provide us clear competitive advantages in identifying and selecting attractive acquisition opportunities. Our PROs have sourced 145 acquisitions from third-party sellers comprising approximately 10.3 million rentable square feet as of December 31, 2016.

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

Strategic Joint Venture Arrangements. We intend to continue to opportunistically partner with institutional funds and other institutional investors to acquire attractive portfolios utilizing a promoted return structure. We believe there is significant opportunity for continued external growth by partnering with institutional investors seeking to deploy capital in the self storage industry. We intend to leverage the property management platform that we acquired during 2016 to provide property and asset management services for future strategic joint ventures, generating additional operating profits and third party fee income.

Our Financing Strategy

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

As of December 31, 2016, our unsecured credit facility provides for total borrowings of $725.0 million, consisting of three components: (i) a revolving line of credit (the "Revolver") which provides for a total borrowing commitment up to $400.0 million, whereby we may borrow, repay and re-borrow amounts under the Revolver, (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 "credit facility"). As of December 31, 2016, we had the entire amounts drawn on Term Loan A and Term Loan B and we had $246.5 million of outstanding borrowings under the Revolver, and the capacity to borrow an additional $143.6 million under the Revolver while remaining in compliance with the credit facility's financial covenants.

As discussed in Note 15 to the consolidated financial statements in Item 8, on February 8, 2017, we entered into a second increase agreement and amendment with a syndicated group of lenders to increase the total borrowing capacity under the credit facility by $170.0 million for a total credit facility of $895.0 million, which included entry into a new $105.0 million tranche C term loan facility (the "Term Loan C"). We continue to have an expansion option under the credit facility, which, if exercised in full, would provide for a total credit facility of $1.0 billion. References to the "credit facility" include Term Loan C for all dates as of and after February 8, 2017.

During the year ended December 31, 2016, we also entered into a credit agreement with a syndicated group of lenders to make available a term loan facility (the "Term Loan Facility") that is separate from the credit facility in an aggregate amount of $100.0 million, which amount is currently outstanding. 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. 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.

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

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

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

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

Corporate Governance Profile

We have structured our corporate governance in a manner we believe closely aligns our interests with those of our shareholders. Notable features of our corporate governance structure include the following:

- our board of trustees is not staggered, with each of our trustees subject to re-election annually;
- our board or trustees has determined that five of the eight persons who serve on our board of trustees are independent for purposes of the New York Stock Exchange ("NYSE") corporate governance listing standards and Rule 10A-3 under the Exchange Act;
- to avoid actual and perceived conflicts of interests between us and our PROs, certain decisions of our board of trustees must also be approved by a majority of our independent trustees;
- at least two of our trustees qualify as an "audit committee financial expert" as defined by the SEC;
- we have opted out of the control share acquisition statute in the Maryland General Corporation Law (the "MGCL") and have exempted from the business combinations statute in the MGCL transactions between us and (1) any other person, provided that the business combination is first approved by our board of trustees (including a majority of trustees who are not affiliates or associates of such person), (2) Arlen D. Nordhagen and any of his affiliates and associates and (3) any person acting in concert with the foregoing;
- we do not have a shareholder rights plan and our board of trustees has adopted a policy that our board may not adopt any shareholder rights plan unless the adoption of the plan has been approved by shareholders

representing a majority of the votes cast on the matter by shareholders entitled to vote on the matter, except that our board of trustees may adopt a shareholder rights plan without the prior approval of our shareholders if our board, in the exercise of its duties, determines that seeking prior shareholder approval would not be in our best interests under the circumstances then existing. The policy further provides that if a shareholder rights plan is adopted by our board without the prior approval of our shareholders, the shareholder rights plan will expire on the date of the first annual meeting of shareholders held after the first anniversary of the adoption of the plan, unless an extension of the plan is approved by our common shareholders.

- we have opted out of the unsolicited takeover (Title 3, Subtitle 8) provisions of the MGCL (which we may not opt into without the approval of our shareholders).

In order to foster the highest standards of ethics and conduct in all business relationships, we have adopted a Code of Business Conduct and Ethics policy. This policy, which covers a wide range of business practices and procedures, applies to our officers, trustees, and employees. Our Code of Business Conduct and Ethics is available in the Corporate Governance section of our website at http://www.nationalstorageaffiliates.com/.

Dividend Reinvestment Plan

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

Regulation

General

Generally, self storage properties are subject to various laws, ordinances and regulations, including those relating to lien sale rights and procedures, public accommodations, insurance, and the environment. Changes in any of these laws, ordinances or regulations could increase the potential liability existing or created by tenants or others on our properties. Laws, ordinances, or regulations affecting development, construction, operation, upkeep, safety and taxation requirements may result in significant unanticipated expenditures, loss of self storage sites or other impairments to operations, which would adversely affect our cash flows from operating activities.

Under the Americans with Disabilities Act of 1990 ("the ADA"), all places of public accommodation are required to meet certain federal requirements related to access and use by disabled persons. For additional information on the ADA, see "Item 1A. Risk Factors—Risks Related to Our Business—Costs associated with complying with the ADA may result in unanticipated expenses."

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

Under the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (the "CERCLA"), and comparable state laws, we may be required to investigate and remediate regulated hazardous materials at one or more of our properties. For additional information on environmental matters and regulation, see "Item 1A. Risk Factors—Risks Related to Our Business—Environmental compliance costs and liabilities associated with operating our properties may affect our results of operations."

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

Changes in any of the laws governing our conduct including proposed changes to the U.S. tax laws by the Trump administration, could have an adverse impact on our ability to conduct our business or could materially affect our financial position, operating income, expense or cash flow.

REIT Qualification

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

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

Competition

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

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

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

Employees

As of December 31, 2016, the Company had 195 employees, which includes employees of the Company's property management platform but does not include persons employed by our PROs. As of December 31, 2016, our PROs, collectively, had over 800 full-time and part-time employees involved in management, operations, and reporting with respect to our self storage property portfolio.

Available Information

We file registration statements, proxy statements, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those statements and reports with the Securities and Exchange Commission (the "SEC"). Investors may obtain copies of these statements and reports by visiting the SEC's Public Reference Room at 100 F Street, NE., Washington, DC 20549, by calling the SEC at 1-800-SEC-0330, or by accessing the SEC's website at www.sec.gov. Our statements and reports and any amendments to any of those statements and reports that we file with the Securities and Exchange Commission are available free of charge as soon as reasonably practicable on our website at www.nationalstorageaffiliates.com. The information contained on our website is not incorporated into this Annual Report on Form 10-K. Our common shares are listed on the New York Stock Exchange under the symbol "NSA."

Item 1A. Risk Factors

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

Risks Related to Our Business

Adverse economic or other conditions in the markets in which we do business and more broadly could negatively affect our occupancy levels and rental rates and therefore our operating results.

Our operating results are dependent upon our ability to achieve optimal occupancy levels and rental rates at our self storage properties. Adverse economic or other conditions in the markets in which we do business, particularly in our markets in California, Oregon, Texas, North Carolina, Oklahoma and Florida which accounted for approximately 25%, 17%, 12%, 8%, 7% and 6%, respectively, of our total rental and other property-related revenues for the year ended December 31, 2016, may lower our occupancy levels and limit our ability to maintain or increase rents or require us to offer rental discounts. No single customer represented a significant concentration of our 2016 revenues. The following adverse developments, among others, in the markets in which we do business may adversely affect the operating performance of our properties:

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

We are also susceptible to the effects of adverse macro-economic events and business conditions that can result in higher unemployment, shrinking demand for products, large-scale business failures and tight credit markets. Our results of operations are sensitive to changes in overall economic conditions that impact consumer spending, including discretionary spending, as well as to increased bad debts due to recessionary pressures. Adverse economic conditions affecting disposable consumer income, such as employment levels, business conditions, interest rates, tax rates, fuel and energy costs, could reduce consumer spending or cause consumers to shift their spending to other products and services. A general reduction in the level of discretionary spending or shifts in consumer discretionary spending could adversely affect our growth and profitability.

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

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

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

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

- we face competition from national (e.g., large public and private self storage companies, institutional investors and private equity funds), regional and local owners, operators and developers of self storage properties, which may result in higher property acquisition prices and reduced yields;
- we may not be able to achieve satisfactory completion of due diligence investigations and other customary closing conditions;
- we may fail to finance an acquisition on favorable terms or at all;
- we may spend more time and incur more costs than budgeted to make necessary improvements or renovations to acquired properties;
- we may experience difficulties in effectively integrating the financial and operational reporting systems of the properties or portfolios we acquire into (or supplanting such systems with) our financial and operational reporting infrastructure and internal control framework in a timely manner; and
- we may acquire properties subject to liabilities without any recourse, or with only limited recourse, with respect to unknown liabilities such as liabilities for clean-up of undisclosed environmental contamination, claims by persons dealing with the former owners of the properties and claims for indemnification by general partners, trustees, officers and others indemnified by the former owners of the properties.

We face competition for tenants.

We compete with many other entities engaged in real estate investment activities for tenants, including national, regional and local owners, operators and developers of self storage properties. Our primary national competitors for tenants in many of our markets are the large public and private self storage companies, institutional investors, and private equity funds. Actions by our competitors may decrease or prevent increases in the occupancy and rental rates, while increasing the operating expenses of our properties.

Rental revenues are significantly influenced by demand for self storage space generally, and a decrease in such demand would likely have a greater adverse effect on our rental revenues than if we owned a more diversified real estate portfolio.

Because our portfolio of properties consists primarily of self storage properties, we are subject to risks inherent in investments in a single industry. A decrease in the demand for self storage space would have a greater adverse effect on our rental revenues than if we owned a more diversified real estate portfolio. Demand for self storage space has been and could be adversely affected by ongoing weakness in the national, regional and local economies, changes in supply of, or demand for, similar or competing self storage properties in an area and the excess amount of self storage space in a particular market. To the extent that any of these conditions occur, they are likely to affect market rents for self storage space, which could cause a decrease in our rental revenue. Any such decrease could impair our operating results, ability to satisfy debt service obligations and ability to make cash distributions to our shareholders.

Increases in taxes and regulatory compliance costs may reduce our income and adversely impact our cash flows.

Increases in income or other taxes generally are not passed through to tenants under leases and may reduce our net income, funds from operations ("FFO"), cash flows, financial condition, ability to pay or refinance our debt obligations, ability to make cash distributions to shareholders, and the trading price of our securities. Similarly, changes in laws increasing the potential liability for environmental conditions existing on properties or increasing the restrictions on discharges or other conditions may result in significant unanticipated expenditures, which could result in similar adverse effects.

Many states and jurisdictions are facing severe budgetary problems. Action that may be taken in response to these problems, such as changes to sales taxes or other governmental efforts, including mandating medical insurance for employees, could adversely impact our business and results of operations.

Our property taxes could increase due to various reasons, including a reassessment as a result of our contribution transactions, which could adversely impact our operating results and cash flow.

The value of our properties may be reassessed for property tax purposes by taxing authorities including as a result of our acquisition and contribution transactions. Accordingly, the amount of property taxes we pay in the future may increase substantially from what we have paid in the past. If the property taxes we pay increase, our operating results and cash flow would be adversely impacted, and our ability to pay any expected dividends to our shareholders could be adversely affected.

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

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

We face system security risks as we depend upon automated processes and the Internet.

We are increasingly dependent upon automated information technology processes and Internet commerce, and some of our new tenants come from the telephone or over the Internet. Moreover, the nature of our business involves the receipt and retention of personal information about our tenants. We also rely extensively on third-party vendors to retain data, process transactions and provide other systems services. These systems and our systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer worms, viruses and other destructive or disruptive security breaches and catastrophic events, such as a natural disaster or a terrorist event or cyber-attack. In addition, experienced computer programmers may be able to penetrate our network security and misappropriate our confidential information, create system disruptions or cause shutdowns.

We may become subject to litigation or threatened litigation that may divert management's time and attention, require us to pay damages and expenses or restrict the operation of our business.

We may become subject to disputes with commercial parties with whom we maintain relationships or other parties with whom we do business. Any such dispute could result in litigation between us and the other parties. Whether or not any dispute actually proceeds to litigation, we may be required to devote significant management time and attention to its successful resolution (through litigation, settlement or otherwise), which would detract from our management's ability to focus on our business. Any such resolution could involve the payment of damages or expenses by us, which may be significant. In addition, any such resolution could involve our agreement with terms that restrict the operation of our business.

There are other commercial parties, at both a local and national level, that may assert that our use of our brand names and other intellectual property conflict with their rights to use brand names and other intellectual property that they consider to be similar to ours. Any such commercial dispute and related resolution would involve all of the risks described above, including, in particular, our agreement to restrict the use of our brand name or other intellectual property.

We also could be sued for personal injuries and/or property damage occurring on our properties. The liability insurance we maintain may not cover all costs and expenses arising from such lawsuits.

The acquisition of new properties that lack operating history with us will make it more difficult to predict our operating results.

With respect to acquisitions, if we fail to accurately estimate occupancy levels, rental rates, operating costs or costs of improvements to bring an acquired property up to the standards established for our intended market position, the performance of the property may be below expectations. Acquired properties may have characteristics or deficiencies affecting their valuation or profitability potential that we have not yet discovered. We cannot assure that the performance of properties acquired by us will increase or be maintained following our acquisition.

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

Under the ADA, places of public accommodation are required to meet certain federal requirements related to access and use by disabled persons. These requirements became effective in 1992. A number of additional U.S. federal, state and local laws may also require modifications to our properties, or restrict certain further renovations of the properties, with respect to access thereto by disabled persons. Noncompliance with the ADA could result in the imposition of fines or an award of damages to private litigants and also could result in an order to correct any non-complying feature, which could result in substantial capital expenditures. If one or more of our properties is not in compliance with the ADA or other legislation, then we would be required to incur additional costs to bring the property into compliance. If we incur substantial costs to comply with the ADA or other legislation, our financial condition, results of operations, cash flow, per share trading price of our common shares and our ability to satisfy our debt service obligations and to make cash distributions to our shareholders could be adversely affected.

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

Under various U.S. federal, state and local laws, ordinances and regulations, owners and operators of real estate may be liable for the costs of investigating and remediating certain hazardous substances or other regulated materials on or in such property. CERCLA and comparable state laws typically impose strict joint and several liabilities without regard to whether the owner or operator knew of, or was responsible for, the presence of such substances or materials. The presence of such substances or materials, or the failure to properly remediate such substances, may adversely affect the owner's or operator's ability to lease, sell or rent such property or to borrow using such property as collateral. Persons who arrange for the disposal or treatment of hazardous substances or other regulated materials may be liable for the costs of removal or remediation of such substances at a disposal or treatment facility, whether or not such facility is owned or operated by such person. Certain environmental laws impose liability for release of asbestos-containing materials into the air and third-parties may seek recovery from owners or operators of real properties for personal injury associated with asbestos-containing materials.

Certain environmental laws also impose liability, without regard to knowledge or fault, for removal or remediation of hazardous substances or other regulated materials upon owners and operators of contaminated property even after they no longer own or operate the property. Moreover, the past or present owner or operator from which a release emanates could be liable for any personal injuries or property damages that may result from such releases, as well as any damages to natural resources that may arise from such releases.

Certain environmental laws impose compliance obligations on owners and operators of real property with respect to the management of hazardous materials and other regulated substances. For example, environmental laws govern the management of asbestos-containing materials and lead-based paint. Failure to comply with these laws can result in penalties or other sanctions.

In connection with the ownership, operation and management of our current or past properties and any properties that we may acquire and/or manage in the future, we could be legally responsible for environmental liabilities or costs relating to a release of hazardous substances or other regulated materials at or emanating from such property. In order to assess the potential for such liability, we conduct an environmental assessment of each property prior to acquisition and manage our properties in accordance with environmental laws while we own or operate them. We have engaged qualified, reputable and adequately insured environmental consulting firms to perform environmental site assessments of all of our properties prior to acquisition and are not aware of any environmental issues that are expected to materially impact the operations of any property.

No assurances can be given that existing environmental studies with respect to any of our properties reveal all environmental liabilities, that any prior owner or operator of our properties did not create any material environmental condition not known to us, or that a material environmental condition does not otherwise exist as to any one or more of our properties. There also exists the risk that material environmental conditions, liabilities or compliance concerns may have arisen after the review was completed or may arise in the future. Finally, future laws, ordinances or regulations and future interpretations of existing laws, ordinances or regulations may impose additional material environmental liability.

We rely on our PROs' on-site personnel to maximize tenant satisfaction at each of our properties, and any difficulties they encounter in hiring, training and maintaining skilled on-site personnel may harm our operating performance.

Our PROs had over 800 personnel in the management and operation of our portfolio as of December 31, 2016. The general professionalism of site managers and staff are contributing factors to a site's ability to successfully secure rentals and retain tenants. We rely on our PROs' on-site personnel to maintain clean and secure self storage properties. If our PROs are unable to successfully recruit, train and retain qualified on-site personnel, the quality of service we and our PROs strive to provide at our properties could be adversely affected, which could lead to decreased occupancy levels and reduced operating performance of our properties.

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

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

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

Personal privacy has become a significant issue in the jurisdictions in which we operate. Many jurisdictions in which we operate have imposed restrictions and requirements on the use of personal information by those collecting such information. Changes to law or regulations affecting privacy, if applicable to our business, could impose additional costs and liability on us and could limit our use and disclosure of such information.

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

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

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

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

In acquiring a property, we may agree to transfer restrictions that materially restrict us from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that property. For example, we are party to certain agreements with our PROs that provide that, until March 31,

2023, our operating partnership shall not, and shall cause its subsidiaries not to, sell, dispose or otherwise transfer any property that is a part of the applicable self storage property portfolio relating to a series of subordinated performance units without the consent of the partners (including us) holding at least 50% of the then outstanding OP units and the partners holding at least 50% of the then outstanding series of subordinated performance units that relate to the applicable property, except for sales, dispositions or other transfers of a property to wholly owned subsidiaries of our operating partnership. These restrictions may require us to keep certain properties that we would otherwise sell, which could have an adverse effect on our results of operations, financial condition, cash flow and ability to execute our business plan.

Our performance and the value of our self storage properties are subject to risks associated with the real estate industry.

Events or conditions beyond our control that may adversely affect our operations or the value of our properties include but are not limited to:

- downturns in the national, regional and local economic climate;
- local or regional oversupply, increased competition or reduction in demand for self storage space;
- vacancies or changes in market rents for self storage space;
- inability to collect rent from customers;
- increased operating costs, including maintenance, insurance premiums and real estate taxes;
- changes in interest rates and availability of financing;
- hurricanes, earthquakes and other natural disasters, civil disturbances, terrorist acts or acts of war that may result in uninsured or underinsured losses;
- significant expenditures associated with acquisitions, such as debt service payments, real estate taxes, insurance and maintenance costs, which are generally not reduced when circumstances cause a reduction in revenues from a property;
- costs of complying with changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes; and
- the relative illiquidity of real estate investments.

In addition, prolonged periods of economic slowdown or recession, rising interest rates or declining demand for self storage space, or the public perception that any of these events may occur, could result in a general decline in rental revenues, which could impair our ability to satisfy our debt service obligations and to make distributions to our shareholders.

We may assume unknown liabilities in connection with the acquisition of self storage properties, which, if significant, could materially and adversely affect our operating results, financial condition and business.

The Company has acquired and plans to further acquire, through our operating partnership, additional self storage properties, or legal entities owning self storage properties, from third-party sellers or contributors that are subject to existing liabilities, some of which may be unknown at the time the sale or contribution is consummated. Unknown liabilities might include liabilities for cleanup or remediation of undisclosed environmental conditions, claims of tenants, vendors or other persons dealing with such entities, tax liabilities and accrued but unpaid liabilities incurred in the ordinary course of business. As part of such transactions, these contributors make and have made limited representations and warranties to us regarding the entities, properties and other assets to be acquired by our operating partnership and generally agree to indemnify our operating partnership for 12 months after the closing of the consolidation for breaches of such representations. Because many liabilities may not be identified within such period, we may have no recourse against the contributors for such liabilities. Moreover, to the extent the contributors are or become PROs, we may choose not to enforce, or to enforce less vigorously, our rights against them due to our desire to maintain our ongoing relationship with our PROs, which could adversely affect our operating results and business. Any unknown or unquantifiable liability that we assume for which we have no or limited recourse could materially and adversely affect our operating results, financial condition and business.

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

Our success depends, to a significant extent, on the continued services of Arlen D. Nordhagen and Tamara D. Fischer and the other members of our senior management team. At the time of our initial public offering, Mr. Nordhagen and Ms. Fischer entered into new employment agreements with us. These employment agreements provide for an initial three-year term of employment for these executives. Notwithstanding these agreements, there can be no assurance that any of them will remain employed by us. The loss of services of one or more members of our senior management team could harm our business and our prospects.

Pursuant to the JOBS Act, we are eligible to take advantage of certain specified reduced disclosure and other requirements that are otherwise generally applicable to public companies for so long as we are an "emerging growth company."

We are an "emerging growth company" as defined in the JOBS Act and we are eligible to take advantage of certain specified reduced disclosure and other requirements that are otherwise generally applicable to public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an "emerging growth company." We would cease to be an "emerging growth company" if we have more than $1 billion in annual gross revenues, we have more than $700 million in market value of our shares held by non-affiliates, or we issue more than $1 billion of non-convertible debt over a three-year period. To the extent we continue taking advantage of any or all of these exceptions, we cannot predict if some investors will find our common shares less attractive. As a result, there may be a less active trading market for our common shares and our share price may be more volatile.

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

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

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

Risks Related to Our Structure and Our Relationships with Our PROs

Our management and PROs have limited experience operating under the Company's capital structure, and we may not be able to achieve the desired outcomes that the structure is intended to produce.

Our management and PROs have conducted their business under different capital structures and have limited experience operating under our capital structure. As a means of incentivizing our PROs to drive operating performance and support the sustainability of the operating cash flow from the properties they manage on our behalf, we issued each PRO subordinated performance units aimed at aligning the interests of our PROs with our interests and those of our shareholders. The subordinated performance units are entitled to distributions exclusively tied to the performance of

each PRO's managed portfolios but only after minimum performance thresholds are satisfied. Our issuance of such units, however, may have been and could be based on inaccurate valuations and thus misallocated, which would limit or eliminate the effectiveness of our intended incentive-based program. Moreover, difficulties in aligning incentives and implementing our structure could allow a PRO to underperform without triggering our right to terminate the applicable facilities portfolio and asset management agreements and transfer management rights of the PRO to us (or a designee) or cause our management to be distracted from other aspects of our business, which could adversely affect our operating results and business.

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

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

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

We may elect to terminate our facilities portfolio management agreements and asset management agreements with a PRO and transfer property management responsibilities over the properties managed by such PRO to us (or our designee), (i) upon certain defaults by a PRO as set forth in these agreements, or (ii) if the PRO's properties, on a portfolio basis, fail to meet certain pre-determined performance thresholds for more than two consecutive calendar years or if the operating cash flow generated by the properties of the PRO for any calendar year falls below a level that will enable us to fund minimum levels of distributions, debt service payments attributable to the properties, and fund the properties' allocable operating expenses. Consequently, to the extent a PRO complies with these covenants, standards, and minimum requirements, we may not be able to terminate the applicable facilities portfolio management agreements and asset management agreements and transfer property management responsibilities over such properties even if our board of trustees believes that such PRO is not properly executing our business plan and/or is failing to operate its properties to their full potential. Moreover, transferring the management responsibilities over the properties managed by a PRO may be costly or difficult to implement or may be delayed, even if we are able to and believe that such a change in portfolio and property management would be beneficial to us and our shareholders.

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

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

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

Pursuant to the facilities portfolio management agreements with our PROs, each PRO has agreed that, without our consent, the PRO will not, and it will cause its affiliates not to, enter into any new agreements or arrangements for the management of additional self storage properties, other than the properties we are not acquiring and the properties each PRO contributes to our operating partnership. However, we have not and will not acquire all of the self storage properties of our PROs. We will therefore own self storage properties in some of the same geographic regions as our PROs, and, as a result, we may compete for tenants with our PROs. This competition may affect our ability to attract and retain tenants and may reduce the rental rates we are able to charge, which could adversely affect our operating results and business.

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

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

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

Under the facilities portfolio management agreements, after a two year period following the later of completion of our initial public offering or the initial contribution of their properties to us, a PRO may elect, or be required, to "retire" from the self storage business. Upon a retirement event, management of the properties will be transferred to us (or our designee) in exchange for OP units with a value equal to four times the average of the normalized annual EBITDA from the management contracts related to such PRO's managed portfolio over the immediately preceding 24-month period. As a result of this transfer, we may become exposed to new and additional costs and risks. Accordingly, the retirement of a PRO may adversely affect our financial condition and operating results.

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

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

Our management has limited experience operating a REIT and operating a public company and therefore may have difficulty in successfully and profitably operating our business, or complying with regulatory requirements.

Our management has had limited experience operating a REIT and operating a public company. As a result, we cannot assure you that we will be able to successfully operate as a REIT, execute our business strategies as a public company, or comply with regulatory requirements applicable to public companies.

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

Conflicts of interest could arise with respect to the interests of holders of OP units (including subordinated performance units), on the one hand, which include members of our senior management team, PROs, and trustees (including Arlen D. Nordhagen, our chief executive officer, president and chairman of the board of trustees) and us and our shareholders, on the other. In particular, the consummation of certain business combinations, the sale, disposition or transfer of certain of our assets or the repayment of certain indebtedness that may be desirable to us and our shareholders could have adverse tax consequences to such unit holders. In addition, our trustees and officers have duties to the Company under applicable Maryland law in connection with their management of the Company. At the same

time, we have fiduciary duties, as a general partner, to our operating partnership and to the limited partners under Delaware law in connection with the management of our operating partnership. Our duties as a general partner to our operating partnership and its partners may come into conflict with the duties of our trustees and officers to the Company and our shareholders. The partnership agreement of our operating partnership does not require us to resolve such conflicts in favor of either the Company or the limited partners in our operating partnership. Further, there can be no assurance that any procedural protections we implement to address these or other conflicts of interest will result in optimal outcomes for us and our shareholders.

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

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

We may change our investment and financing strategies and enter into new lines of business without shareholder consent, which may subject us to different risks.

We may change our business and financing strategies and enter into new lines of business at any time without the consent of our shareholders, which could result in our making investments and engaging in business activities that are different from, and possibly riskier than, the investments and businesses described in this document. A change in our strategy or our entry into new lines of business may increase our exposure to other risks or real estate market fluctuations.

Certain provisions of Maryland law could inhibit a change in our control.

Certain provisions of the Maryland General Corporation Law (the "MGCL") applicable to a Maryland real estate investment trust may have the effect of inhibiting a third-party from making a proposal to acquire us or of impeding a change in our control under circumstances that otherwise could provide the holders of our common shares with the opportunity to realize a premium over the then prevailing market price of such shares. The "business combination" provisions of the MGCL, subject to limitations, prohibit certain business combinations between a REIT and an "interested shareholder" (defined generally as any person who beneficially owns 10% or more of the voting power of our then outstanding voting shares or an affiliate or associate of ours who, at any time within the two-year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10% or more of our then outstanding voting shares) or an affiliate thereof for five years after the most recent date on which the shareholder becomes an interested shareholder and, thereafter, imposes special appraisal rights and special shareholder voting requirements on these combinations. These provisions of the MGCL do not apply, however, to business combinations that are approved or exempted by the board of trustees of a REIT prior to the time that the interested shareholder becomes an interested shareholder. Pursuant to the statute, our board of trustees has by resolution exempted business combinations between us and (1) any other person, provided that the business combination is first approved by our board of trustees (including a majority of trustees who are not affiliates or associates of such person), (2) Arlen D. Nordhagen and any of his affiliates and associates and (3) any person acting in concert with the foregoing, from these provisions of the MGCL. As a result,

such persons may be able to enter into business combinations with us that may not be in the best interests of our shareholders without compliance by us with the supermajority vote requirements and other provisions of the statute. This resolution, however, may be altered or repealed in whole or in part at any time. If this resolution is repealed, or our board of trustees does not otherwise approve a business combination, this statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

The "control share" provisions of the MGCL provide that holders of "control shares" of a Maryland real estate investment trust (defined as voting shares which, when aggregated with all other shares controlled by the shareholder, entitle the shareholder to exercise one of three increasing ranges of voting power in the election of trustees) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of ownership or control of issued and outstanding "control shares," subject to certain exceptions) have no voting rights with respect to such shares except to the extent approved by our shareholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding votes entitled to be cast by the acquirer of control shares, our officers and our trustees who are also our employees. Our bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of our shares. There can be no assurance that this provision will not be amended or eliminated at any time in the future.

Our authorized but unissued common and preferred shares may prevent a change in our control.

Our declaration of trust authorizes us to issue additional authorized but unissued common shares and preferred shares. In addition, our board of trustees may, without common shareholder approval, increase the aggregate number of our authorized shares or the number of shares of any class or series that we have authority to issue and classify or reclassify any unissued common shares or preferred shares, and may set or change the preferences, rights and other terms of any unissued classified or reclassified shares. As a result, among other things, our board may establish a class or series of common shares or preferred shares that could delay or prevent a transaction or a change in our control that might involve a premium price for our common shares or otherwise be in the best interests of our shareholders.

Our rights and the rights of our shareholders to take action against our trustees and officers are limited, which could limit your recourse in the event of actions not in your best interest.

Our declaration of trust limits the liability of our present and former trustees and officers to us and our shareholders for money damages to the maximum extent permitted under Maryland law. Under current Maryland law, our present and former trustees and officers will not have any liability to us or our shareholders for money damages other than liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or
- active and deliberate dishonesty by the trustee or officer that was established by a final judgment and is material to the cause of action.

Our declaration of trust authorizes us to indemnify our present and former trustees and officers for actions taken by them in those capacities to the maximum extent permitted by Maryland law. Our bylaws require us to indemnify each present and former trustee or officer, to the maximum extent permitted by Maryland law, in connection with any proceeding to which he or she is made, or threatened to be made, a party to or witness in by reason of his or her service to us as a trustee or officer or in certain other capacities. In addition, we may be obligated to pay or reimburse the expenses incurred by our present and former trustees and officers without requiring a preliminary determination of their ultimate entitlement to indemnification. As a result, we and our shareholders may have more limited rights against our present and former trustees and officers than might otherwise exist absent the current provisions in our declaration of trust and bylaws or that might exist with other companies, which could limit your recourse in the event of actions not in your best interest.

Our declaration of trust contains provisions that make removal of our trustees difficult, which could make it difficult for our shareholders to effect changes to our management.

Our declaration of trust provides that, subject to the rights of holders of one or more classes or series of preferred shares, a trustee may be removed with or without cause, by the affirmative vote of at least two-thirds of the votes entitled to be cast generally in the election of trustees. Vacancies on our board of trustees generally may be filled only by a majority of the remaining trustees in office, even if less than a quorum. These requirements make it more difficult to change our management by removing and replacing trustees and may prevent a change in our control that is in the best interests of our shareholders.

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

In order for us to qualify as a REIT for each taxable year, no more than 50% in value of our outstanding shares may be owned, directly or constructively, by five or fewer individuals during the last half of any calendar year, and at least 100 persons must beneficially own our shares during at least 335 days of a taxable year of 12 months, or during a proportionate portion of a shorter taxable year. "Individuals" for this purpose include natural persons, private foundations, some employee benefit plans and trusts, and some charitable trusts. To assist us in preserving our REIT qualification, among other purposes, our declaration of trust generally prohibits, among other limitations, any person from beneficially or constructively owning more than 9.8% in value or in number of shares, whichever is more restrictive, of our aggregate outstanding shares of all classes and series, the outstanding shares of any class or series of our preferred shares or our outstanding common shares. These ownership limits and the other restrictions on ownership and transfer of our shares contained in our declaration of trust could have the effect of discouraging a takeover or other transaction in which holders of our common shares might receive a premium for their shares over the then prevailing market price or which holders might believe to be otherwise in their best interests. Our board of trustees has established an exemption from these ownership limits which permits one of our institutional investors to hold up to 15% of our common shares and another to hold up to 17% of our common shares.

Risks Related to Our Debt Financings

There are risks associated with our indebtedness.

As of December 31, 2016, our credit facility provides for total borrowings of $725.0 million, consisting of three components: (i) a Revolver which provides for a total borrowing commitment up to $400.0 million, whereby we may borrow, repay and re-borrow amounts under the Revolver, (ii) a $225.0 million Term Loan A, and (iii) a $100.0 million Term Loan B. As of December 31, 2016, we had the entire amounts drawn on Term Loan A and Term Loan B and we had $246.5 million of outstanding borrowings under the Revolver, and the capacity to borrow an additional $143.6 million under the Revolver while remaining in compliance with the credit facility's' financial covenants. As discussed in Note 15 to the consolidated financial statements in Item 8, on February 8, 2017, we entered into a second increase agreement and amendment with a syndicated group of lenders to increase the total borrowing capacity under the credit facility by $170.0 million for a total credit facility of $895.0 million, which included entry into a new $105.0 million Term Loan C. We continue to have an expansion option under the credit facility, which, if exercised in full, would provide for a total credit facility of $1.0 billion. The exercise of the expansion option under our credit facility requires the consent of any lenders participating in such expansion.

During the year ended December 31, 2016, we also entered into a credit agreement with a syndicated group of lenders to make available a Term Loan Facility that is separate from the credit facility in the aggregate amount of $100.0 million, which amount is currently outstanding. 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. 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.

There is no assurance that we will succeed in securing expansions of our credit facility or Term Loan Facility.

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

- our cash flow may be insufficient to meet our required principal and interest payments;
- we may be unable to borrow additional funds as needed or on favorable terms, including to make acquisitions or to continue to make distributions required to maintain our qualification as a REIT;
- we may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our original indebtedness;
- because a portion of our debt that bears interest at variable rates is not hedged, a material increase in interest rates could materially increase our interest expense;
- we may be forced to dispose of one or more of our properties, possibly on disadvantageous terms;
- our debt level could place us at a competitive disadvantage compared to our competitors with less debt;

- we may experience increased vulnerability to economic and industry downturns, reducing our ability to respond to changing business and economic conditions;
- we may default on our obligations and the lenders or mortgagees may foreclose on our properties that secure their loans and receive an assignment of rents and leases;
- we may default on our obligations and the lenders or mortgagees may enforce our guarantees;
- we may violate restrictive covenants in our loan documents, which would entitle the lenders to accelerate our debt obligations; and
- our default under any one of our mortgage loans with cross-default or cross-collateralization provisions could result in a default on other indebtedness or result in the foreclosures of other properties.

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

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

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

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

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

As of December 31, 2016, we had approximately $879.0 million of debt outstanding, of which approximately $246.5 million, or 28.0%, is subject to variable interest rates (excluding variable-rate debt subject to interest rate swaps). Although the credit markets have recently experienced historic lows in interest rates, if interest rates continue to rise, the interest rates on our variable-rate debt could be higher than current levels, which could increase our financing costs and decrease our cash flow and our ability to pay cash distributions to our shareholders. For example, if market rates of interest on this variable-rate debt increased by 100 basis points (excluding variable-rate debt with interest rate swaps), the increase in interest expense would decrease future earnings and cash flows by approximately $2.5 million annually.

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

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

Our credit facility and Term Loan Facility contain (and any new or amended facility we may enter into from time to time will likely contain) customary affirmative and negative covenants, including financial covenants that, among other things, cap our total leverage at 60% of our gross asset value (as defined in our credit facility and Term Loan Facility), require us to have a minimum fixed charge coverage ratio of 1.5 to 1, and require us to have a minimum net worth (as defined in our credit facility) of at least $682.6 million plus 75% of the net proceeds of equity issuances. In the event that we fail to satisfy our covenants, we would be in default under our credit agreements and may be required

to repay such debt with capital from other sources. Under such circumstances, other sources of debt or equity capital may not be available to us, or may be available only on unattractive terms. Moreover, the presence of such covenants could cause us to operate our business with a view toward compliance with such covenants, which might not produce optimal returns for shareholders.

Risks Related to Our Qualification as a REIT

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

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

If we fail to qualify as a REIT in any taxable year, and we do not qualify for certain statutory relief provisions, we would be required to pay U.S. federal income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates, and distributions to our shareholders would not be deductible by us in determining our taxable income. In such a case, we might need to borrow money, sell assets, or reduce or even cease making distributions in order to pay our taxes. Our payment of income tax would reduce significantly the amount of operating cash flow to our shareholders. Furthermore, if we fail to maintain our qualification as a REIT, we no longer would be required to make distributions to our shareholders. In addition, unless we were eligible for certain statutory relief provisions, we could not re-elect to be taxed as a REIT until the fifth calendar year following the year in which we failed to qualify.

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

Even if we qualify for taxation as a REIT, we may be subject to certain U.S. federal, state and local taxes on our income and assets, including taxes on any undistributed income, alternative minimum taxes, state or local income and property and transfer taxes, including real property transfer taxes. In addition, we could, in certain circumstances, be required to pay an excise or penalty tax (which could be significant in amount) in order to utilize one or more relief provisions under the Code to maintain our qualification as a REIT. Any of these taxes would decrease operating cash flow to our shareholders. In addition, in order to meet the REIT qualification requirements, or to avert the imposition of a 100% tax that applies to certain gains derived by a REIT from dealer property or inventory, we may hold some of our assets or provide certain services to our tenants through one or more TRSs, or other subsidiary corporations that will be subject to corporate-level income tax at regular corporate rates. Any TRSs or other taxable corporations in which we invest will be subject to U.S. federal, state and local corporate taxes. Furthermore, if we acquire appreciated assets from a corporation that is or has been a subchapter C corporation in a transaction in which the adjusted tax basis of such assets in our hands is less than the fair market value of the assets, determined at the time we acquired such assets, and if we subsequently dispose of any such assets during the 5-year period following the acquisition of the assets from the C corporation, we will be subject to tax at the highest corporate tax rates on any gain from the disposition of such assets to the extent of the excess of the fair market value of the assets on the date that we acquired such assets over the basis of such assets on such date, which we refer to as built-in gains. Payment of these taxes generally could materially

and adversely affect our income, cash flow, results of operations, financial condition, liquidity and prospects, and could adversely affect the value of our common shares and our ability to make distributions to our shareholders.

Failure to make required distributions would subject us to tax, which would reduce the operating cash flow to our shareholders.

In order to qualify as a REIT, we must distribute to our shareholders each calendar year at least 90% of our net taxable income (excluding net capital gain). To the extent that we satisfy the 90% distribution requirement, but distribute less than 100% of our net taxable income (including net capital gain), we would be subject to U.S. federal corporate income tax on our undistributed net taxable income. In addition, we will incur a 4% non-deductible excise tax on the amount, if any, by which our distributions in any calendar year are less than a minimum amount specified under U.S. federal income tax laws. Although we intend to distribute our net taxable income to our shareholders in a manner intended to satisfy the REIT 90% distribution requirement and to avoid the 4% non-deductible excise tax, it is possible that we, from time to time, may not have sufficient cash to distribute 100% of our net taxable income. There may be timing differences between our actual receipt of cash and the inclusion of items in our income for U.S. federal income tax purposes. Accordingly, there can be no assurance that we will be able to distribute net taxable income to shareholders in a manner that satisfies the REIT distribution requirements and avoids the 4% non-deductible excise tax.

To maintain our REIT qualification, we may be forced to borrow funds during unfavorable market conditions.

In order to maintain our REIT qualification and avoid the payment of income and excise taxes, we may need to borrow funds to meet the REIT distribution requirements even if the then prevailing market conditions are not favorable for these borrowings. These borrowing needs could result from, among other things, timing differences between the actual receipt of cash and inclusion of income for federal income tax purposes, or the effect of non-deductible capital expenditures, the creation of reserves or required debt or amortization payments. These sources, however, may not be available on favorable terms or at all. Our access to third-party sources of capital depends on a number of factors, including the market's perception of our growth potential, our current debt levels, the per share trading price of our common shares, and our current and potential future earnings. We cannot assure you that we will have access to such capital on favorable terms at the desired times, or at all, which may cause us to curtail our investment activities and/or to dispose of assets at inopportune times, and could adversely affect our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common shares.

Complying with the REIT requirements may cause us to forgo and/or liquidate otherwise attractive investments.

To qualify as a REIT, we must ensure that at least 75% of our gross income for each taxable year, excluding certain amounts, is derived from certain real property-related sources, and at least 95% of our gross income for each taxable year, excluding certain amounts, is derived from certain real property-related sources and passive income such as dividends and interest. In addition, we must ensure that, at the end of each calendar quarter, at least 75% of the value of our total assets consists of cash, cash items, U.S. government securities and qualified real estate assets. The remainder of our investment in securities generally cannot include more than 10% of the outstanding voting securities of any one issuer (other than U.S. government securities, securities of corporations that are treated as TRSs and qualified real estate assets) or more than 10% of the total value of the outstanding securities of any one issuer (other than government securities, securities of corporations that are treated as TRSs and qualified real estate assets). In addition, in general, no more than 5% of the value of our assets can consist of the securities of any one issuer (other than U.S. government securities, securities of corporations that are treated as TRSs and qualified real estate assets), no more than 25% (20% for taxable years beginning after December 31, 2017) of the value of our total assets can be represented by securities of one or more TRSs and no more than 25% of the value of our assets can consist of debt instruments issued by publicly offered REITs that are not otherwise secured by real property. If we fail to comply with these asset requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences.

To meet these tests, we may be required to take or forgo taking actions that we would otherwise consider advantageous. For instance, in order to satisfy the gross income or asset tests applicable to REITs under the Code, we may be required to forgo investments that we otherwise would make. Furthermore, we may be required to liquidate from our portfolio otherwise attractive investments. In addition, we may be required to make distributions to shareholders at disadvantageous times or when we do not have funds readily available for distribution. These actions could reduce our income and amounts available for distribution to our shareholders. Thus, compliance with the REIT requirements may hinder our investment performance.

We may be subject to a 100% tax on income from "prohibited transactions," and this tax may limit our ability to sell assets or require us to restructure certain of our activities in order to avoid being subject to the tax.

We will be subject to a 100% tax on any income from a prohibited transaction. "Prohibited transactions" generally include sales or other dispositions of property (other than property treated as foreclosure property under the Code) that is held as inventory or primarily for sale to customers in the ordinary course of a trade or business by a REIT, either directly or indirectly through certain pass-through subsidiaries. The characterization of an asset sale as a prohibited transaction depends on the particular facts and circumstances.

The 100% tax will not apply to gains from the sale of inventory that is held through a TRS or other taxable corporation, although such income will be subject to tax in the hands of the corporation at regular corporate income tax rates.

Our TRSs will be subject to U.S. federal income tax and will be required to pay a 100% penalty tax on certain income or deductions if our transactions with our TRSs are not conducted on arm's length terms.

We may conduct certain activities (such as facilitating sales by our PROs of tenant insurance, of which we receive a portion of the proceeds, selling packing supplies and locks and renting trucks or other moving equipment) through one or more TRSs.

A TRS is a corporation other than a REIT in which a REIT directly or indirectly holds stock, and that has made a joint election with such REIT to be treated as a TRS. If a TRS owns more than 35% of the total voting power or value of the outstanding securities of another corporation, such other corporation will also be treated as a TRS. Other than some activities relating to lodging and health care properties, a TRS may generally engage in any business, including the provision of customary or non-customary services to tenants of its parent REIT. A TRS is subject to U.S. federal income tax as a regular C corporation.

No more than 25% (20% for taxable years beginning after December 31, 2017) of the value of a REIT's total assets may consist of stock or securities of one or more TRSs. This requirement limits the extent to which we can conduct our activities through TRSs. The values of some of our assets, including assets that we hold through TRSs, may not be subject to precise determination, and values are subject to change in the future. Furthermore, if a REIT lends money to a TRS, the TRS may be unable to deduct all or a portion of the interest paid to the REIT, which could increase the tax liability of the TRS. In addition, the Code imposes a 100% tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm's length basis. We intend to structure transactions with any TRS on terms that we believe are arm's length to avoid incurring the 100% excise tax described above. There can be no assurances, however, that we will be able to avoid application of the 100% tax.

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

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

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

The REIT provisions of the Code may limit our ability to hedge our assets and operations. Under these provisions, any income that we generate from transactions intended to hedge our interest rate risk will be excluded from gross income for purposes of the REIT 75% and 95% gross income tests if (i) the instrument (a) hedges interest rate risk on liabilities used to carry or acquire real estate assets or (b) hedges an instrument described in clause (a) for a period following the extinguishment of the liability or the disposition of the asset that was previously hedged by the hedged instrument, and (ii) the relevant instrument is properly identified under applicable Treasury regulations. Income from hedging transactions that do not meet these requirements will generally constitute non-qualifying income for purposes

of both the REIT 75% and 95% gross income tests. As a result of these rules, we may have to limit our use of hedging techniques that might otherwise be advantageous or implement those hedges through a TRS. This could increase the cost of our hedging activities because our TRS would be subject to tax on gains or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses in our TRS will generally not provide any tax benefit, except for being carried back or forward against past or future taxable income in the TRS.

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

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

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

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

Risks Related to Our Common Shares

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

Subject to applicable law and the rules of any stock exchange on which our shares may be listed or traded, our board of trustees, without common shareholder approval, may authorize us to issue additional authorized and unissued common shares and preferred shares on the terms and for the consideration it deems appropriate and may amend our declaration of trust to increase the total number of shares, or the number of shares of any class or series, that we are authorized to issue. In addition, our operating partnership may issue OP units, which are redeemable for cash or, at our option exchangeable on a one-for-one basis into common shares after an agreed period of time and certain other conditions, and subordinated performance units, which are only convertible into OP units beginning two years following the completion of our initial public offering and then (i) at the holder's election only upon the achievement of certain performance thresholds relating to the properties to which such subordinated performance units relate or (ii) at our election upon a retirement event of a PRO that holds such subordinated performance units or upon certain qualifying terminations. Notwithstanding the two-year lock out period on conversions of subordinated performance units into OP units, if such subordinated performance units were convertible into OP units as of December 31, 2016, each subordinated performance unit would on average hypothetically convert into 1.41 OP units, or into an aggregate of approximately 21.7 million OP units. These amounts are based on historical financial information for the trailing twelve months ended December 31, 2016. The hypothetical conversions are calculated by dividing the average cash available for distribution, or CAD, per subordinated performance unit by 110% of the CAD per OP unit over the same period. We anticipate that as our CAD grows over time, the conversion ratio will also grow, including to levels that may exceed these amounts. For example, we estimate that (assuming no further issuances of OP units or subordinated performance units and a conversion penalty of 110%) if our CAD to our OP unit holders, subordinated performance unit holders and shareholders were to grow at an annual rate of 1.0%, 3.0% or 5.0% per annum above the 2016 level in each of the two following years, each subordinated performance unit would on average be convertible into 1.43, 1.45, and 1.48 OP units, respectively, as of December 31, 2017. These estimates are provided for illustrative purposes only and may vary from series to series. The actual number of OP units into which such subordinated performance units will become convertible may vary significantly from these estimates and will depend upon the applicable conversion penalty and the actual CAD to the OP units and the actual CAD to the converted subordinated performance units in the one-year period ending prior to conversion. We have granted registration rights to those persons who will be eligible to receive common shares issuable upon exchange of OP units issued in our formation transactions and certain contribution transactions.

Pursuant to the registration rights agreement we have filed a shelf registration statement on Form S-3 to register the offer and resale of the common shares issuable upon exchange of OP units (or securities convertible into or exchangeable for OP units). We have the right to include common shares to be sold for our own account or other holders in the shelf registration statement. We are required to use all commercially reasonable efforts to keep such shelf

registration statement continuously effective for a period ending when all common shares covered by the shelf registration statement are no longer Registrable Shares, as defined in the shelf registration statement.

We intend to bear the expenses incident to these registration requirements except that we will not bear the costs of (i) any underwriting fees, discounts or commissions, (ii) out-of-pocket expenses of the persons exercising the registration rights or (iii) transfer taxes.

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

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

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

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

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

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

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

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2016, we held ownership interests in and operated a geographically diversified portfolio of 448 properties, located in 23 states, comprising approximately 27.6 million rentable square feet, configured in approximately 220,000 storage units. Of these properties, we consolidated 382 self storage properties that contain approximately 23.1 million rentable square feet and we held a 25% ownership interest in 66 unconsolidated Joint Venture properties that contain approximately 4.5 million rentable square feet.

The following table sets forth summary information regarding our consolidated properties by state as of December 31, 2016.

State	Number of Properties	Number of Units	Rentable Square Feet	% of Rentable Square Feet	Period-end Occupancy
California[1]	78	46,821	5,879,575	25.5%	90.8%
Oregon[2]	55	22,458	2,825,159	12.2%	88.2%
Texas	51	20,003	2,818,858	12.2%	87.4%
Oklahoma	30	13,990	1,902,965	8.2%	84.7%
North Carolina	30	13,436	1,655,191	7.2%	89.2%
Florida	22	16,786	1,542,685	6.7%	84.7%
Georgia	20	6,565	880,100	3.8%	92.6%
Arizona	15	8,401	981,427	4.3%	89.0%
Indiana	14	7,849	1,008,695	4.4%	84.2%
Washington	14	4,788	601,840	2.6%	88.0%
Colorado	10	4,641	564,646	2.4%	89.3%
Louisiana	10	4,443	614,183	2.7%	85.0%
New Hampshire	9	3,668	444,225	1.9%	94.0%
Ohio	7	2,688	349,088	1.5%	87.7%
Nevada	6	3,135	419,467	1.8%	92.9%
South Carolina	4	1,210	147,530	0.6%	91.7%
Mississippi	3	864	114,311	0.5%	84.3%
New Mexico	2	1,161	156,020	0.7%	84.1%
Alabama	1	761	109,676	0.5%	76.6%
Kentucky	1	380	61,000	0.3%	94.4%
Total/Weighted Average	**382**	**184,048**	**23,076,641**	**100%**	**88.4%**

(1) Four of the California properties are subject to non-cancelable leasehold interest agreements that are classified as operating leases. See "Note 12. Commitments and Contingencies" in Item 8. "Financial Statements and Supplementary Data."

(2) During the year ended December 31 2016, the Company consolidated two Oregon self storage properties into one single self storage property.

The following table sets forth summary information regarding our Joint Venture properties by state as of December 31, 2016.

State	Number of Properties	Number of Units	Rentable Square Feet	% of Rentable Square Feet	Period-end Occupancy
Florida	21	11,485	1,331,745	29.5%	86.3%
Alabama	11	4,032	591,030	13.1%	83.7%
New Jersey	10	7,520	925,410	20.5%	88.3%
California	9	5,832	802,176	17.8%	87.6%
Other[1]	15	6,704	868,607	19.1%	88.0%
Total	**66**	**35,573**	**4,518,968**	**100.0%**	**86.9%**

(1) Other states in the unconsolidated real estate venture include Arizona, Georgia, New Mexico, Nevada, Pennsylvania, Ohio, Texas and Virginia.

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

Item 3. Legal Proceedings

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

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Market Information

Our common shares have been listed and traded on the NYSE under the symbol "NSA" since April 22, 2015. Prior to that time there was no public market for our common shares. The following table sets forth the quarterly high and low sales prices of our common shares, as reported on the NYSE, and the dividends declared in the quarterly periods indicated:

	High	Low	Dividends Declared (per share)
2016			
December 31, 2016	$ 22.45	$ 18.91	$ 0.24
September 30, 2016	22.86	18.81	0.22
June 30, 2016	22.78	19.11	0.22
March 31, 2016	21.70	15.67	0.20
2015			
December 31, 2015	17.46	13.26	0.20
September 30, 2015	15.21	11.50	0.19
June 30, 2015	13.75	12.05	0.15

Holders

On February 27, 2017, the closing price of our common shares as reported by the NYSE was $24.00. As of February 27, 2017, the Company had 33 record holders of its common shares. The 33 holders of record do not include the beneficial owners of common shares whose shares are held by a broker or bank. Such information was obtained from our transfer agent and registrar.

Dividends

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

Common share dividends are characterized for U.S. federal income tax purposes as ordinary income, capital gains, return of capital or a combination thereof. Each year we communicate to shareholders the tax characterization of the common share dividends paid during the preceding year. Our tax return for the year ended December 31, 2016 has not yet been filed and consequently, the taxability information presented for our dividends paid in 2016 is based upon management's estimate. The following table summarizes the taxability of our dividends per common share for the year ended December 31, 2016:

	Year Ended December 31, 2016
Ordinary Income	$ 0.715509
Return of Capital	$ 0.164491

Our credit facility and Term Loan Facility include customary affirmative and negative covenants, including a restriction on dividends and other restricted payments, but permits dividends and distributions during any four

consecutive fiscal quarters in an aggregate amount of up to 95% of the Company's funds from operations (as defined in our credit facility and Term Loan Facility) for such period, subject to certain non-cash adjustments, or such amount as may be necessary to maintain the Company's REIT status.

Equity Compensation Plan Information

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

Unregistered Sales of Equity Securities

During the three months ended December 31, 2016, the Company, in its capacity as general partner of its operating partnership, caused the operating partnership to issue 279,723 common shares to satisfy redemption requests from certain limited partners.

On December 31, 2016, the operating partnership issued 67,832 OP units in exchange for $1.4 million of principal payment reimbursements received during the year ended December 31, 2016 related to mortgages assumed in connection with the acquisition of 16 self storage properties from the PROs during the year ended December 31, 2014.

On January 11, 2017, the operating partnership issued 75,147 OP units and 23,666 subordinated performance units to Howard Family Limited Partnership I, an affiliate of Northwest, one of the Company's existing PROs and an affiliate of Kevin Howard, a member of the Company's board of trustees, 23,666 subordinated performance units to J. Timothy Warren, an affiliate of Northwest, and 12,668 OP units to an unrelated third party as partial consideration for the acquisition of two self storage properties.

On February 1, 2017, the operating partnership issued 86,879 OP units to an unrelated third party as partial consideration for the acquisition of a self storage property expansion adjacent to one of the Company's existing self storage properties.

Following a specified lock up period after the respective dates of issuance set forth above, the OP units issued by the operating partnership may be redeemed from time to time by holders for a cash amount per OP unit equal to the market value of an equivalent number of common shares of the Company. The Company has the right, but not the obligation, to assume and satisfy the redemption obligation of its operating partnership described above by issuing one common share in exchange for each OP unit tendered for redemption. Subordinated performance units are convertible into OP units beginning two years following the completion of the Company's initial public offering and then (i) at the holder's election only upon the achievement of certain performance thresholds relating to the properties to which such subordinated performance units relate or (ii) at the Company's election upon a retirement event of a PRO that holds such subordinated performance units or upon certain qualifying terminations. The Company has elected to report early the private placement of its common shares that may occur if the Company elects to assume the redemption obligation of its operating partnership as described above in the event that OP units are in the future tendered for redemption.

As of February 27, 2017, other than those OP units held by the Company, 29,751,501 OP units were outstanding (including 1,750,746 outstanding Long-Term Incentive Plan Units ("LTIP units") and 1,834,786 outstanding OP units in certain consolidated subsidiaries of the operating partnership ("DownREIT OP units"), which are convertible into, or exchangeable for, OP units on a one-for-basis, subject to certain conditions).

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

Issuer Purchases of Equity Securities

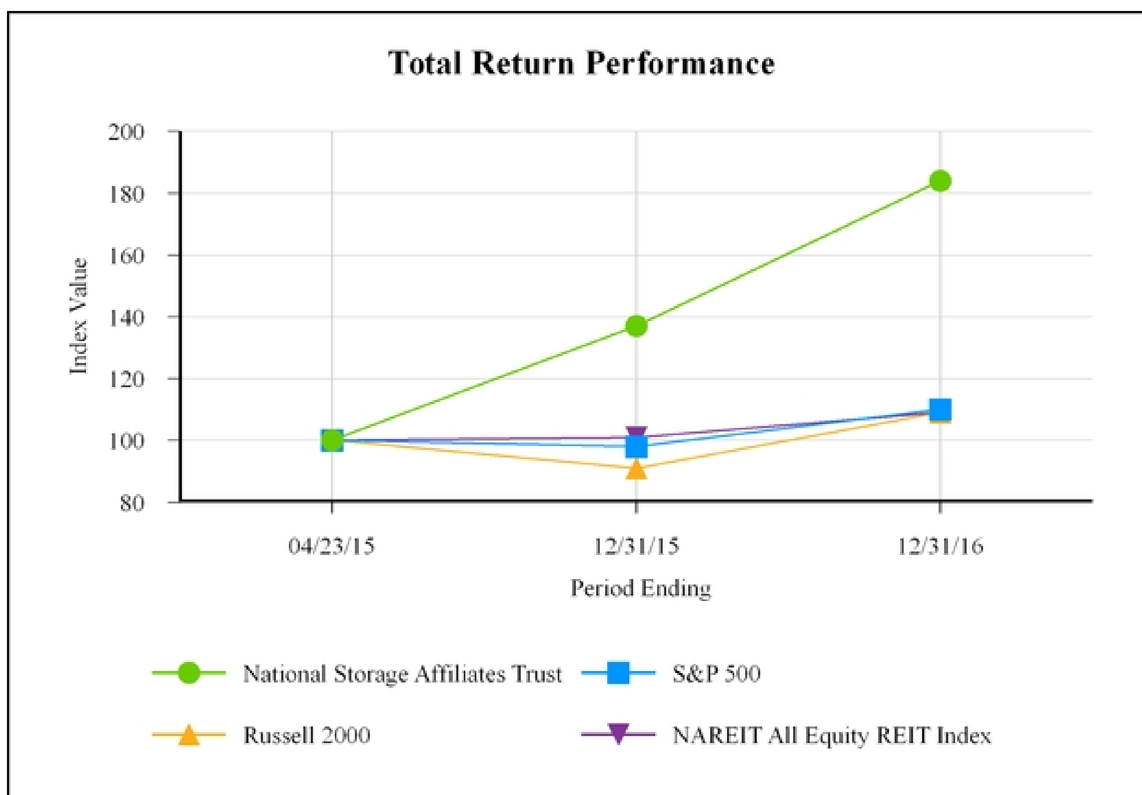
During the three months ended December 31, 2016, certain of our employees surrendered common shares owned by them to satisfy their statutory minimum federal and state tax obligations associated with the vesting of restricted shares. The table below summarizes all of our repurchases of common shares during the quarter ended December 31, 2016:

Period	Total number of shares purchased	-	Total number of shares purchased as part of publicly announced plans or programs	Maximum numbers of shares that may yet be purchased under the plans or programs
October 1 - October 31, 2016	—		n/a	n/a
November 1 - November 30, 2016	—		n/a	n/a
December 1 - December 31, 2016	1,191 (1)		n/a	n/a

(1) The number of shares purchased represents restricted common shares surrendered by certain of our employees to satisfy their statutory minimum federal and state tax obligations associated with the vesting of restricted common shares issued to them. The price paid per share was $22.07 and is based on the closing price of our common shares as of December 30, 2016, the date of withholding.

Performance Graph

The SEC requires us to present a chart comparing the cumulative total shareholder return, assuming reinvestment of dividends, on our common shares with the cumulative total shareholder return of (i) a broad equity index and (ii) a published industry or peer group index. The following chart compares the yearly cumulative total shareholder return for our common shares with the cumulative shareholder return of companies on (i) the S&P 500 Index, (ii) the Russell 2000 and (iii) the NAREIT All Equity REIT Index as provided by NAREIT for the period beginning April 23, 2015 and ending December 31, 2016.



Index	Period Ending 4/23/2015	12/31/2015	12/31/2016
National Storage Affiliates Trust	$ 100	$ 137	$ 184
S&P 500	100	98	110
Russell 2000	100	91	109
NAREIT All Equity REIT Index	100	101	109

The foregoing item assumes $100.00 invested on April 23, 2015, with dividends reinvested. The Performance Graph will not be deemed to be incorporated by reference into any filing by NSA under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that NSA specifically incorporates the same by reference.

Item 6. Selected Financial Data

The following table sets forth our selected historical financial and operating data as of and for the periods indicated. You should read the information below in conjunction with the financial statements and notes thereto included in Item 8. "Financial Statements and Supplementary Data" and Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report on Form 10-K.

In order to present certain of our selected historical financial and operating data in a way that offers a period to period comparison, the historical results of operations and certain other information for the year ended December 31, 2013 are presented on a basis that combines the results of operations and certain other information of National Storage Affiliates Trust and its consolidated subsidiaries for the nine months ended December 31, 2013 with those of the combined subsidiaries of SecurCare Self Storage, Inc. (our "predecessor") for the three months ended March 31, 2013. The combination of our historical financial data with the historical financial data of our predecessor does not comply with U.S. generally accepted accounting principles ("GAAP") and is not intended to represent what our consolidated results of operations would have been if the Company had commenced operations as of January 1, 2013. We have not included or excluded revenues or expenses that would have resulted if we had commenced operations on January 1, 2013.

The historical statements of operations data for the years ended December 31, 2016, 2015 and 2014 has been derived from the historical audited consolidated statement of operations of the Company for such periods, in each case included elsewhere in this Form 10-K. The historical statements of operations data for the year ended December 31, 2013 is presented on a combined basis and is derived by combining the historical audited consolidated statement of operations of the Company for the nine months ended December 31, 2013 with the historical audited consolidated statement of operations of our predecessor for the three months ended March 31, 2013. The historical statements of operations for the year ended December 31, 2012 has been derived from the historical audited consolidated and combined statement of operations of our predecessor. The consolidated balance sheet data (i) as of December 31, 2016, 2015, 2014 and 2013 has been derived from the historical audited consolidated balance sheets of the Company as of such dates, and (ii) as of December 31, 2012 has been derived from the historical audited consolidated and combined balance sheet of our predecessor as of such date. Our financial statements have been prepared in accordance with GAAP. Dollars in the following table are in thousands, except per share amounts.

	Year Ended December 31,				
	NSA			Combined[1]	Predecessor
	2016	2015	2014	2013	2012
OPERATING DATA:					
Total revenue	$ 199,046	$ 133,919	$ 76,970	$ 40,164	$ 29,279
Total operating expenses	141,390	102,328	59,887	28,847	17,443
Income from operations	57,656	31,591	17,083	11,317	11,836
Net income (loss)	24,866	4,796	(16,357)	(11,734)	(3,452)
Net (income) loss attributable to noncontrolling interests[2]	(6,901)	7,644	16,357	10,481	—
Net income (loss) attributable to the Company and our predecessor	17,965	12,440	—	(1,253)	(3,452)
Earnings (loss) per share—basic[3]	$ 0.60	$ 0.80	$ —	$ —	
Earnings (loss) per share—diluted[3]	$ 0.31	$ 0.17	$ —	$ —	
Weighted average shares outstanding—basic[3]	29,887	15,463	1	1	
Weighted average shares outstanding—diluted[3]	78,747	45,409	1	1	
Dividends declared per common share	$ 0.88	$ 0.54	$ —	$ —	$ —
BALANCE SHEET DATA (at end of period)					
Self storage properties, net	$ 1,733,533	$ 1,079,101	$ 799,327	$ 346,319	$ 172,304
Total assets	1,892,092	1,099,049	832,746	368,293	179,455
Debt financing	878,954	567,795	597,691	298,748	187,610
Total equity (deficit)	$ 979,068	$ 516,047	$ 214,104	$ 55,197	$ (12,151)
OTHER DATA (at end of period)					
Number of properties[4]	382	277	219	137	88
Rentable square feet (in thousands)[5]	23,077	15,770	12,067	6,626	3,976
Occupancy percentage[6]	88%	89%	85%	83%	80%

(1) Combined in the table above for the year ended December 31, 2013 are our predecessor's historical results for the three months ended March 31, 2013 and the Company's historical results for the nine months ended December 31, 2013.

(2) While we control our operating partnership, 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 our operating partnership's profits and losses for the periods ended December 31, 2014 and 2013 were allocated to owners other than us.

(3) Earnings per share for the year ended December 31, 2013 has been computed by excluding our predecessor's net loss for the three months ended March 31, 2013. In addition, the weighted average shares outstanding has been computed for the period beginning on April 1, 2013, the date the Company commenced its operations.

(4) For a discussion of our acquisition and disposition activity during the years ended December 31, 2016 and 2015, see "Note 6. Self Storage Property Acquisitions and Dispositions" in Item 8. "Financial Statements and Supplementary Data."

(5) Rentable square feet includes all enclosed self storage units but excludes commercial, residential, and covered parking space.

(6) Represents total occupied rentable square feet divided by total rentable square feet as of the end of the period.

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

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

Overview

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

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

Our Structure

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

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

Our PROs

The Company had seven PROs as of December 31, 2016: SecurCare, Northwest, Optivest, Guardian, Move It, Storage Solutions, and Hide Away. In February 2017, we entered into definitive agreements with Personal Mini of Orlando, Florida, to add Personal Mini as our eighth PRO. 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.

Consolidated Properties

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

We owned a geographically diversified portfolio of 382 self storage properties, located in 20 states, comprising approximately 23.1 million rentable square feet, configured in approximately 184,000 storage units, as of December 31, 2016. Of these properties, 237 were acquired by us from our PROs and 145 were acquired by us from third-party sellers.

During the year ended December 31, 2016, we acquired 107 self storage properties with an aggregate fair value of $721.4 million, comprising approximately 7.3 million rentable square feet, configured in approximately 61,700 storage units. Of these acquisitions, 23 were acquired by us from our PROs and 84 were acquired by us from third-party sellers. During the year ended December 31, 2015, we acquired 58 self storage properties with an aggregate fair value of $313.0 million, comprising approximately 3.7 million rentable square feet, configured in approximately 28,500 storage units. Of these acquisitions, 25 were acquired by us from our PROs and 33 were acquired by us from third-party sellers.

In December 2016, we sold to an unrelated party one of the self storage properties acquired as part of a larger portfolio of properties during the year ended December 31, 2016. We decided during the underwriting process to pursue the sale of certain properties following the portfolio acquisition. The gross selling price for the property sold was $4.9 million and it comprised approximately 29,000 rentable square feet, configured in approximately 320 storage units.

In January and February 2017, we acquired five self storage properties for approximately $31.8 million, comprising approximately 0.3 million rentable square feet, configured in approximately 2,200 storage units. Of these acquisitions, two were acquired by us from our PROs and three were acquired by us from third-party sellers.

Our Joint Venture

During the year ended December 31, 2016, we entered into an agreement to form the Joint Venture with the JV Investor to acquire and operate the JV Portfolio. The JV Portfolio consists of 66 properties containing approximately 4.5 million rentable square feet, configured in approximately 36,000 storage units and located across 12 states.

On October 4, 2016, the Joint Venture completed its acquisition of the JV Portfolio. The Joint Venture financed the acquisition of the JV Portfolio with approximately $320.0 million in equity (approximately $80.0 million from us in exchange for a 25% ownership interest and approximately $240.0 million from the JV Investor in exchange for a 75% ownership interest) with the balance of the purchase price funded using proceeds from new debt financing.

Property Management

During the year ended December 31, 2016, we agreed to acquire the iStorage property management platform related to the JV Portfolio discussed above, including a property management company, a captive insurance company, and related intellectual property for approximately $20.0 million. On October 4, 2016, we completed the acquisition of the property management platform.

As discussed in Note 5 to consolidated financial statements in Item 8, our property management platform directs, manages and controls the day-to-day operations and affairs of the Joint Venture and earns certain customary fees for managing and operating the properties. Additionally, our affiliate provides tenant warranty protection to tenants at the Joint Venture properties in exchange for half of all proceeds from the tenant warranty protection program at each Joint Venture property.

Results of Operations

When reviewing our results of operations it is important to consider the timing of acquisition activity. We acquired 107 self storage properties during the year ended December 31, 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.

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

Year Ended December 31, 2016 compared to the Year Ended December 31, 2015

Net income was $24.9 million for the year ended December 31, 2016, compared to $4.8 million for the year ended December 31, 2015, an increase of $20.1 million. The increase was primarily due to an increase in net operating income ("NOI") resulting from an additional 107 self storage properties we acquired from January 1, 2016 to December 31, 2016, partially offset by increases in depreciation and amortization, general and administrative expenses, interest expense, and acquisition costs. For a description of NOI, see "*Non-GAAP Financial measures – NOI*".

Overview

As of December 31, 2016, our same store portfolio consisted of 222 self storage properties. We owned 160 self storage properties that did not yet meet the same store portfolio criteria as of December 31, 2016, which included 159 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. See "---Results of Operations" above for the definition of our same store portfolio. The following table illustrates the changes in rental revenue, other property-related revenue, management fees and other revenue, property operating expenses, and other expenses for the year ended December 31, 2016 compared to the year ended December 31, 2015 (dollars in thousands):

	Year Ended December 31,		
	2016	2015	Change
Rental revenue			
Same store portfolio	$ 123,773	$ 114,764	$ 9,009
Non-Same store portfolio	67,405	15,105	52,300
Total rental revenue	191,178	129,869	61,309
Other property-related revenue			
Same store portfolio	3,777	3,626	151
Non-Same store portfolio	2,282	424	1,858
Total other property-related revenue	6,059	4,050	2,009
Management fees and other revenue	1,809	—	1,809
Total revenue	199,046	133,919	65,127
Property operating expenses			
Same store portfolio	40,929	39,761	1,168
Non-Same store portfolio	23,869	5,651	18,218
Total property operating expenses	64,798	45,412	19,386
General and administrative expenses	21,528	16,265	5,263
Depreciation and amortization	55,064	40,651	14,413
Total operating expenses	141,390	102,328	39,062
Income from operations	57,656	31,591	26,065
Other income (expense)			
Interest expense	(24,109)	(20,779)	(3,330)
Loss on early extinguishment of debt	(136)	(914)	778
Equity in losses of unconsolidated real estate venture	(1,484)	—	(1,484)

	Year Ended December 31,		
	2016	2015	Change
Acquisition costs	(6,546)	(4,765)	(1,781)
Organizational and offering expenses	—	(58)	58
Non-operating expense	(515)	(279)	(236)
Other income (expense)	(32,790)	(26,795)	(5,995)
Net income	24,866	4,796	20,070
Net (income) loss attributable to noncontrolling interests	(6,901)	7,644	(14,545)
Net income attributable to National Storage Affiliates Trust	$ 17,965	$ 12,440	$ 5,525

Total Revenue

Our total revenue increased by $65.1 million, or 48.6%, for the year ended December 31, 2016, as compared to the year ended December 31, 2015. This increase was primarily attributable to incremental rental revenue from 107 self storage properties we acquired between January 1, 2016 and December 31, 2016, increased market rates and fees, regular rental increases for in-place tenants, and management fees and other revenue earned from our unconsolidated real estate venture and an increase in average total portfolio occupancy from 87.9% to 89.7%. 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 $61.3 million, or 47.2%, for the year ended December 31, 2016, as compared to the year ended December 31, 2015. The increase in rental revenue was primarily due to a $52.3 million increase in non-same store rental revenue which was attributable to incremental rental revenue of $34.6 million from 107 self storage properties acquired between January 1, 2016 and December 31, 2016, and $17.7 million from 53 self storage properties acquired from January 2, 2015 to December 31, 2015. Same store portfolio rental revenues increased $9.0 million, or 7.9%, due to a 5.3% increase, from $10.62 to $11.18, 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 210 basis point increase in average occupancy from 87.9% to 90.0%.

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 $2.0 million, or 49.6%, for the year ended December 31, 2016, as compared to the year ended December 31, 2015. This increase primarily resulted from a $1.9 million increase in non-same store other property-related revenue which was attributable to incremental other property-related revenue of $1.1 million from 107 self storage properties acquired between January 1, 2016 and December 31, 2016, and $0.8 million from 53 self storage properties acquired from January 2, 2015 to December 31, 2015.

Management Fees and Other Revenue

During the year ended December 31, 2016, we earned $1.8 million of management and other fees for managing and operating the Joint Venture properties. These fees included a monthly property management fee equal to 6% of the Joint Venture's monthly gross revenues and net sales revenues, a call center fee equal to 1% of the Joint Venture's monthly gross revenues and net sales revenues, a monthly platform fee equal to $1,250 per Joint Venture property, and an acquisition fee equal to 0.65% of the gross capitalization (including debt and equity) of the original 66 property JV Portfolio, of which one quarter is earned each year over the first four years of the Joint Venture.

Total Operating Expenses

Total operating expenses increased $39.1 million, or 38.2%, for the year ended December 31, 2016, compared to the year ended December 31, 2015. As discussed below, this change was primarily due to an increase of $19.4 million in property operating expenses, $5.3 million in general and administrative expenses, and $14.4 million in depreciation and amortization.

Property Operating Expenses

Property operating expenses increased $19.4 million, or 42.7%, for the year ended December 31, 2016 compared to the year ended December 31, 2015. This increase resulted from a $18.2 million increase in non-same store property operating expenses attributable to incremental property operating expenses of $13.0 million from 107 self storage properties acquired between January 1, 2016 and December 31, 2016, and $5.2 million from 53 self storage properties acquired from January 2, 2015 to December 31, 2015. In addition, same store portfolio property operating expenses increased $1.2 million, or 2.9%, 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 $5.3 million, or 32.4%, for the year ended December 31, 2016, compared to the year ended December 31, 2015. This increase was attributable to increases in supervisory and administrative fees charged by our PROs of $3.5 million, $0.8 million of costs related to our property management platform, $0.8 million of professional fees and other expenses, $0.4 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 $0.4 million decrease in equity-based compensation expense.

Depreciation and Amortization

Depreciation and amortization increased $14.4 million, or 35.5%, for the year ended December 31, 2016, compared to the year ended December 31, 2015. This increase was attributable to incremental depreciation expense of $9.1 million from 107 self storage properties acquired during the year ended December 31, 2016, and $4.8 million from 58 self storage properties acquired during the year ended December 31, 2015. In addition, amortization of customer in-place leases remained flat at $12.0 million for the years ended December 31, 2016 and 2015.

Interest Expense

Interest expense increased $3.3 million, or 16.0%, for the year ended December 31, 2016, compared to the year ended December 31, 2015. The increase in interest expense was primarily due to increases in outstanding borrowings, partially offset by a $0.7 million decrease in amortization of debt issue costs and a $0.3 million increase in amortization of debt premiums.

Loss On Early Extinguishment of Debt

Loss on early extinguishment of debt decreased $0.8 million, or 85.1%, for the year ended December 31, 2016, compared to the year ended December 31, 2015. During the year ended December 31, 2016, in connection with an 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 year ended December 31, 2015 relates to the payoff of several debt instruments in connection with our initial public offering.

Equity In Losses Of Unconsolidated Real Estate Venture

During the year ended December 31, 2016, we recorded $1.5 million of equity in losses from our unconsolidated real estate venture. Equity in losses of unconsolidated real estate venture represents our share of earnings and losses earned through our 25% ownership interest in the Joint Venture. The Joint Venture recorded net losses of $5.9 million during the year ended December 31, 2016, primarily due to NOI of $8.3 million, offset by $6.2 million of depreciation and amortization, $4.3 million of other expenses, primarily consisting of acquisition costs associated with the JV Portfolio, $2.8 million of interest expense and $0.9 million of supervisory, administrative and other expenses.

Acquisition Costs

Acquisition costs increased $1.8 million, or 37.4%, for the year ended December 31, 2016, compared to the year ended December 31, 2015. This increase was primarily due to an increase in consulting fees and other costs incurred to identify, qualify, and close on the acquisition of a larger volume of properties with our PROs and other parties during year ended December 31, 2016.

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 $6.9 million for the year ended December 31, 2016, compared to a net loss of $7.6 million for the year ended December 31, 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.

Year Ended December 31, 2015 compared to the Year Ended December 31, 2014

Net income was $4.8 million for the year ended December 31, 2015, compared to net loss of $16.4 million for the year ended December 31, 2014, an increase of $21.2 million. The increase was primarily due to an increase in NOI resulting from an additional 58 self storage properties we acquired from January 1, 2015 to December 31, 2015 and reductions in acquisition costs, interest expense and organizational and offering expenses, partially offset by increases in depreciation and amortization and general and administrative expenses.

Overview

As of December 31, 2015, our same store portfolio consisted of 135 self storage properties. We owned 142 self storage properties that did not yet meet the same store portfolio criteria as of December 31, 2015. These properties include 141 self storage properties that we acquired during 2014 and 2015 and one property where we completed a storage space expansion during the year ended December 31, 2015 which caused the property's year-over-year operating results to no longer be comparable. See "---Results of Operations" above for the definition of our same store portfolio. The following table illustrates the changes in rental revenue, other property-related revenue, property operating expenses, and other expenses for the year ended December 31, 2015 compared to the year ended December 31, 2014 (dollars in thousands):

	Year Ended December 31,		
	2015	**2014**	**Change**
Rental revenue			
Same store portfolio	$ 57,293	$ 53,082	$ 4,211
Non-Same store portfolio	72,576	21,755	50,821
Total rental revenue	129,869	74,837	55,032
Other property-related revenue			
Same store portfolio	1,448	1,387	61
Non-Same store portfolio	2,602	746	1,856
Total other property-related revenue	4,050	2,133	1,917
Total revenue	133,919	76,970	56,949
Property operating expenses			
Same store portfolio	20,439	20,107	332
Non-Same store portfolio	24,973	7,806	17,167
Total property operating expenses	45,412	27,913	17,499
General and administrative expenses	16,265	8,189	8,076
Depreciation and amortization	40,651	23,785	16,866
Total operating expenses	102,328	59,887	42,441
Income from operations	31,591	17,083	14,508
Other income (expense)			
Interest expense	(20,779)	(23,033)	2,254
Loss on early extinguishment of debt	(914)	(1,020)	106

Acquisition costs	(4,765)	(9,558)	4,793
Organizational and offering expenses	(58)	(1,320)	1,262
Non-operating expense (income)	(279)	64	(343)
Gain on sale of self storage properties	—	1,427	(1,427)
Other income (expense)	(26,795)	(33,440)	6,645
Net income (loss)	4,796	(16,357)	21,153
Net loss attributable to noncontrolling interests	7,644	16,357	(8,713)
Net income (loss) attributable to National Storage Affiliates Trust	$ 12,440	$ —	$ 12,440

Total Revenue

Our total revenue increased by $56.9 million, or 74.0%, for the year ended December 31, 2015, as compared to the year ended December 31, 2014. This increase was primarily attributable to incremental rental revenue from 141 self storage properties we acquired between January 1, 2014 and December 31, 2015, an increase in average total portfolio occupancy from 85.5% to 87.9%, the acquisition of properties with higher rents, increased market rates and fees, and regular rental increases for in-place tenants.

Rental Revenue

Rental revenue increased by $55.0 million, or 73.5%, for the year ended December 31, 2015, as compared to the year ended December 31, 2014. The increase in rental revenue was primarily due to a $50.8 million increase in non-same store revenue which was attributable to incremental rental revenue of $32.3 million from 83 self storage properties acquired between January 1, 2014 and December 31, 2014, and $18.6 million from 58 self storage properties acquired during the year ended December 31, 2015. These increases were partially offset by a $0.1 million decrease in rental revenue related to a self storage property sold during the year ended December 31, 2014. Same store portfolio rental revenues increased $4.2 million, or 7.9%, due to a 4.8% increase in rental revenue per occupied square foot from $9.50 to $9.96, driven primarily by a combination of increased contractual lease rates and fees, and an increase in average occupancy from 85.6% to 88.1%. 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.

Other Property-Related Revenue

Other property-related revenue increased by $1.9 million, or 89.9%, for the year ended December 31, 2015, as compared to the year ended December 31, 2014. This increase primarily resulted from a $1.9 million increase in non-same store other property-related revenue which was attributable to incremental other property-related revenue of $1.2 million from 83 self storage properties acquired between January 1, 2014 and December 31, 2014, and $0.7 million from 58 self storage properties acquired during the year ended December 31, 2015.

Total Operating Expenses

Total operating expenses increased $42.4 million, or 70.9% for the year ended December 31, 2015 compared to the year ended December 31, 2014. As discussed below, this change was primarily due to an increase of $17.5 million in property operating expenses, $8.1 million in general and administrative expenses, and $16.9 million in depreciation and amortization.

Property Operating Expenses

Property operating expenses increased $17.5 million, or 62.7%, for the year ended December 31, 2015 compared to the year ended December 31, 2014. This increase resulted from a $17.2 million increase in non-same store property operating expenses attributable to incremental property operating expenses of $10.1 million from 83 self storage properties acquired between January 1, 2014 and December 31, 2014, and $7.2 million from 58 self storage properties acquired during the year ended December 31, 2015. In addition, same store portfolio property operating expenses increased $0.3 million, or 1.7%, due to increases in bad debt expense and property taxes, partially offset by decreases in marketing costs, maintenance expenses, and utilities.

General and Administrative Expenses

General and administrative expenses increased $8.1 million, or 98.6%, for the year ended December 31, 2015, compared to the year ended December 31, 2014. This increase was primarily attributable to increases in (i) salaries and benefits of $3.3 million, consisting of $1.7 million related to additional personnel and $1.6 million associated with equity-based compensation, (ii) supervisory and administrative fees charged by our PROs of $3.1 million, and (iii) professional fees and other expenses of $1.7 million that were primarily related to increased audit and tax costs associated with the growth of our portfolio and periodic SEC reporting and other compliance matters.

Supervisory and administrative fees charged by our PROs totaled $7.6 million and $4.5 million for the years ended December 31, 2015 and 2014, respectively, an increase of $3.1 million. The increase was primarily attributable to properties we acquired during the years ended December 31, 2015 and 2014, for which there were either no fees, or only a partial-year of fees, during the year ended December 31, 2014.

Depreciation and Amortization

Depreciation and amortization increased $16.9 million, or 70.9%, for the year ended December 31, 2015, compared to the year ended December 31, 2014. This increase was attributable to incremental depreciation expense of $8.3 million from 83 self storage properties acquired between January 1, 2014 and December 31, 2014, and $4.3 million from 58 self storage properties acquired during the year ended December 31, 2015. In addition, amortization of customer in-place leases increased $3.7 million from $8.3 million for the year ended December 31, 2014 to $12.0 million for the year ended December 31, 2015. Customer in-place leases are amortized over the 12-month period following the respective acquisition dates of our self storage properties. As of December 31, 2015, the unamortized balance of customer in-place leases totaled $4.2 million.

Interest Expense

Interest expense decreased $2.3 million, or 9.8%, for the year ended December 31, 2015, compared to the year ended December 31, 2014. The decrease in interest expense was primarily due to increases in amortization of debt premiums of $2.2 million, a decrease in unrealized losses on interest rate swaps of $0.3 million and a decrease of $0.6 million of amortization of debt issuance costs, partially offset by increases in weighted average borrowings outstanding.

Loss On Early Extinguishment of Debt

Loss on early extinguishment of debt decreased $0.1 million, or 10.4%, for the year ended December 31, 2015, compared to the year ended December 31, 2014. The decrease was due to a $0.2 million decrease in prepayment penalties partially offset by $0.1 million increase in write-offs of unamortized issuance costs. Loss on early extinguishment of debt during the year ended December 31, 2015 relates to the payoff of several debt instruments in connection with the Company's initial public offering.

Acquisition Costs

Acquisition costs decreased $4.8 million, or 50.1%, for the year ended December 31, 2015, compared to the year ended December 31, 2014. This decrease was primarily due to a decrease in consulting fees and other costs incurred to identify, qualify, and close acquisition properties with our PROs and other parties.

Organizational and Offering Expenses

Organizational and offering expenses decreased $1.3 million, or 95.6%, for the year ended December 31, 2015, compared to the year ended December 31, 2014. This decrease was primarily attributable to audit fees incurred during the year ended December 31, 2014 associated with the operations of the properties acquired during 2014 for periods preceding the related contribution and formation transactions.

Gain on sale of self storage properties

Gain on sale of self storage properties totaled $1.4 million for the year ended December 31, 2014. In May 2014, we sold to an unrelated party one of the self storage properties contributed by our predecessor. The gross sales price for the property was approximately $3.0 million and net proceeds from this sale were invested in the acquisition of another self storage property in a tax-deferred exchange.

Net Loss Attributable to Noncontrolling Interests

We allocate GAAP income (loss) utilizing the HLBV method, in which we allocate income or loss based on the change in each unitholders' claim on the net assets of our operating partnership at period end after adjusting for any distributions or contributions made during such period.

Due to the stated liquidation priorities and because the HLBV method incorporates non-cash items such as depreciation expense, in any given period, income or loss may be allocated disproportionately to noncontrolling interests. Net loss attributable to noncontrolling interests was $7.6 million for the year ended December 31, 2015, compared to $16.4 million for the year ended December 31, 2014. Our entire net loss for the year ended December 31, 2014 was attributable to noncontrolling interests as 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.

Critical Accounting Policies and Use of Estimates

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

Principles of Consolidation and Presentation of Noncontrolling Interests

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

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

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

Self Storage Properties and Customer In-Place Leases

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

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

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

Income Taxes

We have elected and we believe that we have qualified to be taxed as a REIT under sections 856 through 860 of the Code commencing with our taxable year ended December 31, 2015. To qualify as a REIT, among other things, we are required to distribute at least 90% of our net taxable income (excluding net capital gains) to our shareholders and meet certain tests regarding the nature of our income and assets. So long as we qualify as a REIT, we are not subject to U.S. federal income tax on our earnings distributed currently to our shareholders. If we fail to qualify as a REIT in any taxable year, and are unable to avail ourselves of certain provisions set forth in the Code, all of our taxable income would be subject to federal and state income taxes at regular corporate rates, including any applicable alternative minimum tax.

We will not be required to make distributions with respect to income derived from the activities conducted through subsidiaries that we elect to treat as TRSs for U.S. federal income tax purposes, including NSA TRS, LLC which we formed in June 2014. Certain activities that we undertake must be conducted by a TRS, such as performing non-customary services for our customers and holding assets that we are not permitted to hold directly, including personal property held as inventory. A TRS is subject to U.S. federal, state, and local income taxes.

Earnings and profits, which determine the taxability of distributions to shareholders, differ from net income reported for financial reporting purposes due to differences in cost basis, the estimated useful lives used to compute depreciation, and the allocation of net income and loss for financial versus tax reporting purposes.

Non-GAAP Financial Measures

FFO and Core FFO

Funds from operations ("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 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 expenses, gains on debt forgiveness, gains (losses) on early extinguishment of debt and after adjustments for unconsolidated partnerships and joint ventures.

Management uses FFO and Core FFO as 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 periods presented (in thousands, except per share and unit amounts):

	Year Ended December 31,		
	2016	2015	2014
Net income (loss)	**$ 24,866**	**$ 4,796**	**$ (16,357)**
Add (subtract):			
Real estate depreciation and amortization	54,193	40,303	23,605
Company's share of unconsolidated real estate venture real estate depreciation and amortization	1,559	—	—
Gain on sale of self storage properties	—	—	(1,427)
FFO attributable to subordinated performance unitholders[1]	(22,842)	(14,997)	(7,305)
FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	**57,776**	**30,102**	**(1,484)**
Add:			
Acquisition costs	6,546	4,765	9,558
Company's share of unconsolidated real estate venture acquisition costs	1,006	—	—
Organizational and offering expenses	—	58	1,320
Loss on early extinguishment of debt	136	914	1,020
Core FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	**$ 65,464**	**$ 35,839**	**$ 10,414**
Weighted average shares and units outstanding - FFO and Core FFO:[2]			
Weighted average shares outstanding - basic	29,887	15,463	1
Weighted average restricted common shares outstanding	18	9	—
Weighted average OP units outstanding[3]	24,262	20,507	13,519
Weighted average DownREIT OP unit equivalents outstanding	1,835	1,518	364
Weighted average LTIP units outstanding[4]	2,212	1,548	—
Total weighted average shares and units outstanding - FFO and Core FFO	**58,214**	**39,045**	**13,884**
FFO per share and unit	**$ 0.99**	**$ 0.77**	**$ (0.11)**
Core FFO per share and unit	**$ 1.12**	**$ 0.92**	**$ 0.75**

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

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

(3) Amount for the year ended December 31, 2014 includes 2,060,711 OP units outstanding for the entire period which were issued in connection with the contribution of 65 self storage properties on April 1, 2014 by SecurCare Portfolio Holdings, LLC and SecurCare Value Properties, Ltd. (collectively, "NSA Predecessor"), entities whose principal owner is the Company's chief executive officer. For financial reporting purposes, NSA Predecessor contributions are reported as a reorganization of entities under common control whereby the contributed self storage properties are included in the Company's results of operations for the entirety of the year ended December 31, 2014 and have been recorded in the Company's financial statements at NSA Predecessor's depreciated historical cost basis.

(4) 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 periods presented:

	Year Ended December 31,		
	2016	2015	2014
Earnings (loss) per share - diluted	**$ 0.31**	**$ 0.17**	**$ —**
Impact of the difference in weighted average number of shares(1)	0.11	0.02	—
Impact of GAAP accounting for noncontrolling interests, two-class method and treasury stock method(2)	—	(0.07)	(1.18)
Add real estate depreciation and amortization	0.93	1.03	1.70
Add Company's share unconsolidated venture real estate depreciation and amortization	0.03	—	—
Gain on sale of self storage properties	—	—	(0.10)
FFO attributable to subordinated performance unitholders	(0.39)	(0.38)	(0.53)
FFO per share and unit	**0.99**	**0.77**	**(0.11)**
Add acquisition costs, Company's share of unconsolidated real estate venture acquisition costs, organizational and offering expenses, and loss on early extinguishment of debt	0.13	0.15	0.86
Core FFO per share and unit	**$ 1.12**	**$ 0.92**	**$ 0.75**

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

(2) Represents the effect of adjusting the numerator to consolidated net income (loss) prior to GAAP allocations for noncontrolling interests 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, equity in earnings (losses) of unconsolidated real estate ventures, acquisition costs, organizational and offering expenses, impairment of long-lived assets, losses on the sale of properties and non-operating expense and by subtracting management fees and other revenue, 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 periods presented (dollars in thousands):

	Year Ended December 31,		
	2016	2015	2014
Net income (loss)	**$ 24,866**	**$ 4,796**	**$ (16,357)**
(Subtract) add:			
Management fees and other revenue	(1,809)	—	—
General and administrative expenses	21,528	16,265	8,189
Depreciation and amortization	55,064	40,651	23,785
Interest expense	24,109	20,779	23,033
Equity in losses of unconsolidated real estate venture	1,484	—	—
Loss on early extinguishment of debt	136	914	1,020
Acquisition costs	6,546	4,765	9,558
Organizational and offering expenses	—	58	1,320
Gain on sale of self storage properties	—	—	(1,427)
Non-operating expense (income)	515	279	(64)
Net Operating Income	**$ 132,439**	**$ 88,507**	**$ 49,057**

EBITDA and Adjusted EBITDA

We define EBITDA as net income (loss), as determined under GAAP, plus interest expense, loss on early extinguishment of debt, income taxes, depreciation and amortization expense and the Company's share of unconsolidated real estate venture depreciation and amortization. We define Adjusted EBITDA as EBITDA plus acquisition costs, the Company's share of unconsolidated real estate venture 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 loss to EBITDA and Adjusted EBITDA for the periods presented(dollars in thousands):

	Year Ended December 31,		
	2016	**2015**	**2014**
Net income (loss)	**$ 24,866**	**$ 4,796**	**$ (16,357)**
Add:			
Depreciation and amortization	55,064	40,651	23,785
Company's share of unconsolidated real estate venture depreciation and amortization	1,559	—	—
Interest expense	24,109	20,779	23,033
Loss on early extinguishment of debt	136	914	1,020
EBITDA	**105,734**	**67,140**	**31,481**
Add:			
Acquisition costs	6,546	4,765	9,558
Company's share of unconsolidated real estate venture acquisition costs	1,006	—	—
Organizational and offering expenses	—	58	1,320
Gain on sale of self storage properties	—	—	(1,427)
Equity-based compensation expense(1)	2,597	3,027	1,468
Adjusted EBITDA	**$ 115,883**	**$ 74,990**	**$ 42,400**

(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 the credit facility and Term Loan 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 8 to the consolidated financial statements in Item 8, as of December 31, 2016, our credit facility provides for total borrowings of $725.0 million, consisting of three components: (i) a Revolver which provides for a total borrowing commitment up to $400.0 million, whereby we may borrow, repay and re-borrow amounts under the Revolver, (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. The Revolver, Term Loan A, and Term Loan B are not subject to any scheduled reduction or amortization payments prior to maturity.

As of December 31, 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 $246.5 million was outstanding under the Revolver with an effective interest rate of 2.17%. The 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. As of December 31, 2016, we would have had the capacity to borrow the full remaining Revolver commitments of $143.6 million while remaining in compliance with the credit facility's financial covenants as described in Note 8 to the consolidated financial statements in Item 8.

As discussed in Note 15 to the consolidated financial statements in Item 8, on February 8, 2017, we entered into a second increase agreement and amendment with a syndicated group of lenders to increase the total borrowing capacity under the credit facility by $170.0 million for a total credit facility of $895.0 million, which included entry into a new $105.0 million Term Loan C.

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

As discussed in Note 8 to the consolidated financial statements in Item 8, 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 December 31, 2016. 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. 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 credit facility.

As discussed in Note 3 to the consolidated financial statements in Item 8, on October 11, 2016, we entered into open market sales agreements with four agents, pursuant to which we may sell from time to time up to $200 million of our common shares in sales deemed to be "at the market offerings". We may offer the common shares through the agents, as sales agents, or to the agents, acting as principals by means of, among others, ordinary brokers' transactions on the NYSE or otherwise at market prices prevailing at the time of sale or at negotiated prices.

We believe that, as a publicly-traded REIT, we will have access to multiple sources of capital to fund our long-term liquidity requirements, including the incurrence of additional debt and the issuance of debt and additional equity securities. However, we cannot assure you that this will be the case.

At December 31, 2016, we had $12.6 million in cash and cash equivalents and $2.8 million of restricted cash, an increase in cash and cash equivalents of $5.9 million and an increase in restricted cash of $0.1 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 8 of this report.

Cash Flows From Operating Activities

Cash provided by our operating activities was $95.1 million for the year ended December 31, 2016 compared to $51.4 million for the year ended December 31, 2015, an increase of $43.7 million. Our operating cash flow increased primarily due to 58 self storage properties acquired during the year ended December 31, 2015 that generated cash flow for the entire year ended December 31, 2016 and 107 self storage properties that were acquired during the year ended December 31, 2016. The increase in our operating cash flows from these acquisitions was partially offset by higher cash payments for interest, general and administrative expenses and acquisition costs.

Cash provided by our operating activities was $51.4 million for the year ended December 31, 2015 compared to $16.4 million for the year ended December 31, 2014, an increase of $35.0 million. Our operating cash flow increased primarily due to 83 self storage properties acquired during the year ended December 31, 2014 that generated cash flow for the entire year ended December 31, 2015 and 58 self storage properties that were acquired during the year ended December 31, 2015. The increase in our operating cash flows from these acquisitions was partially offset by higher cash payments for interest and general and administrative expenses.

Cash Flows From Investing Activities

Cash used in investing activities was $642.9 million for the year ended December 31, 2016 compared to $176.9 million for the year ended December 31, 2015. The primary uses of cash for the year ended December 31, 2016 were for our acquisition of 107 self storage properties for cash consideration of $532.5 million, investment in our unconsolidated real estate venture of $83.0 million, acquisition of our property management platform for $19.9 million, and capital expenditures of $11.4 million. The primary uses of cash for the year ended December 31, 2015 were for our acquisition of 58 self storage properties for cash consideration of $171.8 million, deposits of $0.7 million for assets to be acquired, and capital expenditures of $4.1 million.

Cash used in investing activities was $176.9 million for the year ended December 31, 2015 compared to $232.0 million for the year ended December 31, 2014. The primary uses of cash for the year ended December 31, 2015 were for our acquisition of 58 self storage properties for cash consideration of $171.8 million, deposits of $0.7 million for assets to be acquired, and capital expenditures of $4.1 million. The primary uses of cash for the year ended December 31, 2014 were for our acquisition of 83 self storage properties for cash consideration of $217.9 million, deposits and advances of $0.9 million, loans to related parties of $12.8 million associated with subsequent self storage property acquisitions, and capital expenditures of $3.8 million.

Capital expenditures totaled $11.4 million, $4.1 million and $3.8 million during the years ended December 31, 2016, 2015 and 2014 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.

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

	Year Ended December 31,		
	2016	2015	2014
Recurring capital expenditures	$ 2,917	$ 2,365	$ 1,463
Revenue enhancing capital expenditures	2,641	703	312
Acquisitions capital expenditures	6,114	768	2,391
Total capital expenditures	11,672	3,836	4,166
(Increase) decrease in accrued capital spending	(254)	236	(323)
Capital expenditures per statement of cash flows	$ 11,418	$ 4,072	$ 3,843

Cash Flows From Financing Activities

Cash provided by our financing activities was $553.7 million for the year ended December 31, 2016 compared to $123.2 million for the year ended December 31, 2015. Our sources of financing cash flows for the year ended December 31, 2016 primarily consisted of $378.3 million of proceeds from the issuance of common shares, as discussed further below, $712.5 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 year ended December 31, 2016 were for principal payments on existing debt of $558.6 million (which included $529.0 million of principal repayments under the Revolver, $25.2 million of fixed rate mortgage principal payoffs and $4.4 million of scheduled fixed rate mortgage principal payments), distributions to noncontrolling interests of $47.0 million, and distributions to common shareholders of $26.7 million. Our sources of financing cash flows for the year ended December 31, 2015 primarily consisted of $278.1 million of proceeds from the completion of our initial public offering and $258.4 million of borrowings under our credit

facility. Our primary uses of financing cash flows for the year ended December 31, 2015 were for principal payments on existing debt of $357.3 million and distributions to noncontrolling interests of $38.0 million, and distributions to common shareholders of $12.4 million.

Cash provided by our financing activities was $123.2 million for the year ended December 31, 2015 compared to $213.4 million for the year ended December 31, 2014. Our sources of financing cash flows for the year ended December 31, 2015 primarily consisted of $278.1 million of proceeds from the completion of our initial public offering, as discussed further below, and $258.4 million of borrowings under our credit facility. Our primary uses of financing cash flows for the year ended December 31, 2015 were for principal payments on existing debt of $357.3 million, distributions to noncontrolling interests of $38.0 million, and distributions to common shareholders of $12.4 million. Our sources of financing cash flows for the year ended December 31, 2014 primarily consisted of $372.8 million of borrowings under our credit facility, unsecured term loan and new mortgage financing, and subscription proceeds of $0.4 million related to the issuance of OP Units. Our primary uses of financing cash flows for the year ended December 31, 2014 were for distributions to noncontrolling interests of $12.6 million, principal payments on existing debt of $144.0 million, payments of $1.8 million for debt issuance costs, and payments of $1.7 million for costs related to our initial public offering.

Equity Transactions

As discussed in Note 3 to the consolidated financial statements in Item 8, 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 $237.5 million after deducting the underwriting discount and additional expenses associated with the offering. In addition, on December 16, 2016, we closed a follow-on offering of 5,175,000 of our common shares, which included 675,000 common shares sold upon the exercise in full by the underwriters of their option to purchase additional common shares, at an offering price of $20.48 per share. We received aggregate net proceeds from the offering of approximately $105.5 million after deducting the underwriting discount and additional expenses associated with the offering.

During the year ended December 31, 2016, we sold 1,740,959 of our common shares through at the market offerings. The common shares were sold at an average offering price of $19.54 per share, resulting in net proceeds to us of approximately $33.6 million after deducting compensation payable by us to such agents, but before expenses.

During the year ended December 31, 2016, after receiving notices of redemption from certain holders of OP units, we elected to issue 1,125,503 common shares to such holders in exchange for 1,125,503 OP units in satisfaction of the operating partnership's redemption obligations.

In connection with the 107 properties acquired during the year ended December 31, 2016, $121.8 million of OP equity was issued or vested (consisting of 4,324,249 OP units, 1,719,389 subordinated performance units and the vesting of 45,100 LTIP units previously issued). We also assumed mortgages with balances of $61.6 million ($12.2 million of which were subsequently repaid during the year ended December 31, 2016), and paid cash of $533.2 million.

During the year ended December 31, 2016, the Company issued 67,832 OP units to the sellers of certain acquired properties in exchange for principal payment reimbursements received related to assumed mortgages associated with self storage properties acquired during the year ended December 31, 2014.

During the year ended December 31, 2016, the Company paid $26.7 million of distributions to common shareholders and distributed $47.0 million to noncontrolling interests.

In January and February 2017, we acquired five self storage properties for approximately $31.8 million. Consideration for these acquisitions included approximately $26.6 million of cash, OP equity of approximately $5.0 million (consisting of the issuance of 174,694 OP Units and 47,332 subordinated performance units), and the assumption of $0.2 million of other working capital liabilities.

On February 23, 2017, our board of trustees declared a cash dividend and distribution, respectively, of $0.24 per common share and OP unit to shareholders and OP unitholders of record as of March 15, 2017. In addition, we expect to declare a cash distribution in the first quarter of 2017 to our subordinated performance unitholders of record as of March 15, 2017. Such dividends and distributions are expected to be paid on March 30, 2017.

Contractual Obligations

The following table summarizes information contained elsewhere in this Annual Report on Form 10-K regarding payments due under contractual obligations and commitments on an undiscounted basis as of December 31, 2016 (dollars in thousands):

	Year Ending December 31,						
	2017	**2018**	**2019**	**2020**	**2021**	**Thereafter**	**Total**
Debt financings:							
Principal[1]	$ 15,103	$ 10,617	$ 4,983	$ 285,745	$ 232,509	$ 324,237	$ 873,194
Interest[2]	26,083	25,717	25,379	20,965	14,180	21,854	134,178
Real estate leasehold interests	847	852	857	902	927	25,477	29,862
Office lease	139	142	145	86	—	—	512
Total	$ 42,172	$ 37,328	$ 31,364	$ 307,698	$ 247,616	$ 371,568	$ 1,037,746

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

(2) Interest is calculated until the maturity date (without regard to any extension that may be elected by the Company) based on the outstanding principal balance and the effective interest rate as of December 31, 2016.

Cash Distributions from our Operating Partnership

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

(i) all receipts, including rents and other operating revenues;

(ii) any incentive, financing, break-up and other fees paid to us by third parties;

(iii) amounts released from previously set aside reserves; and

(iv) any other amounts received by us, which we allocate to the particular portfolio of properties.

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

(i) corporate-level general and administrative expenses;

(ii) out-of-pocket costs, expenses and fees of our operating partnership, whether or not capitalized;

(iii) the costs and expenses of organizing and operating our operating partnership;

(iv) amounts paid or due in respect of any loan or other indebtedness of our operating partnership during such period;

(v) extraordinary expenses of our operating partnership not previously or otherwise deducted under item (ii) above;

(vi) any third-party costs and expenses associated with identifying, analyzing, and presenting a proposed property to us and/or our operating partnership; and

(vii) reserves to meet anticipated operating expenditures debt service or other liabilities, as determined by us.

To the extent to 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 December 31, 2016, our operating partnership had an aggregate of $1,056.2 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 December 31, 2016, an aggregate of $179.1 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. 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).

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

Notwithstanding the two-year lock out period on conversions of subordinated performance units into OP units, if such subordinated performance units were convertible into OP units as of December 31, 2016, each subordinated performance unit would on average hypothetically convert into 1.41 OP units, or into an aggregate of approximately 21.7 million OP units. These amounts are based on historical financial information for the trailing twelve months ended December 31, 2016. The hypothetical conversions are calculated by dividing the average CAD per subordinated performance unit by 110% of the CAD per OP unit over the same period. We anticipate that as our CAD grows over time, the conversion ratio will also grow, including to levels that may exceed these amounts. For example, we estimate that (assuming no further issuances of OP units or subordinated performance units and a conversion penalty of 110%) if our CAD to our OP unit holders, subordinated performance unit holders and shareholders were to grow at an annual rate of 1.0%, 3.0% or 5.0% per annum above the 2016 level in each of the two following years, each subordinated performance unit would on average be convertible into 1.43, 1.45, and 1.48 OP units, respectively, as of December 31, 2017. These estimates are provided for illustrative purposes only and may vary from series to series. The actual number of OP units into which such subordinated performance units will become convertible may vary significantly from these estimates and will depend upon the applicable conversion penalty and the actual CAD to the OP units and the actual CAD to the converted subordinated performance units in the one-year period ending prior to conversion. We have granted registration rights to those persons who will be eligible to receive common shares issuable upon exchange of OP units issued in our formation transactions and certain contribution transactions.

Allocation of Capital Contributions

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

Off-Balance Sheet Arrangements

Except as disclosed in the notes to our financial statements, as of December 31, 2016, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purposes entities, which typically are established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Further, except as disclosed in the notes to our financial statements, as of December 31, 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.

Segment

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

Seasonality

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

Inflation

Inflation in the United States has been relatively low in recent years and did not have a material impact on our results of operations for the years ended December 31, 2016, 2015 and 2014. Although the impact of inflation has been relatively insignificant in recent years, it remains a factor in the U.S. economy and may increase the cost of acquiring or replacing self storage properties and related improvements, as well as real estate property taxes, employee salaries, wages and benefits, utilities, and other expenses. Because our tenant leases are month-to-month, we may be able to rapidly adjust our rental rates to minimize the adverse impact of any inflation which could mitigate our exposure to increases in costs and expenses resulting from inflation.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

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

As of December 31, 2016, we had $246.5 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 $2.5 million annually.

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

Item 8. Financial Statements and Supplementary Data

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

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

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

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

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

Management's Report on Internal Control Over Financial Reporting

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

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

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

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2016. In making this assessment, our management used criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (2013 Framework).

Based on this assessment, our management believes that, as of December 31, 2016, our internal control over financial reporting was effective based on those criteria.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting pursuant to rules of the SEC that permit the Company to provide only management’s report in this annual report.

Item 9B. Other Information

On February 24, 2017, the Company entered into LTIP Unit Award Agreements (the "Award Agreements") pursuant to the Company's 2015 Equity Incentive Plan (the "Plan") with each of its executive officers, Arlen D. Nordhagen, Tamara D. Fischer, Steven B. Treadwell, and Brandon Togashi, to grant LTIP unit awards in connection with a multi-year performance-based equity incentive compensation program.

The awards are designed to align the interests of the Company's executive officers with those of the Company's shareholders in a pay-for-performance structure. The awards are structured to reward, among other things, favorable

shareholder returns, the Company’s competitive position within its segment of the real estate industry and each executive officer's contribution to the Company. They are bifurcated between performance-based and time-based awards.

The performance-based awards represent the maximum amount of LTIP units that can vest contingent upon the achievement of performance criteria during the period between January 1, 2017 and December 31, 2019, which is based on the Company's total shareholder return ("TSR") relative to the TSR of the companies in the Morgan Stanley Capital International US REIT Index and the Company's TSR relative to the TSR of its peers in the self storage industry. To the extent the minimum level of performance is not achieved as set forth in the Award Agreements, no performance-based awards will vest. To the extent performance results fall between the minimum and target levels or the target and maximum levels set forth in the Award Agreements, vesting will be determined based upon linear interpolation.

The Award Agreements provide that, if an executive officer's employment is terminated by us without "cause" or by the executive officer for "good reason" (each as defined in the applicable employment agreement), or by reason of the executive officer's death or "disability" (as defined in the applicable employment agreement) prior to the completion of the vesting period, then upon the completion of the vesting period, all time-based awards will become vested and a prorated number (based on the number of days of employment during the vesting period until the termination of service, as applicable, over the number of calendar days in the vesting period) of any performance-based LTIP units that would have been awarded upon completion of the vesting period if there had not been a termination of service will become vested and any remaining portion of such awards will be forfeited, except in the event that a termination of service as described above follows a change of control which occurs after June 30, 2018, in which case all outstanding performance-based LTIP units will vest without being subject to proration.

During the vesting period, each executive officer will be entitled to receive interim distributions with respect to each performance-based LTIP unit at the maximum level equal to ten percent of the distributions paid to a holder of an equal number of OP units. Upon the completion of the vesting period, each executive officer will be entitled to receive full distributions on each performance-based LTIP unit earned equal to the distributions payable during the vesting period on an equal number of OP units less the amount of interim distributions already paid. Thereafter, each executive officer will be entitled to receive distributions on each vested LTIP unit equal to the distributions paid to a holder of an OP unit as distributions on OP units are made.

The time-based awards vest in three annual installments on January 1, 2018, January 1, 2019 and January 1, 2020, subject to the continued employment of the executive officers. During the vesting period, each executive officer will be entitled to receive distributions with respect to each time-based LTIP unit equal to each distribution paid to a holder of an OP unit as distributions on OP units are made.

The following table summarizes the maximum number of performance-based awards that may be earned by each executive officer if maximum performance is achieved and the total number of time-based awards that each executive officer may earn by January 1, 2020 under the Award Agreements:

Executive Officer	Performance-based Award	Time-based Award
Arlen D. Nordhagen	50,158	41,867
Tamara D. Fischer	22,800	19,031
Steven B. Treadwell	11,401	9,516
Brandon Togashi	6,515	5,438

The foregoing description is qualified in its entirety by reference to the Form of 2017 LTIP Unit Award Agreement, which will be filed with the Company's next quarterly report on Form 10-Q.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information regarding our trustees, executive officers and certain other matters required by Item 401 of Regulation S-K is incorporated herein by reference to our definitive proxy statement relating to our annual meeting of shareholders (the "Proxy Statement"), to be filed with the SEC within 120 days after December 31, 2016.

The information regarding compliance with Section 16(a) of the Exchange Act required by Item 405 of Regulation S-K is incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2016.

The information regarding our Code of Business Conduct and Ethics required by Item 406 of Regulation S-K is incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2016.

The information regarding certain matters pertaining to our corporate governance required by Item 407(c)(3), (d)(4) and (d)(5) of Regulation S-K is incorporated by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2016.

Item 11. Executive Compensation

The information regarding executive compensation and other compensation related matters required by Items 402 and 407(e)(4) and (e)(5) of Regulation S-K is incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2016.

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

The tables on equity compensation plan information and beneficial ownership of the Company required by Items 201(d) and 403 of Regulation S-K are incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2016.

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

The information regarding transactions with related persons, promoters and certain control persons and trustee independence required by Items 404 and 407(a) of Regulation S-K is incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2016.

Item 14. Principal Accountant Fees and Services

The information concerning principal accounting fees and services and the Audit Committee's pre-approval policies and procedures required by Item 14 is incorporated herein by reference to the Proxy Statement to be filed with the SEC within 120 days after December 31, 2016.

PART IV

Item 15. Exhibits and Financial Statement Schedules

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

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

(a)(3) The Exhibit Index is incorporated herein by reference.

INDEX TO EXHIBITS (1) (2)

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	Third Amended and Restated Agreement of Limited Partnership of NSA OP, LP (Exhibit 3.3 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)
10.2	Amended and Restated Partnership Unit Designation of Series GN Class B OP Units of NSA OP, LP (Exhibit 3.4 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)
10.3	Third Amended and Restated Partnership Unit Designation of Series NW Class B OP Units of NSA OP, LP (Exhibit 3.5 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)
10.4	Third Amended and Restated Partnership Unit Designation of Series OV Class B OP Units of NSA OP, LP (Exhibit 3.6 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)
10.5	Second Amended and Restated Partnership Unit Designation of Series SC Class B OP Units of NSA OP, LP (Exhibit 3.7 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)
10.6	Partnership Unit Designation of Series SS Class B OP Units of NSA OP, LP (Exhibit 3.8 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)
10.7	Partnership Unit Designation of Series HA Class B OP Units of NSA OP, LP (Exhibit 10.1 to the Quarterly Report on Form 10-Q, filed with SEC on August 9, 2016, is incorporated by reference)
10.8*	First Amendment to Partnership Unit Designation of Series HA Class B OP Units of NSA OP, LP
10.9	Form of Second Amended and Restated DownREIT Partnership Agreement (including a schedule of existing DownREIT limited partnership agreements and limited liability company agreements) (Exhibit 10.7 to the Quarterly Report on Form 10-Q, filed with the SEC on November 10, 2015, is incorporated herein by this reference)
10.10	Amended and Restated Credit Agreement dated as of May 6, 2016 by and among NSA OP, LP, as Borrower, certain of its subsidiaries party thereto as Subsidiary Guarantors, 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 (Exhibit 10.3 to the Quarterly Report on Form 10-Q, filed with the SEC on August 9, 2016, is incorporated herein by this reference)
10.11*	Increase Agreement, dated as of December 1, 2016, by and among NSA OP, LP, as Borrower, certain of its subsidiaries party thereto as Subsidiary Guarantors, National Storage Affiliates Trust as Guarantor, the lenders from time to time party hereto, and KeyBank National Association, as Administrative Agent

10.12* Second Increase Agreement and Amendment, dated as of February 08, 2017, by and among NSA OP, LP, as Borrower, certain of its subsidiaries party thereto as Subsidiary Guarantors, National Storage Affiliates Trust as Guarantor, the lenders from time to time party hereto, and KeyBank National Association, as Administrative Agent

10.13 National Storage Affiliates Trust Equity Incentive Plan (Exhibit 10.11 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by reference)

10.14 NSA OP, LP, 2013 Long-Term Incentive Plan (Exhibit 10.2 to the Registration Statement on Form S-11/A, filed with SEC on April 1, 2015, is incorporated herein by reference).

10.15 Amended and Restated Registration Rights Agreement, by and among National Storage Affiliates Trust and the parties listed on Schedule I thereto (Exhibit 10.2 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by reference)

10.16 Employment Agreement, dated April 28, 2015, by and between National Storage Affiliates Trust and Arlen D. Nordhagen (Exhibit 10.3 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)

10.17 Employment Agreement, dated April 28, 2015, by and between National Storage Affiliates Trust and Tamara D. Fischer (Exhibit 10.4 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)

10.18 Employment Agreement, dated April 28, 2015, by and between National Storage Affiliates Trust and Steven B. Treadwell (Exhibit 10.5 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)

10.19* Employment Agreement, dated January 1, 2017, by and between National Storage Affiliates Trust and Brandon Togashi

10.20 Form of Amended and Restated Restricted Share Unit Award Agreement (Exhibit 10.18 to the Annual Report on Form 10-K, filed with the SEC on March 10, 2016, is incorporated herein by this reference)

10.21 Form of Amended and Restated Restricted Share Award Agreement (Exhibit 10.19 to the Annual Report on Form 10-K, filed with the SEC on March 10, 2016, is incorporated herein by this reference)

10.22 Form of LTIP Unit Award Agreement to Trustees under the NSA OP, LP, 2013 Long-Term Incentive Plan (Exhibit 10.5 to the Registration Statement on Form S-11/A, filed with the SEC on April 1, 2015, is incorporated herein by this reference)

10.23 Form of Contribution Agreement among each contributor named therein, NSA OP, LP and any indirectly wholly owned subsidiary of NSA OP, LP named therein (Exhibit 10.13 to the Registration Statement on Form S-11/A, filed with the SEC on April 1, 2015, is incorporated herein by this reference)

10.24 Form of Purchase and Sale Agreement among each seller named therein, National Storage Affiliates Trust and NSA OP, LP (Exhibit 10.14 to the Registration Statement on Form S-11/A, filed with the SEC on April 1, 2015, is incorporated herein by this reference)

10.25 Form of Indemnification Agreement (Exhibit 10.7 to the Registration Statement on Form S-11/A, filed with the SEC on April 1, 2015, is incorporated herein by this reference)

10.26 Facilities Portfolio Management Agreement, dated April 28, 2015, by and among (i) NSA OP, LP, (ii) the property owners listed therein, (iii) Guardian Storage Centers, LLC, a California limited liability company d/b/a StorAmerica Management, and (iv) John Minar and David Lamb, each an individual (Exhibit 10.6 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)

10.27 Facilities Portfolio Management Agreement, dated April 28, 2015, by and among (i) NSA OP, LP, (ii) the property owners listed therein, (iii) Kevin Howard Real Estate, Inc., an Oregon corporation, and (iv) Kevin Howard, an individual (Exhibit 10.7 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)

10.28 Facilities Portfolio Management Agreement, dated April 28, 2015, by and among (i) NSA OP, LP, (ii) the property owners listed therein, (iv) Optivest Properties, LLC, a California limited liability company, and (iv) Warren Allen, an individual (Exhibit 10.8 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)

10.29 Facilities Portfolio Management Agreement, dated April 28, 2015, by and among (i) NSA OP, LP, (ii) the property owners listed therein, (iii) SecurCare Self Storage, Inc. a Colorado corporation, and (iv) David Cramer, Justin Hlibichuk and Arlen Nordhagen, each an individual (Exhibit 10.9 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)

10.30 Facilities Portfolio Management Agreement, dated April 28, 2015, by and among (i) NSA OP, LP, (ii) the property owners listed therein (iii) Arizona Mini Storage Management Company, an Arizona corporation, and (iv) William F. Bohannan, Jr. and Raymond McRae, each an individual (Exhibit 10.10 to the Quarterly Report on Form 10-Q, filed with the SEC on June 5, 2015, is incorporated herein by this reference)

10.31 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 (Exhibit 10.2 to the Quarterly Report on Form 10-Q, filed with the SEC on August 9, 2016, is incorporated herein by this reference)

10.32 Open Market Sales Agreement, dated October 11, 2016, among National Storage Affiliates Trust, NSA OP, LP and Jefferies LLC (Exhibit 1.1 to the Current Report on Form 8-K, filed with the SEC on October 13, 2016, is incorporated herein by this reference)

10.33 Open Market Sales Agreement, dated October 11, 2016, among National Storage Affiliates Trust, NSA OP, LP and Robert W. Baird & Co. Incorporated (Exhibit 1.2 to the Current Report on Form 8-K, filed with the SEC on October 13, 2016, is incorporated herein by this reference)

10.34 Open Market Sales Agreement, dated October 11, 2016, among National Storage Affiliates Trust, NSA OP, LP and Morgan Stanley & Co. LLC (Exhibit 1.3 to the Current Report on Form 8-K, filed with the SEC on October 13, 2016, is incorporated herein by this reference)

10.35 Open Market Sales Agreement, dated October 11, 2016, among National Storage Affiliates Trust, NSA OP, LP and SunTrust Robinson Humphrey, Inc. (Exhibit 1.4 to the Current Report on Form 8-K, filed with the SEC on October 13, 2016, is incorporated herein by this reference)

21.1* List of subsidiaries of National Storage Affiliates Trust

23.1* Consent of KPMG LLP for National Storage Affiliates Trust and NSA Predecessor

24.1* Power of Attorney (included on signature page)

31.1* Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2* Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1* Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

101* XBRL (Extensible Business Reporting Language). The following materials from NSA's Annual Report on Form 10-K for the year ended December 31, 2016, tagged in XBRL: ((i) consolidated balance sheets; (ii) consolidated statements of operations; (iii) consolidated statements of comprehensive income (loss); (iv) consolidated statement of changes in equity; (v) consolidated statements of cash flows; (vi) notes to consolidated financial statements; and (vii) financial statement schedule (3).

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* 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)

Date: February 28, 2017

POWER OF ATTORNEY

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

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

Signature	Title	Date
National Storage Affiliates Trust		
/s/ ARLEN D. NORDHAGEN Arlen D. Nordhagen	chairman of the board of trustees, president and chief executive officer (principal executive officer)	February 28, 2017
/s/ TAMARA D. FISCHER Tamara D. Fischer	chief financial officer (principal financial officer)	February 28, 2017
/s/ BRANDON TOGASHI Brandon Togashi	chief accounting officer (principal accounting officer)	February 28, 2017
/s/ GEORGE L. CHAPMAN George L. Chapman	trustee	February 28, 2017
/s/ KEVIN M. HOWARD Kevin M. Howard	trustee	February 28, 2017
/s/ PAUL W. HYLBERT, JR. Paul W. Hylbert, Jr.	trustee	February 28, 2017
/s/ CHAD MEISINGER Chad Meisinger	trustee	February 28, 2017
/s/ STEVEN G. OSGOOD Steven G. Osgood	trustee	February 28, 2017
/s/ DOMINIC M. PALAZZO Dominic M. Palazzo	trustee	February 28, 2017
/s/ MARK VAN MOURICK Mark Van Mourick	trustee	February 28, 2017

NATIONAL STORAGE AFFILIATES TRUST

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

Report of Independent Registered Public Accounting Firm

The Board of Trustees and Shareholders

National Storage Affiliates Trust:

We have audited the accompanying consolidated balance sheets of National Storage Affiliates Trust (the Company) as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income (loss), changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2016. In connection with our audits of the consolidated financial statements, we have also audited the financial statement schedule, Schedule III—Real Estate and Accumulated Depreciation. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and the financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of National Storage Affiliates Trust as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP

Denver, Colorado

February 28, 2017

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

	December 31,	
	2016	**2015**
ASSETS		
Real estate		
Self storage properties	$ 1,844,336	$ 1,147,201
Less accumulated depreciation	(110,803)	(68,100)
Self storage properties, net	1,733,533	1,079,101
Cash and cash equivalents	12,570	6,665
Restricted cash	2,767	2,712
Debt issuance costs, net	3,069	1,923
Investment in unconsolidated real estate venture	81,486	—
Other assets, net	44,730	8,648
Assets held for sale	13,937	—
Total assets	$ 1,892,092	$ 1,099,049
LIABILITIES AND EQUITY		
Liabilities		
Debt financing	$ 878,954	$ 567,795
Accounts payable and accrued liabilities	21,616	9,694
Deferred revenue	12,454	5,513
Total liabilities	913,024	583,002
Commitments and contingencies (Note 12)		
Equity		
Common shares of beneficial interest, par value $0.01 per share. 250,000,000 authorized, 43,110,362 and 23,015,751 shares issued and outstanding at December 31, 2016 and 2015, respectively	431	230
Additional paid-in capital	576,365	236,392
Retained (deficit) earnings	(8,719)	11
Accumulated other comprehensive income	9,025	—
Total shareholders' equity	577,102	236,633
Noncontrolling interests	401,966	279,414
Total equity	979,068	516,047
Total liabilities and equity	$ 1,892,092	$ 1,099,049

See notes to consolidated financial statements.

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

	Year Ended December 31,		
	2016	**2015**	**2014**
REVENUE			
Rental revenue	$ 191,178	$ 129,869	$ 74,837
Other property-related revenue	6,059	4,050	2,133
Management fees and other revenue	1,809	—	—
Total revenue	199,046	133,919	76,970
OPERATING EXPENSES			
Property operating expenses	64,798	45,412	27,913
General and administrative expenses	21,528	16,265	8,189
Depreciation and amortization	55,064	40,651	23,785
Total operating expenses	141,390	102,328	59,887
Income from operations	57,656	31,591	17,083
OTHER INCOME (EXPENSE)			
Interest expense	(24,109)	(20,779)	(23,033)
Loss on early extinguishment of debt	(136)	(914)	(1,020)
Equity in losses of unconsolidated real estate venture	(1,484)	—	—
Acquisition costs	(6,546)	(4,765)	(9,558)
Organizational and offering expenses	—	(58)	(1,320)
Non-operating (expense) income	(515)	(279)	64
Gain on sale of self storage properties	—	—	1,427
Other income (expense)	(32,790)	(26,795)	(33,440)
Net income (loss)	24,866	4,796	(16,357)
Net (income) loss attributable to noncontrolling interests	(6,901)	7,644	16,357
Net income (loss) attributable to National Storage Affiliates Trust	$ 17,965	$ 12,440	$ —
Earnings (loss) per share - basic	$ 0.60	$ 0.80	$ —
Earnings (loss) per share - diluted	$ 0.31	$ 0.17	$ —
Weighted average shares outstanding - basic	29,887	15,463	1
Weighted average shares outstanding - diluted	78,747	45,409	1

See notes to consolidated financial statements.

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

	Year Ended December 31,		
	2016	**2015**	**2014**
Net income (loss)	$ 24,866	$ 4,796	$ (16,357)
Other comprehensive income (loss)			
Unrealized gain (loss) on derivative contracts	6,434	(1,551)	(1,942)
Reclassification of other comprehensive loss to interest expense	2,678	1,699	1,077
Other comprehensive income (loss)	9,112	148	(865)
Comprehensive income (loss)	33,978	4,944	(17,222)
Comprehensive (income) loss attributable to noncontrolling interests	(7,272)	7,496	17,222
Comprehensive income (loss) attributable to National Storage Affiliates Trust	$ 26,706	$ 12,440	$ —

See notes to consolidated financial statements.

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

	Common Shares		Additional Paid-in	Retained (Deficit)	Accumulated Other Comprehensive	Noncontrolling	Total
	Number	Amount	Capital	Earnings	Income	Interests	Equity
Balances, December 31, 2013	1,000	$ —	$ —	$ —	$ —	$ 55,197	$ 55,197
Net OP equity issuances in business combinations:							
OP units and subordinated performance units	—	—	—	—	—	142,223	142,223
LTIP units	—	—	—	—	—	3,652	3,652
Receivables for issuance of OP equity	—	—	—	—	—	(5,206)	(5,206)
Noncontrolling interests in acquired subsidiaries	—	—	—	—	—	41,297	41,297
Issuance of OP units	—	—	—	—	—	6,294	6,294
Equity-based compensation expense	—	—	—	—	—	1,468	1,468
Issuance of LTIP units for acquisition expenses	—	—	—	—	—	2,101	2,101
Issuance of subordinated performance units for related party acquisition expenses	—	—	—	—	—	3,542	3,542
Reduction in receivables from partners of OP	—	—	—	—	—	194	194
Distributions to limited partners of OP	—	—	—	—	—	(19,436)	(19,436)
Other comprehensive loss	—	—	—	—	—	(865)	(865)
Net loss	—	—	—	—	—	(16,357)	(16,357)
Balances, December 31, 2014	1,000	—	—	—	—	214,104	214,104
Net OP equity issuances in business combinations:							
OP units and subordinated performance units	—	—	—	—	—	42,113	42,113
LTIP units	—	—	—	—	—	1,402	1,402
Noncontrolling interests in acquired subsidiaries	—	—	—	—	—	21,137	21,137
Redemption of common shares	(1,000)	—	—	—	—	—	—
Issuance of common shares, net of offering costs	23,000,000	230	270,715	—	—	—	270,945
Issuance of common shares, share based compensation plans	4,751	—	—	—	—	—	—
Effect of changes in ownership for consolidated entities	—	—	(34,376)	—	—	34,376	—
Issuance of OP units	—	—	—	—	—	1,416	1,416
Equity-based compensation expense	—	—	74	—	—	2,953	3,027
Issuance of LTIP units for acquisition expenses	—	—	—	—	—	1,020	1,020
Issuance of restricted common shares	17,210	—	—	—	—	—	—
Vesting and forfeitures of restricted common shares	(6,210)	—	(21)	—	—	—	(21)
Reduction in receivables from partners of OP	—	—	—	—	—	1,589	1,589

See notes to consolidated financial statements.

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

	Common Shares		Additional Paid-in Capital	Retained (Deficit) Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Equity
	Number	Amount					
Common share dividends	—	—	—	(12,429)	—	—	(12,429)
Distributions to noncontrolling interests	—	—	—	—	—	(33,200)	(33,200)
Other comprehensive income	—	—	—	—	—	148	148
Net income (loss)	—	—	—	12,440	—	(7,644)	4,796
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	—	—	—	—	—	120,827	120,827
LTIP units	—	—	—	—	—	814	814
Redemptions of OP units	1,125,503	11	13,004	—	(4)	(13,011)	—
Issuance of common shares, net of offering costs	18,962,209	190	376,224	—	—	—	376,414
Issuance of common shares, share based compensation plans	4,309	—	—	—	—	—	—
Effect of changes in ownership for consolidated entities	—	—	(49,349)	—	288	49,061	—
Issuance of OP units	—	—	—	—	—	1,441	1,441
Equity-based compensation expense	—	—	120	—	—	2,477	2,597
Issuance of LTIP units for acquisition expenses	—	—	—	—	—	56	56
Issuance of restricted common shares	8,090	—	—	—	—	—	—
Vesting and forfeitures of restricted common shares	(5,500)	—	(26)	—	—	—	(26)
Reduction in receivables from partners of OP	—	—	—	—	—	1,375	1,375
Common share dividends	—	—	—	(26,695)	—	—	(26,695)
Distributions to noncontrolling interests	—	—	—	—	—	(47,760)	(47,760)
Other comprehensive income	—	—	—	—	8,741	371	9,112
Net income	—	—	—	17,965	—	6,901	24,866
Balances, December 31, 2016	43,110,362	$ 431	$ 576,365	$ (8,719)	$ 9,025	$ 401,966	$979,068

See notes to consolidated financial statements.

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

	Year Ended December 31,		
	2016	**2015**	**2014**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	$ 24,866	$ 4,796	$ (16,357)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	55,064	40,651	23,785
Amortization of debt issuance costs	1,955	2,714	3,282
Amortization of debt discount and premium, net	(2,051)	(1,747)	495
Loss on debt extinguishment	136	414	344
Unrealized loss on fair value of derivatives	—	68	332
Gain on sale of self storage properties	—	—	(1,427)
Issuance of subordinated performance units for related party payable	—	—	2,994
LTIP units issued for acquisition expenses	56	1,020	1,460
Equity-based compensation expense	2,597	3,027	1,468
Equity in losses of unconsolidated real estate venture	1,484	—	—
Distributions from unconsolidated real estate venture	730	—	—
Change in assets and liabilities, net of effects of business combinations:			
Restricted cash	437	1,076	1,051
Other assets	(1,994)	(680)	(271)
Accounts payable and accrued liabilities	8,386	269	(126)
Deferred revenue	3,417	(198)	(607)
Net Cash Provided by Operating Activities	95,083	51,410	16,423
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of self storage properties	(532,529)	(171,822)	(217,939)
Capital expenditures	(11,418)	(4,072)	(3,843)
Investments in unconsolidated real estate venture	(82,950)	—	—
Note receivable from PROs	—	—	(12,813)
Acquisition of property management platform	(19,943)	—	—
Deposits and advances for self storage property and other acquisitions	(345)	(738)	(913)
Expenditures for corporate furniture, equipment and other	(527)	(418)	(146)
Change in restricted cash designated for capital expenditures	17	141	662
Net proceeds from sale of self storage properties	4,823	—	2,993
Net Cash Used In Investing Activities	(642,872)	(176,909)	(231,999)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of common shares	378,281	278,070	—
Borrowings under debt financings	812,500	258,443	372,839
Proceeds from issuance of OP units and subordinated performance units	—	—	438
Receipts for OP unit subscriptions	1,344	1,015	—
Collection of receivables from issuance of OP equity	930	774	89
Principal payments under debt financings	(558,597)	(357,273)	(143,970)

See notes to consolidated financial statements.

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

	Year Ended December 31,		
	2016	**2015**	**2014**
Payment of dividends to common shareholders	(26,695)	(12,429)	—
Distributions to noncontrolling interests	(47,005)	(37,992)	(12,567)
NSA Predecessor distributions and other	—	—	34
Change in restricted cash for financing activity	—	(167)	—
Debt issuance costs	(5,665)	(1,848)	(1,774)
Equity offering costs	(1,399)	(5,438)	(1,700)
Net Cash Provided by Financing Activities	553,694	123,155	213,389
Increase (Decrease) in Cash and Cash Equivalents	5,905	(2,344)	(2,187)
CASH AND CASH EQUIVALENTS			
Beginning of year	6,665	9,009	11,196
End of year	$ 12,570	$ 6,665	$ 9,009
Supplemental Cash Flow Information			
Cash paid for interest	$ 23,313	$ 20,206	$ 18,771
Supplemental Disclosure of Non-Cash Investing and Financing Activities			
Consideration exchanged in business combinations:			
Issuance of OP units and subordinated performance units	$ 120,952	$ 42,113	$ 137,017
Deposits on acquisitions applied to purchase price	631	745	—
LTIP units vesting upon acquisition of properties	814	1,402	3,652
Assumption of mortgages payable	61,628	73,498	65,816
Note payable to related party to settle assumed mortgages	—	5,342	—
Other net liabilities assumed	4,817	511	2,403
OP units in exchange for receivable from seller	—	—	5,206
Notes receivable settled upon acquisition of properties	—	1,778	11,035
Fair value of noncontrolling interests in acquired subsidiaries	—	21,137	41,297
Issuance of OP unit subscription liability through reduced distributions	1,441	1,416	5,863
Settlement of acquisition receivables through reduced distributions	445	1,473	105
Increase in lender participation liability and related discount	—	—	770
Increase in OP unit subscription liability through reduced distributions	310	498	—
Increase (decrease) in payables for deferred offering costs	593	(1,379)	1,418
Settlement of offering expenses from equity issuance proceeds	11,673	20,930	—

See notes to consolidated financial statements.

1. ORGANIZATION AND NATURE OF OPERATIONS

National Storage Affiliates Trust was organized in the state of Maryland on May 16, 2013 and is a fully integrated, self-administered and self-managed real estate investment trust focused on the self storage sector. As used herein, "NSA," the "Company," "we," "our," and "us" refers to National Storage Affiliates Trust and its consolidated subsidiaries, except where the context indicates otherwise. The Company completed its initial public offering on April 28, 2015 and has elected and believes that it has qualified to be taxed as a real estate investment trust for U.S. federal income tax purposes ("REIT") commencing with its taxable year ended December 31, 2015.

Through its controlling interest as the sole general partner of NSA OP, LP (its "operating partnership"), a Delaware limited partnership formed on February 13, 2013, the Company is focused on the ownership, operation, and acquisition of self storage properties located within the top 100 metropolitan statistical areas ("MSAs") in the United States. Pursuant to the Agreement of Limited Partnership (as amended, the "LP Agreement") of its operating partnership, the Company's operating partnership is authorized to issue 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 owned 382 self storage properties in 20 states with approximately 23.1 million rentable square feet in approximately 184,000 storage units as of December 31, 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"), Arizona Mini Storage Management Company d/b/a Storage Solutions and its controlled affiliates ("Storage Solutions"), and Hide-Away Storage Services, Inc. and its controlled affiliates ("Hide-Away").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Principles of Consolidation

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

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

During the year ended December 31, 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 from the Company's adoption of ASU 2015-02.

As of December 31, 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 $256.8 million and $262.6 million as of December 31, 2016 and December 31, 2015, respectively. For the DownREIT partnerships which are subject to fixed rate mortgages payable, the carrying value of such fixed rate mortgages payable held by these VIEs was $41.4 million and $43.2 million as of December 31, 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 its operating partnership not held by the Company are reflected as noncontrolling interests. Noncontrolling interests also include ownership interests in DownREIT partnerships held by entities other than the Company's operating partnership. In the consolidated statements of operations, the Company allocates net income (loss) attributable to noncontrolling interests to arrive at net income (loss) attributable to National Storage Affiliates Trust.

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

Self Storage Properties

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

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

Cash and Cash Equivalents

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

Restricted Cash

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

Customer In-place Leases

In allocating the purchase price for a self storage property acquisition, the Company determines whether the acquisition includes intangible assets. The Company allocates a portion of the purchase price to an intangible asset attributed to the value of customer in-place leases. This intangible asset is amortized to expense using the straight-line method over 12 months, the estimated average rental period for the Company's customers. Amortization expense for customer in-place leases amounted to $12.0 million, $12.0 million and $8.3 million for the years ended December 31, 2016, 2015 and 2014, respectively. Substantially all of the leases in place at acquired properties are at market rates, as the leases are month-to-month contracts.

Impairment of Long-Lived Assets

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

Debt Issuance Costs

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

Revenue Recognition

Management has determined that all of the Company's leases are operating leases. Substantially all leases may be terminated on a month-to-month basis and rental income is recognized ratably over the lease term using the straight-line method. Rents received in advance are deferred and recognized on a straight-line basis over the related lease term associated with the prepayment. Promotional discounts and other incentives are recognized as a reduction to rental income over the applicable lease term. Other property-related revenue consists of ancillary revenues such as tenant insurance-related access fees and commissions and sales of storage supplies which are recognized in the period earned.

The Company recognizes gains from disposition of facilities only upon closing in accordance with the guidance on sales of real estate. Payments received from purchasers prior to closing are recorded as deposits. Profit on real estate sold is recognized using the full accrual method upon closing when the collectability of the sales price is reasonably assured and the Company is not obligated to perform significant activities after the sale. Profit may be deferred in whole or part until the sale meets the requirements of profit recognition on sales under this guidance.

The Company earns management and other fees for managing and operating its unconsolidated real estate venture. These fees include property management fees, call center fees, platform fees, acquisition fees, development fees and a portion of tenant warranty protection proceeds. The Company recognizes these fees when they are earned, fixed and determinable. The fees are reported in management fees and other revenue in the Company's consolidated statements of operations.

Advertising Costs

The Company incurs advertising costs primarily attributable to internet, directory and other advertising. Advertising costs are included in property operating expenses in the accompanying statements of operations. These costs are expensed in the period in which the cost is incurred. The Company incurred advertising costs of $3.1 million, $2.4 million and $1.7 million for the years ended December 31, 2016, 2015 and 2014, respectively.

Acquisition Costs, Organizational and Offering Expenses

The Company incurs title, legal and consulting fees, and other costs associated with the completion of acquisitions. Such costs are included in acquisition costs in the accompanying statements of operations in the period in which they are incurred. The Company also incurs legal fees and filing fees in connection with the organization of the Company and its consolidated subsidiaries, which are charged to expense in the period incurred.

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

Income Taxes

Through December 31, 2014, the Company did not have a profit and loss sharing interest in its operating partnership and did not have any other operations that were subject to taxation. Accordingly, the Company did not generate a federal income tax benefit or expense for the period from its inception through December 31, 2014.

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

The Company will not be required to make distributions with respect to income derived from the activities conducted through subsidiaries that the Company elects to treat as taxable REIT subsidiaries ("TRS") for federal income tax purposes. Certain activities that the Company undertakes must be conducted by a TRS, such as performing non-customary services for its customers and holding assets that the Company is not permitted to hold directly. A TRS is subject to federal and state income taxes.

On June 25, 2014, the Company formed NSA TRS, LLC ("NSA TRS"), a Delaware limited liability company. The Company has elected to treat NSA TRS as a TRS, and consequently, NSA TRS is subject to U.S. federal and state corporate income taxes. Deferred tax assets and liabilities are recognized to the extent of any differences between the financial reporting and tax bases of assets and liabilities. No material deferred tax assets and liabilities were recorded as of December 31, 2016 and 2015.

The Company did not have any unrecognized tax benefits related to uncertain tax positions as of December 31, 2016 and 2015. Future amounts of accrued interest and penalties, if any, related to uncertain tax positions will be recorded as a component of income tax expense. The Company does not expect that the amount of unrecognized tax benefits will change significantly in the next 12 months.

The Company's material taxing jurisdiction is the U.S. federal jurisdiction; due to the Company's recent formation, the 2013 tax year is the earliest period that remains open to examination by these taxing jurisdictions.

Earnings per Share

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

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

Equity-Based Awards

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

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

Derivative Financial Instruments

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

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

Fair Value Measurements

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

Investments in Unconsolidated Real Estate Venture

The Company’s investment in its unconsolidated real estate venture is recorded under the equity method of accounting in the accompanying consolidated financial statements.

Under the equity method, the Company’s investment in real estate venture is stated at cost and adjusted for the Company’s share of net earnings or losses and reduced by distributions. Equity in earnings (losses) is recognized based on the Company’s ownership interest in the earnings (losses) of the unconsolidated real estate venture. The Company follows the "look through" approach for classification of distributions from joint ventures in its consolidated statements of cash flows. Under this approach, distributions are reported under operating cash flow unless the facts and circumstances of a specific distribution clearly indicate that it is a return of capital (e.g., proceeds from the unconsolidated real estate venture’s sale of assets), in which case it is reported as an investing activity.

Segment Reporting

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

Reclassifications

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

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 HLBV method, in which the Company allocates income or loss based on the change in each unitholders' claim on the net assets of the Company's operating partnership at period end after adjusting for any distributions or contributions made during such period. The HLBV method is commonly applied to equity investments

where cash distribution percentages vary at different points in time and are not directly linked to an equity holder's ownership percentage.

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

Other Comprehensive Income (Loss)

The Company has cash flow hedge derivative instruments that are measured at fair value with unrealized gains or losses recognized in other comprehensive income (loss) with a corresponding adjustment to accumulated other comprehensive income (loss) within equity, as discussed further in Note 13. 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).

Assets Held For Sale

The Company classifies properties as held for sale when certain criteria are met. At such time, the properties, including significant assets and liabilities that are expected to be transferred as part of a sale transaction, are presented separately on the consolidated balance sheet at the lower of carrying value or estimated fair value less costs to sell and depreciation is no longer recognized. As of December 31, 2016, the Company had two self storage properties classified as held for sale. These properties were part of a larger portfolio of properties acquired during 2016 whereby the Company decided during the underwriting process to pursue the sale of certain properties following the acquisition. As of December 31, 2015 the Company had no self storage properties classified as held for sale. The results of operations for the self storage properties classified as held for sale are reflected within income from operations in the Company's consolidated statements of operations.

Goodwill

Goodwill represents the costs of business acquisitions in excess of the fair value of identifiable net assets acquired. The Company evaluates goodwill for potential impairment annually, or whenever impairment indicators are present. The Company determined that there was no impairment to goodwill during the year ended December 31, 2016.

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. ASU 2014-09 does not apply to leases and the Company is evaluating the effect that ASU 2014-09 will have on its consolidated financial statements and related disclosures. Although the Company has not yet selected a transition method, as ASU 2014-09 does not impact lessor accounting, the Company does not believe the adoption of ASU 2014-09 will significantly impact its accounting for rental revenue.

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 year ended December 31, 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 $5.1 million and $2.8 million as of December 31, 2016 and December 31, 2015, respectively. Debt issuance costs related to the Company's revolving line of credit (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.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows, which clarifies the classification of certain cash receipts and cash payments in the statement of cash flows, including debt prepayment or extinguishment costs, settlement of contingent consideration arising from a business combination, insurance settlement proceeds, and distributions from certain equity method investees. ASU 2016-15 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. Early adoption is permitted. The Company plans to adopt ASU 2016-15 in 2017 for the annual and interim reporting periods beginning after December 31, 2016 and does not expect the adoption to have a significant impact on its consolidated statements of cash flows.

In November 2016, the FASB issued an ASU 2016-18, Statement of Cash Flows - Restricted Cash, that requires the inclusion of restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. ASU 2016-18 is effective for reporting periods beginning after December 15, 2017, with early adoption permitted, and will be applied retrospectively to all periods presented. As of December 31, 2016 and 2015, the Company had $2.8 million and $2.7 million of restricted cash, respectively. The Company plans to adopt ASU 2016-18 in 2017 for the annual and interim reporting periods beginning after December 31, 2016. Upon adoption of ASU 2016-18, restricted cash balances will be included along with cash and cash equivalents in the Company's consolidated statement of cash flows and separate line items showing changes in restricted cash balances will be eliminated from the Company's consolidated statements of cash flows.

In January 2017, the FASB issued ASU 2017-01, Clarifying the Definition of a Business, which narrows the definition of a business and provides an amended framework for determining whether a transaction involves an asset

or a business. The Company expects that most of its acquisitions of self storage properties will qualify as asset acquisitions under ASU 2017-01 which permits the capitalization of acquisition costs to the basis of the acquired properties. ASU 2017-01 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. Early adoption is permitted. The Company plans to adopt ASU 2017-01 in 2017 for the annual and interim reporting periods beginning after December 31, 2016.

3. SHAREHOLDERS' EQUITY AND NONCONTROLLING INTERESTS

Shareholders' Equity

The Company completed its initial public offering on April 28, 2015, pursuant to which it sold 23,000,000 of its 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.

Common Share Offerings

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 $237.5 million after deducting the underwriting discount and additional expenses associated with the offering.

On December 16, 2016, the Company closed a follow-on offering of 5,175,000 of its common shares, which included 675,000 common shares sold upon the exercise in full by the underwriters of their option to purchase additional common shares, at an offering price of $20.48 per share. The Company received aggregate net proceeds from the offering of approximately $105.5 million after deducting the underwriting discount and additional expenses associated with the offering.

At the Market ("ATM") Program

On October 11, 2016, the Company entered into open market sales agreements with four agents, pursuant to which the Company may sell from time to time up to $200 million of the Company's common shares in sales deemed to be "at the market offerings." The Company may offer the common shares through the agents, as sales agents, or to the agents, acting as principals by means of, among others, ordinary brokers’ transactions on the NYSE or otherwise at market prices prevailing at the time of sale or at negotiated prices.

During the year ended December 31, 2016, the Company sold 1,740,959 of its common shares through the ATM program. The common shares were sold at an average offering price of $19.54 per share, resulting in net proceeds to the Company of approximately $33.6 million after deducting compensation payable by the Company to such agents, but before expenses.

Noncontrolling Interests

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

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

	December 31,	
	2016	2015
OP units	26,125,444	21,556,006
Subordinated performance units	11,022,378	9,302,989
LTIP units	1,543,905	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	44,913,512	39,865,541

OP Units and DownREIT OP units

OP units in the Company's operating partnership are redeemable for cash or, at the Company's option, exchangeable for common shares on a one-for-one basis, and DownREIT OP units are redeemable for cash or, at the Company's option, exchangeable for OP units in its operating partnership on a one-for-one basis, subject to certain adjustments in each case. The holders of OP units are generally not entitled to elect redemption until one year after the later of the closing of the Company's initial public offering or the issuance of the OP units. The holders of DownREIT OP units are generally not entitled to elect redemption until five years after the date of the contributor's initial contribution. Accordingly, these limited partner interests are included in noncontrolling interests within equity in the accompanying balance sheets as of December 31, 2016 and 2015.

The increase in OP Units outstanding from December 31, 2015 to December 31, 2016 was due to 4,392,081 OP units issued in connection with the acquisition of self storage properties and 1,302,860 LTIP units which were converted into OP units, as discussed further below, partially offset by the redemption of 1,125,503 OP units.

Subordinated Performance Units and DownREIT Subordinated Performance Units

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

The increase in subordinated performance units outstanding from December 31, 2015 to December 31, 2016 was related to the acquisition of self storage properties.

LTIP Units

LTIP units are a special class of partnership interest in the Company's operating partnership that allow the holder to participate in the ordinary and liquidating distributions received by holders of the OP units (subject to the achievement of specified levels of profitability by the Company's operating partnership or the achievement of certain events). LTIP units may also, under certain circumstances, be convertible into OP units on a one-for-one basis, which are then exchangeable for common shares as described above.

LTIP units were first granted under the 2013 Long-Term Incentive Plan (the "2013 Plan"). Some of the granted LTIP units vested immediately or upon completion of the Company's initial public offering. Others vest upon the contribution of self storage properties or along a schedule at certain times through January 1, 2019. LTIP units do not have full parity with OP units with respect to liquidating distributions and do not receive ordinary distributions until such parity is reached pursuant to the terms of the LP Agreement. If such parity is reached under the LP Agreement, upon vesting, vested LTIP units may be converted into an equal number of OP units, and thereafter have all the rights of OP units, including redemption rights. See Note 9 for additional information about the Company's LTIP Units.

The decrease in LTIP units outstanding from December 31, 2015 to December 31, 2016 was due to the conversion of 1,302,860 LTIP units into 1,302,860 OP units and the forfeiture of 118,300 LTIP units, partially offset by the issuance of 180,304 compensatory LTIP units to employees, consultants and trustees.

Distributions

The Company is entitled to cause its operating partnership to make distributions to OP unit holders and subordinated performance unit holders in its operating partnership from time to time in its sole discretion. To the extent distributions are made, the holders of OP units are entitled to receive distributions with respect to all of the Company's self storage property portfolio and the holders of each series of subordinated performance units are entitled to receive distributions with respect to the portfolio of self storage properties to which the series of subordinated performance units relates. To the extent that there is available operating cash flow or capital transaction proceeds, subject to maintaining the Company's qualification as a REIT, the Company may cause its operating partnership to make distributions.

4. SELF STORAGE PROPERTIES

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

	December 31,	
	2016	**2015**
Land	$ 456,135	$ 315,867
Buildings and improvements	1,383,603	829,093
Furniture and equipment	4,598	2,241
Total self storage properties	1,844,336	1,147,201
Less accumulated depreciation	(110,803)	(68,100)
Self storage properties, net	$ 1,733,533	$ 1,079,101

Depreciation expense related to self storage properties amounted to $42.7 million, $28.5 million and $15.5 million for the years ended December 31, 2016, 2015 and 2014, respectively.

5. INVESTMENT IN UNCONSOLIDATED REAL ESTATE VENTURE

During the year ended December 31, 2016, the Company, through a newly formed subsidiary (the "NSA Member"), entered into an agreement (the "Agreement") to form a joint venture (the "Joint Venture") with a state pension fund (the "JV Investor," together with the NSA Member, the "Members") advised by Heitman Capital Management LLC to acquire and operate the "iStorage" facilities portfolio (the "JV Portfolio") for an aggregate purchase price of approximately $630.0 million (the "Acquisition"). The JV Portfolio consists of 66 properties containing approximately 4.5 million rentable square feet, configured in approximately 36,000 storage units and located across 12 states.

On October 4, 2016, the Joint Venture completed its acquisition of the JV Portfolio. The Joint Venture financed the Acquisition with approximately $320.0 million in equity (approximately $80.0 million from the NSA Member in exchange for a 25% ownership interest and approximately $240.0 million from the JV Investor in exchange for a 75% ownership interest) with the balance of the purchase price funded using proceeds from new debt financing. A subsidiary of the Company is acting as the non-member manager of the Joint Venture (the "NSA Manager"). The NSA Manager directs, manages and controls the day-to-day operations and affairs of the Joint Venture but may not cause the Joint Venture to make certain major decisions involving the business of the Joint Venture without the consent of all of the Members, including the approval of annual budgets, sales and acquisitions of properties, financings, and certain actions relating to bankruptcy.

The Joint Venture pays certain customary fees to the Company for managing and operating the properties, including a monthly property management fee equal to 6% of gross revenues and net sales revenues from Joint Venture assets, an annual call center fee equal to 1% of monthly gross revenues and net sales revenues from Joint Venture assets, a monthly platform fee equal to $1,250 per Joint Venture property, an acquisition fee equal to 0.65% of the gross capitalization (including debt and equity) of the original JV Portfolio, of which one quarter is earned each year over the first four years of the Joint Venture, with an additional fee determined on a sliding scale for future acquisitions, and a development management fee for any development projects acquired by the Joint Venture equal to 3% of construction costs (excluding "soft costs"). An affiliate of the NSA Manager provides tenant warranty protection to tenants at the Joint Venture properties in exchange for 50% of all proceeds from the tenant warranty protection program at each Joint

Venture property. During the year ended December 31, 2016, the Company earned $1.8 million of management and other fees for managing and operating its unconsolidated real estate venture. The fees are reported in management fees and other revenue in the Company's consolidated statements of operations.

The Company's investment in the Joint Venture is accounted for using the equity method of accounting and is included in investment in unconsolidated real estate venture in the Company's consolidated balance sheets. The Company's investment in the unconsolidated real estate venture totaled $81.5 million as of December 31, 2016. This investment includes $3.2 million of direct costs incurred by the Company primarily related to sourcing a joint venture partner. Due to the nature of these costs, this additional investment basis is not amortized.

The Company's earnings (losses) from its investment in the Joint Venture is presented in equity in losses of unconsolidated real estate venture on the Company's consolidated statements of operations and totaled $1.5 million for the year ended December 31, 2016.

Condensed financial information of the Joint Venture as of December 31, 2016 and for the year ended December 31, 2016 follows (in thousands):

		December 31, 2016
ASSETS		
Self storage properties, net	$	614,754
Other assets		19,936
Total assets	$	634,690
LIABILITIES AND EQUITY		
Debt financing	$	317,047
Other liabilities		4,498
Equity		313,145
Total liabilities and equity	$	634,690

		Year Ended December 31, 2016
Total revenue	$	12,197
Property operating expenses		3,850
Net operating income		8,347
Supervisory, administrative and other expenses		(949)
Depreciation and amortization		(6,235)
Interest expense		(2,823)
Acquisition and other expenses		(4,277)
Net loss	$	(5,937)

Separately, the Company, through certain newly formed subsidiaries, agreed to acquire the iStorage property management platform related to the JV Portfolio, including a property management company, a captive insurance company, and related intellectual property for $20.0 million. On October 4, 2016, the Company completed its acquisition of the property management platform. The property management platform was accounted for as a business combination whereby the Company allocated the total purchase price to the estimated fair value of tangible and intangible assets acquired, and liabilities assumed. The Company allocated a portion of the purchase price to tangible fixed assets of $0.4 million and intangible assets consisting of the management contract with an estimated fair value of $10.6 million and the iStorage trade name with an estimated fair value of $3.2 million. The excess of the aggregate consideration paid for the property management platform over the identified assets acquired and liabilities assumed, equal to $5.8 million, was allocated to goodwill. The tangible and intangible assets related to the property management platform are reported in other assets, net in the Company's consolidated balance sheets.

The Company's fair value measurements were based, in part, on valuations prepared by an independent valuation firm and the allocation of the property management platform purchase price required a significant amount of judgment. The Company measured the fair value of the management contract based on discounted future cash flows expected under the management contract. Neither the management contract nor the Joint Venture have a finite term. Accordingly,

the Company assigned probabilities to the term of the Joint Venture and the Company's management relationship with the Joint Venture using the Company's best estimates and assumptions. The management contract asset is charged to amortization expense on a straight-line basis over 15 years, which represents the time period over which the majority of value was attributed in the Company's discounted cash flow model. The Company measured the fair value of the trade name, which has an indefinite life and is not amortized, using the relief from royalty method.

The results of operations for the property management platform are included in the Company's statements of operations beginning on October 4, 2016. On an unaudited pro forma basis, after giving effect to the acquisition of the property management platform as if it was acquired on January 1, 2015, the Company would have recorded incremental additional revenue of $4.9 million and $6.3 million for the years ended December 31, 2016 and 2015, respectively, and incremental net income of $0.6 million and $0.7 million for the years ended December 31, 2016 and 2015, respectively. This pro forma information was prepared using the following significant assumptions: the Joint Venture acquired the JV Portfolio and the management contract was effective on January 1, 2015; the Company financed the purchase price of the property management platform through borrowings under its Revolver with interest computed based on the effective interest rate of 2.17% as of December 31, 2016; and assumed depreciation and amortization expense is based on the actual acquisition-date fair values and useful lives assigned to tangible fixed assets and the management contract.

The unaudited pro forma information in the paragraph above 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 pro forma information was prepared using audited and unaudited historical financial information related to the JV Portfolio obtained by the Company as part of its underwriting and due diligence process and does not give effect to any assumptions about improved operating performance of the JV Portfolio under the management of the NSA Manager nor does it give effect to potential property acquisitions by the Joint Venture, as such assumptions would require projections and estimates of management's intentions that are not factually supportable.

6. SELF STORAGE PROPERTY ACQUISITIONS AND DISPOSITIONS

The Company acquired 107 self storage properties with an estimated fair value of $721.4 million during the year ended December 31, 2016 and 58 self storage properties with an estimated fair value of $313.0 million during the year ended December 31, 2015. During the year ended December 31, 2016, 23 self storage properties with an estimated fair value of $176.3 million were acquired by the Company from the its PROs. During the year ended December 31, 2015, 25 self storage properties with an estimated fair value of $134.4 million were acquired by the Company from its PROs, and 13 self storage properties with an estimated fair value of $65.3 million were acquired by us from an entity which is managed by a member of the Company's board of trustees.

The Company allocated the total purchase price to the estimated fair value of tangible and intangible assets acquired, and liabilities assumed for these self storage property acquisitions. The Company allocated a portion of the purchase price to identifiable intangible assets consisting of customer in-place leases which were recorded at estimated fair value of $17.7 million and $8.5 million during the years ended December 31, 2016 and 2015, respectively, resulting in a total fair value of $703.7 million and $304.5 million allocated to real estate during the years ended December 31, 2016 and 2015, respectively.

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The following table summarizes, by calendar quarter, the consideration for the self storage properties acquired by the Company during the years ended December 31, 2016 and 2015 (dollars in thousands):

Acquisitions Closed During the Three Months Ended:	Number of Properties	Summary of Consideration						
		Cash	Value of OP Equity(1)	Settlement of Note Receivable	Liabilities Assumed (Assets Acquired)		Noncontrolling Interests(3)	Total Fair Value
					Mortgages(2)	Other		
3/31/2016	17	$ 63,300	$ 19,068	$ —	$ 5,861	$ 584	$ —	$ 88,813
6/30/2016	25	61,263	80,986	—	55,767	1,212	—	199,228
9/30/2016	34	199,890	4,841	—	—	896	—	205,627
12/31/2016	31	208,707	16,871	—	—	2,125	—	227,703
Total	107	$ 533,160	$ 121,766	$ —	$ 61,628	$ 4,817	$ —	$ 721,371
3/31/2015	6	$ 6,991	$ 8,954	$ 1,778	$ 16,442	$ 70	$ 6,770	$ 41,005
6/30/2015	21	41,277	22,971	—	30,547	288	—	95,083
9/30/2015	15	84,673	10,188	—	2,866	512	8,327	106,566
12/31/2015	16	39,626	1,402	—	23,643	(359)	6,040	70,352
Total	58	$ 172,567	$ 43,515	$ 1,778	$ 73,498	$ 511	$ 21,137	$ 313,006

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

(2) Includes fair value of debt adjustment for assumed mortgages of approximately $7.2 million and $2.2 million during the years ended December 31, 2016 and 2015, respectively.

(3) Represents the fair value of noncontrolling interests associated with self storage properties acquired in DownREIT partnerships. The Company estimates the portion of the fair value of the net assets owned by noncontrolling interests based on the fair value of the real estate and debt assumed.

The results of operations for these self storage acquisitions are included in the Company's statements of operations beginning on the respective closing date for each acquisition. The accompanying statements of operations includes aggregate revenue of $35.6 million and operating income of $3.7 million related to the 107 self storage properties acquired during the year ended December 31, 2016. For the year ended December 31, 2015, the accompanying statements of operations includes aggregate revenue of $19.3 million and operating income of $2.4 million related to the 58 self storage properties acquired during such period. Acquisition costs in the accompanying statements of operations include consulting fees, transaction expenses, and other costs related to business combinations, which amounted to $6.5 million and $4.8 million for the years ended December 31, 2016 and 2015, respectively.

Unaudited Pro Forma Financial Information

The unaudited pro forma financial information set forth below reflects adjustments to the historical data of the Company to give effect to the acquisitions and related financing activities for (i) 100 of the 107 self storage properties acquired during the year ended December 31, 2016, as if the acquisitions had occurred on January 1, 2015 (unaudited pro forma financial information is not presented for seven of the self storage properties acquired during the year ended December 31, 2016 since the information required is not available to the Company), (ii) 42 of the 58 self storage properties that were acquired during the year ended December 31, 2015, as if each acquisition had occurred on January 1, 2014 (unaudited pro forma financial information is not presented for 16 of the self storage properties acquired during the year ended December 31, 2015 since the information required is not available to the Company), and (iii) each of the 83 self storage property acquisitions that occurred during the year ended December 31, 2014, as if each had occurred on January 1, 2013.

As described in greater detail above, given that certain information with respect to the self storage properties the Company acquired during the years ended December 31, 2016 and 2015 is not available to the Company, readers of these consolidated financial statements and investors are cautioned not to place undue reliance on the Company's unaudited pro forma financial information. The unaudited 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 an unaudited pro forma basis the results of operations for the years ended December 31, 2016, 2015, and 2014 (dollars in thousands):

	Unaudited		
	2016	2015	2014
Pro forma revenue:			
Historical results	$ 199,046	$ 133,919	$ 76,970
2016 Acquisitions[1]	35,479	61,199	—
2015 Acquisitions[2]	—	9,462	22,596
2014 Acquisitions	—	—	28,377
Total	$ 234,525	$ 204,580	$ 127,943
Pro forma net income (loss): [3]			
Historical results	$ 24,866	$ 4,796	$ (16,357)
2016 Acquisitions[1]	15,343	(23,105)	—
2015 Acquisitions[2]	—	10,403	(7,258)
2014 Acquisitions	—	—	21,395
Total	$ 40,209	$ (7,906)	$ (2,220)

(1) Reflects 100 of the 107 self storage properties acquired during this period because the information required with respect to the seven remaining properties acquired during this period is not available to the Company.

(2) Reflects 42 of the 58 self storage properties acquired during this period because the information required with respect to the 16 remaining properties acquired during this period is not available to the Company.

(3) Significant assumptions and adjustments in preparation of the pro forma information include the following: (i) for the cash portion of the purchase price for self storage properties acquired subsequent to December 31, 2016 and during the year ended December 31, 2016, the Company assumed borrowings under the Company's revolving line of credit with interest computed based on the effective interest rate of 2.17% as of December 31, 2016; (ii) for the cash portion of the purchase price for properties acquired during the year ended December 31, 2015, the Company assumed borrowings under the Company's revolving line of credit with interest computed based on the effective interest rate of 2.03% as of December 31, 2015; (iii) for the cash portion of the purchase price for properties acquired during the year ended December 31, 2014, the Company assumed borrowings under the Company's revolving line of credit with interest computed based on the effective interest rate of 2.66% as of December 31, 2014; (iv) 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; (v) for acquisition costs of $6.5 million incurred during the year ended December 31, 2016, pro forma adjustments give effect to these costs as if they were incurred on January 1, 2015; and (vi) for acquisition costs of $4.8 million incurred during the year ended December 31, 2015, pro forma adjustments give effect to these costs as if they were incurred on January 1, 2014. For acquisition costs of $9.6 million incurred during the year ended December 31, 2014, pro forma adjustments give effect to these expenses as if they were incurred on January 1, 2013.

Dispositions

In December 2016, the Company sold to an unrelated third party one of the self storage properties acquired as part of a larger portfolio of self storage properties acquired during the year ended December 31, 2016. The gross sales price was $4.9 million and the Company did not recognize any gain or loss on the sale.

7. OTHER ASSETS

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

	December 31,	
	2016	2015
Customer in-place leases, net of accumulated amortization of $7,831 and $4,312, respectively	$ 9,374	$ 4,209
Receivables:		
Trade, net	1,898	1,093
PROs and other affiliates	601	232
Receivable from unconsolidated real estate venture	1,093	—
Property acquisition deposits	477	763
Interest rate swaps	8,742	331
Prepaid expenses and other	1,879	1,486
Corporate furniture, equipment and other, net	1,243	534
Trade name	3,200	—
Management contract, net of accumulated amortization of $148	10,473	—
Goodwill	5,750	—
Total	$ 44,730	$ 8,648

8. DEBT FINANCING

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

	Interest	December 31,	
	Rate [(1)]	2016	2015
Credit Facility:			
Revolving line of credit	2.17%	$ 246,500	$ 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	4.07%	201,694	176,911
Total principal		873,194	564,886
Unamortized debt issuance costs and debt premium, net		5,760	2,909
Total debt		$ 878,954	$ 567,795

(1) Represents the effective interest rate as of December 31, 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

The Company has an unsecured credit facility with a syndicated group of lenders. As of December 31, 2016, the borrowing capacity of the credit facility was $725.0 million which consisted of three components: (i) a revolving line of credit (the "Revolver") which provides for a total borrowing commitment up to $400.0 million, whereby the Company may borrow, repay and re-borrow amounts under the Revolver, (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 "credit facility"). 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. The Revolver, Term Loan A, and Term Loan B are not subject to any scheduled reduction or amortization payments prior to maturity.

Interest rates applicable to loans under the credit facility is determined based on a 1, 2, 3 or 6 month LIBOR period (as elected by the Company at the beginning of any applicable interest period) plus an applicable margin or a base rate, determined by the greatest of the Key Bank prime rate, the federal funds rate plus 0.50% or one month LIBOR plus 1.00%, plus an applicable margin. The applicable margins for the credit facility is 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 credit facility is 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 December 31, 2016, the Company had outstanding letters of credit totaling $9.9 million and would have had the capacity to borrow remaining Revolver commitments of $143.6 million while remaining in compliance with the credit facility's financial covenants described in the following paragraph.

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

- Maximum total leverage ratio not to exceed 60%
- 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 credit facility contain customary affirmative and negative covenants that, among other things, limit the Company's ability to make distributions or certain investments, incur debt, incur liens and enter into certain transactions. At December 31, 2016, the Company was in compliance with all such covenants.

As discussed in Note 15, on February 8, 2017, the Company entered into a second increase agreement and amendment with a syndicated group of lenders to increase the total borrowing capacity under the credit facility by $170.0 million for a total credit facility of $895.0 million, which included entry into a new $105.0 million tranche C term loan facility (the "Term Loan C"). The Company continues to have an expansion option under the credit facility, which, if exercised in full, would provide for a total credit facility of $1.0 billion. References to the "credit facility" include Term Loan C for all dates as of and after February 8, 2017.

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 credit facility. 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 2.55% to 5.00%. Principal and interest are generally payable monthly or in monthly interest-only payments with balloon payments due at maturity. As discussed in Note 6, the Company assumed fixed rate mortgages of $61.6 million in connection with 17 of the properties acquired during the year ended December 31, 2016 and $73.5 million in connection with 31 of the properties acquired during the year ended December 31, 2015. The Company repaid $12.2 million and $34.7 million of these assumed mortgages during the years ended December 31, 2016 and 2015, respectively.

Future Debt Maturities

Based on existing debt agreements in effect as of December 31, 2016, the scheduled principal and maturity payments for the Company's outstanding borrowings are presented in the table below (in thousands):

Year Ending December 31,	Scheduled Principal and Maturity Payments	Premium Amortization and Unamortized Debt Issuance Costs	Total
2017	$ 15,103	$ 606	$ 15,709
2018	10,617	510	11,127
2019	4,983	441	5,424
2020	285,745	90	285,835
2021	232,509	(9)	232,500
After 2022	324,237	4,122	328,359
	$ 873,194	$ 5,760	$ 878,954

9. EQUITY-BASED AWARDS

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

As discussed further in Note 3, LTIP units were first granted under the 2013 Long-Term Incentive Plan (the "2013 Plan"), which authorized up to 2.5 million LTIP units for issuance. In connection with the Company's initial public offering, the Company terminated the 2013 Plan but the awards granted thereunder remained outstanding after its termination. Restricted common shares were first granted under the 2015 National Storage Affiliates Trust Equity Incentive Plan (the "2015 Plan"), which authorizes the Company's compensation, nominating, and corporate governance committee to grant share options, restricted common shares, phantom shares, dividend equivalent rights, LTIP units and other restricted limited partnership units issued by its operating partnership and other equity-based awards up to an aggregate of 5% of the common shares issued and outstanding from time to time on a fully diluted basis (assuming,

if applicable, the exercise of all outstanding options and the conversion of all warrants and convertible securities, including OP units and LTIP units, into common shares).

As of December 31, 2016, the Company did not have outstanding under its equity compensation plan, any options, warrants or rights to purchase the Company's common shares.

LTIP Units

Through December 31, 2016, an aggregate of 2,474,710 LTIP units have been issued under the 2013 Plan, 177,546 LTIP units have been issued under the 2015 Plan, and 312,809 LTIP units have been issued under the LP Agreement. Some of the granted LTIP units vested immediately or upon completion of the Company's initial public offering. Others vest upon the contribution of self storage properties or along a schedule at certain times through January 1, 2019.

Compensatory Grants

The following table summarizes activity for compensatory LTIP units for the years ended December 31, 2016, 2015 and 2014:

	Year Ended December 31,					
	2016		2015		2014	
	Number of LTIP units	Weighted Average Grant-Date Fair Value	Number of LTIP units	Weighted Average Grant-Date Fair Value	Number of LTIP units	Weighted Average Grant-Date Fair Value
Outstanding unvested at beginning of year	236,265	$ 10.41	509,166	$ 10.07	287,600	$ 9.28
Granted	177,546	17.59	6,000	13.00	378,550	10.37
Vested	(119,282)	10.41	(278,901)	9.84	(156,984)	9.35
Unvested at end of year	294,529	$ 14.74	236,265	$ 10.41	509,166	$ 10.07

The aggregate fair value of compensatory LTIP units that vested during the years ended December 31, 2016, 2015 and 2014 was $1.2 million, $2.7 million and $1.5 million, respectively. Total compensation cost recognized for compensatory LTIP units was $2.5 million, $3.0 million and $1.5 million for the years ended December 31, 2016, 2015 and 2014, respectively. At December 31, 2016, total unvested compensation cost not yet recognized was $2.9 million. The Company expects to recognize this compensation cost over a period of approximately 2.0 years.

If the grantee has a termination of service for any reason during the vesting period, the unvested LTIP units will be forfeited. Compensation expense related to LTIP units granted to members of the Company's senior management team, the Company's independent trustees, advisers, consultants and other personnel is included in general and administrative expense in the accompanying statements of operations.

Acquisition Consideration Grants

On December 31, 2013, the Company granted 1,683,560 LTIP units under the 2013 Plan to PROs, including NSA Predecessor, as part of the consideration for their respective self storage property acquisitions and contributions. The following table presents the number of units vested and forfeited for acquisition grants during the years ended December 31, 2016, 2015 and 2014:

	Total LTIP units
Total unvested units, December 31, 2013	1,262,070
Units vested upon issuance in 2014 related to:	
Properties contributed or sourced by PROs	(379,970)
Contributions by NSA Predecessor[(1)]	(359,200)
Total unvested units, December 31, 2014	522,900
Units vested in 2015 related to properties contributed or sourced by PROs	(99,100)
Total unvested units, December 31, 2015	423,800
Units vested in 2016 related to properties contributed or sourced by PROs	(45,100)
Units forfeited	(118,300)
Total unvested units, December 31, 2016[(2)]	260,400

(1) The contribution of self storage properties by NSA Predecessor was accounted for as a reorganization of entities under common control and, accordingly, no value was recognized in the Company's consolidated financial statements for these LTIP units.

(2) As of December 31, 2016, the remaining unvested LTIP units will vest as additional self storage properties are contributed or sourced by the PROs. The fair value of such LTIP units will be recorded as additional acquisition consideration based on the fair value in the period such acquisitions are completed.

The aggregate fair value of purchase consideration recognized during the years ended December 31, 2016, 2015 and 2014 was $0.8 million, $1.4 million and $3.7 million, respectively.

LP Agreement Grants to Consultants

Pursuant to the LP Agreement, during the years ended December 31, 2016, 2015 and 2014, the Company issued 2,758, 88,981 and 221,070 LTIP units, respectively, that were immediately vested to consultants that provided acquisition services that are included in acquisition costs in the accompanying statements of operations. The aggregate fair value of the LTIP units was $0.1 million, $1.0 million and $2.1 million for the years ended December 31, 2016, 2015 and 2014, respectively.

Restricted Common Shares

Through December 31, 2016, an aggregate of 25,300 restricted common shares have been issued under the 2015 Plan. These restricted common shares vest over a weighted average period of approximately 2.7 years.

The following table summarizes activity for restricted common shares for the years ended December 31, 2016 and 2015:

	Year Ended December 31,			
	2016		2015	
	Number of Restricted Common Shares	Weighted Average Grant-Date Fair Value	Number of Restricted Common Shares	Weighted Average Grant-Date Fair Value
Outstanding at beginning of year	11,000	$ 12.40	—	$ —
Granted	8,090	17.19	17,210	12.40
Vested	(5,500)	12.40	(6,000)	12.40
Forfeited	—	—	(210)	12.40
Unvested at end of year	13,590	$ 12.40	11,000	$ 12.40

The aggregate fair value and total compensation cost of restricted common shares that vested during the years ended December 31, 2016 and 2015 was $0.1 million and $0.1 million, respectively. At December 31, 2016, total unvested compensation cost not yet recognized was $0.2 million. The Company expects to recognize this compensation cost over a period of approximately 2.0 years. If the grantee has a termination of service for any reason during the vesting period, the unvested restricted common shares will be forfeited. Compensation expense related to restricted common shares is included in general and administrative expense in the accompanying statements of operations.

10. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings (loss) per common share for the years ended December 31, 2016, 2015 and 2014 (in thousands, except per share amounts):

	Year Ended December 31,		
	2016	2015	2014
Earnings (loss) per common share - basic and diluted			
Numerator			
Net income (loss)	$ 24,866	$ 4,796	$ (16,357)
Net (income) loss attributable to noncontrolling interests	(6,901)	7,644	16,357
Net income (loss) attributable to National Storage Affiliates Trust	17,965	12,440	—
Distributed and undistributed earnings allocated to participating securities	(18)	(9)	—
Net income (loss) attributable to common shareholders - basic	17,947	12,431	—
Effect of assumed conversion of dilutive securities	6,783	(4,919)	—
Net income (loss) attributable to common shareholders - diluted	$ 24,730	$ 7,512	$ —
Denominator			
Weighted average shares outstanding - basic	29,887	15,463	1
Effect of dilutive securities:			
Weighted average OP units outstanding	24,262	15,697	—
Weighted average DownREIT OP unit equivalents outstanding	1,835	1,171	—
Weighted average LTIP units outstanding	1,846	1,272	—
Weighted average subordinated performance units and DownREIT subordinated performance unit equivalents	20,917	11,806	—
Weighted average shares outstanding - diluted	78,747	45,409	1
Earnings (loss) per share - basic	$ 0.60	$ 0.80	$ —
Earnings (loss) per share - diluted	$ 0.31	$ 0.17	$ —
Dividends declared per common share	$ 0.88	$ 0.54	$ —

As discussed in Note 2, the Company allocates GAAP income (loss) utilizing the HLBV method, in which the Company allocates income or loss based on the change in each unitholders' claim on the net assets of its operating partnership at period end after adjusting for any distributions or contributions made during such period. Due to the stated liquidation priorities and because the HLBV method incorporates non-cash items such as depreciation expense, in any given period, income or loss may be allocated disproportionately to National Storage Affiliates Trust and noncontrolling interests, resulting in volatile fluctuations of basic and diluted earnings (loss) per share. Additionally, 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 year ended December 31, 2014 and the period from January 1, 2015 to April 28, 2015 were allocated to noncontrolling interests.

Outstanding equity interests of the Company's operating partnership and DownREIT partnerships are considered potential common shares for purposes of calculating diluted earnings (loss) per share as the unitholders may, through the exercise of redemption rights, obtain common shares, subject to various restrictions. Basic earnings per share is calculated based on the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by further adjusting for the dilutive impact using the treasury stock method for 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 Company's operating partnership are redeemable for cash or, at the Company's option, exchangeable for common shares on a one-for-one basis, subject to certain adjustments and DownREIT OP units are redeemable for cash or, at the Company's option, exchangeable for OP units in its operating partnership on a one-for-one basis, subject to certain adjustments in each case.

LTIP units may also, under certain circumstances, be convertible into OP units on a one-for-one basis, which are then exchangeable for common shares as described above. Certain LTIP units vested prior to or upon the completion of the Company's initial public offering and certain LTIP units have vested upon the satisfaction of a service condition or 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 year ended December 31, 2016, 294,529 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 year ended December 31, 2016, 260,400 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, and as a result, is not necessarily indicative of the results of operations, cash flows or financial position of the Company upon expiration of the two-year lock out period on conversions.

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

11. RELATED PARTY TRANSACTIONS

Supervisory and Administrative Fees

The Company has entered into asset management agreements with the PROs to provide leasing, operating, supervisory and administrative services related to its self storage properties. The asset management agreements generally provide for fees ranging from 5% to 6% of gross revenue for the managed self storage properties. During the years ended December 31, 2016, 2015 and 2014, the Company incurred $11.0 million, $7.6 million and $4.5 million, respectively, for supervisory and administrative fees to the PROs. Such fees are included in general and administrative expenses in the accompanying statements of operations.

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 years ended December 31, 2016, 2015 and 2014, the Company incurred $19.4 million, $13.4 million and $8.4 million, respectively, for payroll and related costs reimbursable to these affiliates. Such costs are included in property operating expenses in the accompanying statements of operations.

Due Diligence Costs

During the years ended December 31, 2016 and 2015, the Company reimbursed certain PROs for $1.1 million and $0.6 million of due diligence costs related to certain self storage property acquisitions sourced by the PROs. These expenses are included in acquisition costs in the accompanying statements of operations.

During the year ended December 31, 2014, in connection with the acquisition of certain self storage properties sourced by an affiliate of NSA Predecessor, the Company agreed to reimburse the related party for $0.2 million of due diligence costs related to the acquisitions.

Notes Receivable

In connection with the acquisition of 16 self storage properties from PROs during the year ended December 31, 2014, the Company assumed certain mortgages that provided for interest at above-market rates. The sellers of the self storage properties agreed to reimburse the Company for the difference between the fair value and the contractual value of the assumed mortgages which amounted to $5.2 million. Due to the structure of the transaction, the amount owed to the Company was considered a receivable for the issuance of equity and was recorded as an offset against equity. During the years ended December 31, 2016 and 2015, the Company received above-market interest reimbursements from the sellers totaling $1.4 million and $1.6 million, respectively.

In addition, in exchange for $1.4 million and $1.4 million of principal payment reimbursements received related to these assumed mortgages during the years ended December 31, 2016 and 2015, the Company issued 67,832 and 85,130 OP units to the sellers during the year ended December 31, 2016 and 2015.

Notes Payable

During the year ended December 31, 2015, in connection with the acquisition of self storage properties owned in DownREIT partnerships, the Company entered into bridge loan agreements for $5.3 million payable to principals of the PRO that contributed the properties. The notes bore interest at a weighted average fixed rate of 3.30% and were fully repaid during the year ended December 31, 2015.

12. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company has four properties that are subject to non-cancelable leasehold interest agreements that are classified as operating leases. These lease agreements expire between 2034 and 2055, inclusive of extension options that the Company anticipates exercising. The leasehold interest agreements provide for fixed increases throughout the term of the lease and, accordingly, the Company recognizes lease expense on a straight-line basis over the expected lease terms. Rent expense under these leasehold interest agreements are included in property operating expenses in the accompanying statements of operations and amounted to $1.1 million, $1.0 million and less than $0.1 million for the years ended December 31, 2016, 2015 and 2014, respectively.

In March 2014, the Company entered into a non-cancelable operating lease that expires in July 2020 for its corporate headquarters in Greenwood Village, Colorado. Under the terms of the office lease, the Company obtained an option to extend the lease for an additional term of five years at then current market rates. The office lease provides for an abated rent period and the value of this inducement is being accounted for as a reduction to rent expense over the term of the lease. Rent expense related to this office lease is included in general and administrative expenses in the accompanying statements of operations and amounted to $0.1 million, $0.1 million and less than $0.1 million for the years ended December 31, 2016, 2015 and 2014, respectively.

As of December 31, 2016, future minimum cash payments under the Company's operating leases are as follows (in thousands):

Year Ending December 31,	Real Estate Leasehold Interests	Office Lease	Total
2017	$ 847	$ 139	$ 986
2018	852	142	994
2019	857	145	1,002
2020	902	86	988
2021	927	—	927
2022 through 2055	25,477	—	25,477
	$ 29,862	$ 512	$ 30,374

Legal Proceedings

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

13. FAIR VALUE MEASUREMENTS

Recurring Fair Value Measurements

The Company sometimes limits its exposure to interest rate fluctuations by entering into interest rate swap agreements. The interest rate swap agreements moderate the Company's exposure to interest rate risk by effectively converting the interest on variable rate debt to a fixed rate. The Company measures its interest rate swap derivatives at fair value on a recurring basis. The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges are recorded in accumulated other comprehensive income (loss) and are subsequently reclassified into earnings in the period that the hedged transaction affects earnings. The ineffective portion of the change in fair value of the derivatives is recognized directly into earnings. Information regarding the Company's interest rate swaps measured at fair value, which are classified within Level 2 of the GAAP fair value hierarchy, is presented below (dollars in thousands):

	Interest Rate Swaps Designated as Cash Flow Hedges	Non-hedge accounting Interest Rate Swaps	Total
Fair value at December 31, 2014	$ (865)	$ (207)	$ (1,072)
Unrealized losses included in interest expense	—	(63)	(63)
Designation of interest rate swap as a cash flow hedge	(270)	270	—
Cash flow hedge ineffectiveness	15	—	15
Losses on interest rate swaps reclassified into interest expense from accumulated other comprehensive loss	1,699	—	1,699
Unrealized losses included in accumulated other comprehensive loss	(1,551)	—	(1,551)
Fair value at December 31, 2015	$ (972)	$ —	$ (972)
Cash flow hedge ineffectiveness	19	—	19
Losses on interest rate swaps reclassified into interest expense from accumulated other comprehensive loss	2,678	—	2,678
Unrealized gains included in accumulated other comprehensive loss	6,434	—	6,434
Fair value at December 31, 2016	$ 8,159	$ —	$ 8,159

As of December 31, 2016 and 2015, the Company had outstanding interest rate swaps designated as cash flow hedges with aggregate notional amounts of $425.0 million and $199.4 million, respectively. As of December 31, 2016, the Company's swaps had a weighted average remaining term of 3.8 years. The fair value of these swaps are presented within other assets and accounts payable and accrued liabilities in the accompanying balance sheets, and the Company recognizes any changes in the fair value as an adjustment of accumulated other comprehensive income (loss) within equity to the extent of their effectiveness. If the forward rates at December 31, 2016 remain constant, the Company estimates that during the next 12 months, the Company would reclassify into earnings approximately $1.6 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 its counterparty to the interest rate swaps.

There were no transfers between levels during the years ended December 31, 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 December 31, 2016 and 2015, 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 December 31, 2016 and 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 December 31, 2016 and 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 $201.7 million as of December 31, 2016 with a fair value of approximately $214.0 million. In determining the fair value, the Company estimated a weighted average market interest rate of approximately 3.89%, compared to the weighted average contractual interest rate of 5.25%. 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%.

14. UNAUDITED SELECTED QUARTERLY FINANCIAL DATA

The following is a summary of quarterly financial information for the years ended December 31, 2016 and 2015 (in thousands, except per share data):

	For the three months ended			
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
Total revenues	$ 39,649	$ 47,284	$ 52,949	$ 59,164
Total operating expenses	28,504	33,382	36,908	42,596
Income from operations	11,145	13,902	16,041	16,568
Net income	4,802	6,045	7,944	6,075
Net income (loss) attributable to National Storage Affiliates Trust	$ 2,210	$ 7,370	$ (11)	$ 8,396
Earnings (loss) per share - basic	$ 0.10	$ 0.32	$ —	$ 0.22
Earnings (loss) per share - diluted	$ 0.07	$ 0.08	$ —	$ 0.07

	For the three months ended			
	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015
Total revenues	$ 28,291	$ 31,650	$ 35,678	$ 38,300
Total operating expenses	23,332	24,987	26,397	27,612
Income from operations	4,959	6,663	9,281	10,688
Net (loss) income	(2,771)	93	2,109	5,365
Net income (loss) attributable to National Storage Affiliates Trust	$ —	$ 3,464	$ 4,372	$ 4,604
Earnings (loss) per share - basic	$ —	$ 0.22	$ 0.19	$ 0.20
Earnings (loss) per share - diluted	$ —	$ —	$ 0.03	$ 0.08

15. SUBSEQUENT EVENTS

Self Storage Property Acquisitions

In January and February 2017, the Company acquired five self storage properties for approximately $31.8 million. Consideration for these acquisitions included approximately $26.6 million of net cash and OP equity of approximately $5.0 million (consisting of the issuance of 174,694 OP Units and 47,332 subordinated performance units) and the assumption of $0.2 million of other working capital liabilities. Of these acquisitions, two were acquired by us from our PROs and three were acquired by us from third-party sellers. In connection with these acquisitions, the Company reimbursed the PROs for $0.1 million of due diligence costs related to the self storage properties sourced by the PROs.

New PRO

In February 2017, the Company entered into definitive agreements with an affiliate of Shader Brothers Corporation d/b/a Personal Mini Storage ("Personal Mini") of Orlando, Florida, to add Personal Mini as the Company's eighth PRO. As part of the agreements, Personal Mini contributed approximately $7.0 million of cash to the Company in exchange for subordinated performance units. The Company's chairman and chief executive officer, Arlen D. Nordhagen, has a noncontrolling minority ownership interest in Personal Mini.

Credit Facility Increase

On February 8, 2017, pursuant to a partial exercise by the Company's operating partnership of its expansion option under its amended and restated credit agreement dated as of May 6, 2016, the Company's operating partnership, as borrower, certain of its subsidiaries that are party to the credit facility, as subsidiary guarantors, and the Company, as parent guarantor, entered into a second increase agreement and amendment with a syndicated group of lenders to increase the total borrowing capacity under the Term Loan A and Term Loan B by $10.0 million and $55.0 million, respectively, and to provide a new tranche C term loan facility ("Term Loan C") in an aggregate outstanding principal amount of $105.0 million, which, in the aggregate, increase the total borrowing capacity by $170.0 million for a total credit facility of $895.0 million consisting of the following components: (i) a $400.0 million Revolver, (ii) Term Loan A, which now provides for a total borrowing commitment of up $235.0 million, (iii) Term Loan B, which now provides for a total borrowing commitment of up to $155.0 million and (iv) Term Loan C, which provides for a total borrowing commitment of up to $105.0 million. The Company continues to have an expansion option under the credit facility, which, if exercised in full, would provide for a total credit facility of $1.0 billion.

The Term Loan C matures on February 8, 2024. It is not subject to any scheduled reduction or amortization payment prior to maturity. Interest rates applicable to loans under Term Loan C 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 Term Loan C are leverage based and range from 1.70% to 2.25% for LIBOR loans and 0.70% to 1.25% 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 Term Loan C 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. Prepayments of any loans under Term Loan C are subject to prepayment premiums of 2.00% from the date of the Increase Agreement through and including the first anniversary of the Increase Agreement and 1.00% from the first anniversary of the Increase Agreement through and including the second anniversary of the Increase Agreement. There is no prepayment penalty thereafter.

Other than the increases and amendments related to Term Loan C described above, the Increase Agreement did not impact or amend the Credit Agreement's previously disclosed terms, including its covenants, events of default, or terms of payment.

NATIONAL STORAGE AFFILIATES TRUST
SCHEDULE III-REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2016
(dollars in thousands)

Location		Initial Cost to Company			Gross Carrying Amount at Year-End				
MSA[1]	State	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total[2]	Accumulated Depreciation	Date Acquired
Mobile	AL	$ 991	$ 4,874	$ 700	$ 991	$ 5,574	$ 6,565	$ 200	4/12/2016
Lake Havasu City-Kingman	AZ	671	1,572	13	671	1,585	2,256	223	4/1/2014
Lake Havasu City-Kingman	AZ	722	2,546	34	722	2,580	3,302	372	7/1/2014
Phoenix-Mesa-Glendale	AZ	1,089	6,607	55	1,089	6,662	7,751	750	6/30/2014
Phoenix-Mesa-Glendale	AZ	3,813	7,831	43	3,813	7,874	11,687	639	9/30/2014
Phoenix-Mesa-Glendale	AZ	1,375	2,613	35	1,375	2,648	4,023	384	9/30/2014
Phoenix-Mesa-Glendale	AZ	1,653	7,531	11	1,653	7,542	9,195	522	10/1/2014
Phoenix-Mesa-Glendale	AZ	1,661	3,311	4	1,661	3,315	4,976	292	10/1/2014
Phoenix-Mesa-Glendale	AZ	1,050	5,359	1	1,050	5,360	6,410	271	1/1/2015
Phoenix-Mesa-Glendale	AZ	1,198	1,921	—	1,198	1,921	3,119	150	5/1/2015
Phoenix-Mesa-Glendale	AZ	1,324	3,626	20	1,324	3,646	4,970	230	5/1/2015
Phoenix-Mesa-Glendale	AZ	3,816	4,348	5	3,816	4,353	8,169	268	5/1/2015
Phoenix-Mesa-Scottsdale	AZ	5,576	6,746	100	5,576	6,846	12,422	220	5/19/2016
Phoenix-Mesa-Scottsdale	AZ	1,506	2,881	34	1,506	2,915	4,421	54	7/29/2016
Tucson	AZ	421	3,855	70	421	3,925	4,346	371	8/29/2013
Tucson	AZ	716	1,365	7	716	1,372	2,088	245	8/29/2013
Anaheim-Santa Ana-Irvine	CA	1,530	5,799	181	1,530	5,980	7,510	62	8/1/2016
Bakersfield	CA	511	2,804	8	511	2,812	3,323	46	8/1/2016
Bakersfield	CA	1,409	3,907	2	1,409	3,909	5,318	58	8/1/2016
Bakersfield	CA	1,882	3,858	5	1,882	3,863	5,745	68	8/1/2016
Bakersfield	CA	1,355	4,678	12	1,355	4,690	6,045	75	8/1/2016
Bakersfield	CA	1,306	3,440	6	1,306	3,446	4,752	74	8/1/2016
Bakersfield	CA	1,016	3,638	9	1,016	3,647	4,663	52	8/1/2016
Bakersfield	CA	1,579	3,357	7	1,579	3,364	4,943	61	8/1/2016
Bakersfield	CA	750	5,802	5	750	5,807	6,557	87	8/1/2016
Los Angeles-Long Beach-Glendale	CA	2,345	6,820	427	2,345	7,247	9,592	71	8/1/2016
Los Angeles-Long Beach-Glendale	CA	1,350	11,266	14	1,350	11,280	12,630	141	8/1/2016
Los Angeles-Long Beach-Glendale	CA	763	6,258	4	763	6,262	7,025	79	8/1/2016
Los Angeles-Long Beach-Santa Ana	CA	6,641	8,239	26	6,641	8,265	14,906	705	4/1/2014
Los Angeles-Long Beach-Santa Ana	CA	1,122	1,881	—	1,122	1,881	3,003	212	6/30/2014
Los Angeles-Long Beach-Santa Ana[3]	CA	7,186	12,771	7	7,186	12,778	19,964	1,194	9/17/2014
Los Angeles-Long Beach-Santa Ana[3][4]	CA	—	7,106	10	—	7,116	7,116	637	9/17/2014

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Location		Initial Cost to Company		Subsequent	Gross Carrying Amount at Year-End			Accumulated	Date
MSA[1]	State	Land	Buildings and Improvements	Additions	Land	Buildings and Improvements	Total[2]	Depreciation	Acquired
Los Angeles-Long Beach-Santa Ana[3]	CA	2,366	4,892	8	2,366	4,900	7,266	475	9/17/2014
Los Angeles-Long Beach-Santa Ana[3]	CA	2,871	3,703	6	2,871	3,709	6,580	298	10/7/2014
Los Angeles-Long Beach-Santa Ana[3]	CA	5,448	10,015	92	5,448	10,107	15,555	958	10/7/2014
Los Angeles-Long Beach-Santa Ana[4]	CA	—	13,150	5	—	13,155	13,155	873	1/1/2015
Modesto	CA	1,526	12,032	3	1,526	12,035	13,561	60	11/10/2016
Modesto	CA	773	5,655	2	773	5,657	6,430	24	11/10/2016
Riverside-San Bernardino-Ontario[3]	CA	552	3,010	109	552	3,119	3,671	705	5/16/2008
Riverside-San Bernardino-Ontario	CA	1,342	4,446	44	1,342	4,490	5,832	1,052	4/1/2013
Riverside-San Bernardino-Ontario	CA	1,672	2,564	2	1,672	2,566	4,238	292	4/1/2014
Riverside-San Bernardino-Ontario	CA	978	1,854	104	978	1,958	2,936	295	5/30/2014
Riverside-San Bernardino-Ontario	CA	1,068	2,609	92	1,068	2,701	3,769	351	5/30/2014
Riverside-San Bernardino-Ontario	CA	1,202	2,032	41	1,202	2,073	3,275	234	6/30/2014
Riverside-San Bernardino-Ontario	CA	1,803	2,758	17	1,803	2,775	4,578	418	6/30/2014
Riverside-San Bernardino-Ontario	CA	1,337	4,489	1	1,337	4,490	5,827	457	6/30/2014
Riverside-San Bernardino-Ontario	CA	846	2,508	16	846	2,524	3,370	358	7/1/2014
Riverside-San Bernardino-Ontario[3]	CA	1,026	4,552	22	1,026	4,574	5,600	415	9/17/2014
Riverside-San Bernardino-Ontario[3]	CA	1,878	5,104	30	1,878	5,134	7,012	413	9/17/2014
Riverside-San Bernardino-Ontario[3]	CA	14,109	23,112	98	14,109	23,210	37,319	2,206	9/17/2014
Riverside-San Bernardino-Ontario	CA	3,974	6,962	50	3,974	7,012	10,986	784	10/1/2014
Riverside-San Bernardino-Ontario	CA	2,018	3,478	682	2,018	4,160	6,178	514	10/1/2014
Riverside-San Bernardino-Ontario	CA	1,842	3,420	2	1,842	3,422	5,264	235	1/1/2015
Riverside-San Bernardino-Ontario	CA	1,981	3,323	25	1,981	3,348	5,329	285	1/1/2015
Riverside-San Bernardino-Ontario	CA	3,418	9,907	68	3,418	9,975	13,393	487	8/5/2015
Riverside-San Bernardino-Ontario	CA	1,913	6,072	66	1,913	6,138	8,051	355	8/5/2015
Riverside-San Bernardino-Ontario	CA	772	4,044	72	772	4,116	4,888	282	8/5/2015
Riverside-San Bernardino-Ontario	CA	597	5,464	63	597	5,527	6,124	276	8/5/2015
Riverside-San Bernardino-Ontario	CA	3,022	8,124	64	3,022	8,188	11,210	470	8/5/2015
Riverside-San Bernardino-Ontario	CA	2,897	5,725	634	2,897	6,359	9,256	393	8/5/2015
Riverside-San Bernardino-Ontario	CA	2,835	5,589	803	2,835	6,392	9,227	346	8/5/2015
Riverside-San Bernardino-Ontario	CA	2,484	5,903	64	2,484	5,967	8,451	269	8/5/2015
Riverside-San Bernardino-Ontario	CA	1,139	5,054	—	1,139	5,054	6,193	252	10/1/2015
Riverside-San									

Bernardino-Ontario	CA	1,401	4,577	5	1,401	4,582	5,983	177	10/1/2015
Riverside-San Bernardino-Ontario	CA	925	3,459	—	925	3,459	4,384	178	10/1/2015
Riverside-San Bernardino-Ontario	CA	1,174	2,556	29	1,174	2,585	3,759	156	10/1/2015

Location		Initial Cost to Company			Gross Carrying Amount at Year-End				
MSA[1]	State	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total[2]	Accumulated Depreciation	Date Acquired
Riverside-San Bernardino-Ontario	CA	1,506	2,913	3	1,506	2,916	4,422	139	10/1/2015
Riverside-San Bernardino-Ontario	CA	631	2,307	25	631	2,332	2,963	151	10/1/2015
Riverside-San Bernardino-Ontario	CA	1,318	2,394	3	1,318	2,397	3,715	149	10/1/2015
Riverside-San Bernardino-Ontario	CA	1,942	2,647	11	1,942	2,658	4,600	193	10/1/2015
Riverside-San Bernardino-Ontario	CA	1,339	2,830	—	1,339	2,830	4,169	158	10/1/2015
Riverside-San Bernardino-Ontario	CA	1,105	2,672	—	1,105	2,672	3,777	181	10/1/2015
Riverside-San Bernardino-Ontario	CA	1,542	2,127	3	1,542	2,130	3,672	143	10/1/2015
Riverside-San Bernardino-Ontario	CA	1,478	4,534	2	1,478	4,536	6,014	180	10/1/2015
Riverside-San Bernardino-Ontario	CA	3,245	4,420	321	3,245	4,741	7,986	132	5/16/2016
Riverside-San Bernardino-Ontario	CA	670	8,613	77	670	8,690	9,360	108	8/1/2016
Riverside-San Bernardino-Ontario	CA	538	3,921	64	538	3,985	4,523	51	8/1/2016
Riverside-San Bernardino-Ontario	CA	382	3,442	78	382	3,520	3,902	49	8/1/2016
Riverside-San Bernardino-Ontario	CA	806	3,852	104	806	3,956	4,762	48	8/1/2016
Riverside-San Bernardino-Ontario	CA	570	4,238	82	570	4,320	4,890	56	8/1/2016
Riverside-San Bernardino-Ontario	CA	345	3,270	86	345	3,356	3,701	47	8/1/2016
Riverside-San Bernardino-Ontario	CA	252	4,419	58	252	4,477	4,729	51	9/1/2016
Riverside-San Bernardino-Ontario	CA	2,691	3,950	65	2,691	4,015	6,706	38	9/1/2016
Sacramento-Roseville-Arden-Arcade	CA	1,195	8,407	2	1,195	8,409	9,604	34	11/10/2016
Sacramento-Roseville-Arden-Arcade	CA	425	7,249	2	425	7,251	7,676	33	11/10/2016
San Diego-Carlsbad	CA	4,318	19,775	399	4,323	20,174	24,497	213	8/1/2016
San Diego-Carlsbad-San Marcos[3]	CA	3,703	5,582	19	3,703	5,601	9,304	463	9/17/2014
San Diego-Carlsbad-San Marcos	CA	3,544	4,915	58	3,544	4,973	8,517	425	10/1/2014
San Diego-Carlsbad-San Marcos[4]	CA	—	5,568	53	—	5,621	5,621	303	1/1/2015
San Diego-Carlsbad-San Marcos[4]	CA	—	4,041	2	—	4,043	4,043	409	1/31/2015
Stockton-Lodi	CA	559	5,514	2	559	5,516	6,075	23	11/10/2016
Stockton-Lodi	CA	1,710	8,995	3	1,710	8,998	10,708	43	11/10/2016
Colorado Springs	CO	455	1,351	45	455	1,396	1,851	341	8/29/2007
Colorado Springs	CO	588	2,162	1,076	588	3,238	3,826	709	3/26/2008
Colorado Springs	CO	632	3,118	401	632	3,519	4,151	837	3/26/2008
Colorado Springs	CO	414	1,535	316	414	1,851	2,265	440	5/1/2008
Colorado Springs[3]	CO	300	1,801	66	300	1,867	2,167	363	6/1/2009
Denver-Aurora-Broomfield	CO	868	128	2,301	868	2,429	3,297	403	6/22/2009
Denver-Aurora-Lakewood	CO	938	8,449	—	938	8,449	9,387	31	11/1/2016
Fort Collins-									

Loveland	CO	3,213	3,087	92	3,213	3,179	6,392	762	8/29/2007

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MSA[1]	State	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total[2]	Accumulated Depreciation	Date Acquired
Fort Collins-Loveland	CO	2,514	1,786	51	2,514	1,837	4,351	443	8/29/2007
Pueblo	CO	156	2,797	3	156	2,800	2,956	84	2/17/2016
Cape Coral-Fort Myers[3]	FL	4,122	8,453	3	4,122	8,456	12,578	213	4/1/2016
Cape Coral-Fort Myers[3]	FL	571	3,256	64	571	3,320	3,891	109	4/1/2016
Jacksonville	FL	2,087	19,473	2	2,087	19,475	21,562	71	11/10/2016
Jacksonville	FL	1,629	4,929	3	1,629	4,932	6,561	24	11/10/2016
Lakeland-Winter Haven[3]	FL	972	2,159	20	972	2,179	3,151	136	5/4/2015
Naples-Immokalee-Marco Island[3]	FL	3,849	16,688	10	3,849	16,698	20,547	356	4/1/2016
North Port-Sarasota-Bradenton[3]	FL	2,211	5,682	2	2,211	5,684	7,895	139	4/1/2016
North Port-Sarasota-Bradenton[3]	FL	2,488	7,282	12	2,488	7,294	9,782	169	4/1/2016
North Port-Sarasota-Bradenton[3]	FL	1,767	5,955	15	1,767	5,970	7,737	158	4/1/2016
North Port-Sarasota-Bradenton	FL	2,143	5,005	23	2,143	5,028	7,171	72	10/11/2016
North Port-Sarasota-Bradenton[3]	FL	1,924	4,514	4	1,924	4,518	6,442	133	4/1/2016
North Port-Sarasota-Bradenton	FL	1,176	3,421	—	1,176	3,421	4,597	84	4/1/2016
North Port-Sarasota-Bradenton[3]	FL	1,839	8,377	3	1,839	8,380	10,219	175	4/1/2016
North Port-Sarasota-Bradenton[3]	FL	2,507	7,766	7	2,507	7,773	10,280	177	4/1/2016
North Port-Sarasota-Bradenton[3]	FL	1,685	5,439	—	1,685	5,439	7,124	136	4/1/2016
North Port-Sarasota-Bradenton[3]	FL	437	5,128	25	437	5,153	5,590	125	4/1/2016
North Port-Sarasota-Bradenton	FL	1,015	3,031	2	1,015	3,033	4,048	71	4/1/2016
Orlando-Kissimmee-Sanford	FL	2,426	9,314	1	2,426	9,315	11,741	39	11/10/2016
Orlando-Kissimmee-Sanford	FL	2,166	4,672	—	2,166	4,672	6,838	22	11/10/2016
Orlando-Kissimmee-Sanford	FL	4,583	8,752	—	4,583	8,752	13,335	47	11/10/2016
Tampa-St. Petersburg-Clearwater[3]	FL	5,436	10,092	19	5,436	10,111	15,547	256	4/1/2016
Tampa-St. Petersburg-Clearwater[3]	FL	361	1,238	19	361	1,257	1,618	111	5/4/2015
Atlanta-Sandy Springs-Marietta	GA	515	687	96	515	783	1,298	199	8/29/2007
Atlanta-Sandy Springs-Marietta	GA	272	1,357	251	272	1,608	1,880	386	8/29/2007
Atlanta-Sandy Springs-Marietta	GA	702	1,999	286	702	2,285	2,987	570	8/29/2007
Atlanta-Sandy Springs-Marietta	GA	1,413	1,590	159	1,413	1,749	3,162	434	8/29/2007
Atlanta-Sandy Springs-Marietta	GA	341	562	129	341	691	1,032	183	8/29/2007
Atlanta-Sandy									

Springs-Marietta	GA	553	847	169	553	1,016	1,569	264	8/29/2007
Atlanta-Sandy Springs-Marietta	GA	85	445	233	85	678	763	190	9/28/2007
Atlanta-Sandy Springs-Marietta(3)	GA	494	2,215	230	494	2,445	2,939	585	9/28/2007
Atlanta-Sandy Springs-Marietta	GA	1,614	2,476	43	1,614	2,519	4,133	142	7/29/2015
Atlanta-Sandy Springs-Marietta	GA	1,595	2,143	44	1,595	2,187	3,782	148	7/29/2015

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MSA[1]	State	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total[2]	Accumulated Depreciation	Date Acquired
Atlanta-Sandy Springs-Rosewell	GA	430	3,470	8	430	3,478	3,908	108	3/29/2016
Atlanta-Sandy Springs-Rosewell	GA	972	2,342	2	972	2,344	3,316	34	8/17/2016
Augusta	GA	84	539	147	84	686	770	187	8/29/2007
Augusta	GA	205	686	141	205	827	1,032	210	8/29/2007
Columbus[3]	GA	169	342	156	169	498	667	99	5/1/2009
Macon	GA	180	840	39	180	879	1,059	209	9/28/2007
Savannah	GA	1,741	1,160	167	1,741	1,327	3,068	323	8/29/2007
Savannah[3]	GA	597	762	164	597	926	1,523	234	9/28/2007
Savannah	GA	409	1,335	20	409	1,355	1,764	233	1/31/2014
Savannah	GA	811	1,181	128	811	1,309	2,120	213	6/25/2014
Indianapolis-Carmel-Anderson	IN	855	7,273	8	855	7,281	8,136	224	2/16/2016
Indianapolis-Carmel-Anderson	IN	815	3,844	4	815	3,848	4,663	147	2/16/2016
Indianapolis-Carmel-Anderson	IN	688	3,845	4	688	3,849	4,537	149	2/16/2016
Indianapolis-Carmel-Anderson	IN	626	4,049	26	626	4,075	4,701	138	2/25/2016
Indianapolis-Carmel-Anderson	IN	1,118	4,444	11	1,118	4,455	5,573	186	2/25/2016
Indianapolis-Carmel-Anderson	IN	614	5,487	35	614	5,522	6,136	164	2/25/2016
Indianapolis-Carmel-Anderson	IN	619	2,140	1	619	2,141	2,760	15	11/10/2016
Indianapolis-Carmel-Anderson	IN	689	6,944	—	689	6,944	7,633	30	11/10/2016
Indianapolis-Carmel-Anderson	IN	609	3,172	—	609	3,172	3,781	19	11/10/2016
Indianapolis-Carmel-Anderson	IN	532	5,441	—	532	5,441	5,973	23	11/10/2016
Indianapolis-Carmel-Anderson	IN	433	5,817	—	433	5,817	6,250	24	11/10/2016
Indianapolis-Carmel-Anderson	IN	688	5,413	—	688	5,413	6,101	27	11/10/2016
Indianapolis-Carmel-Anderson	IN	575	5,168	—	575	5,168	5,743	24	11/10/2016
Indianapolis-Carmel-Anderson	IN	522	5,366	—	522	5,366	5,888	24	11/10/2016
Louisville/Jefferson County[3]	KY	2,174	3,667	23	2,174	3,690	5,864	228	5/1/2015
Baton Rouge	LA	386	1,744	44	386	1,788	2,174	48	4/12/2016
Baton Rouge	LA	1,098	5,208	425	1,098	5,633	6,731	158	4/12/2016
Baton Rouge	LA	1,203	3,156	186	1,203	3,342	4,545	66	7/21/2016
Baton Rouge	LA	755	2,702	232	755	2,934	3,689	55	7/21/2016
New Orleans-Metairie	LA	1,287	6,235	46	1,287	6,281	7,568	160	4/12/2016
Shreveport-Bossier City	LA	971	3,474	36	971	3,510	4,481	193	5/5/2015
Shreveport-Bossier City	LA	964	3,573	22	964	3,595	4,559	267	5/5/2015
Shreveport-Bossier City	LA	772	2,906	13	772	2,919	3,691	215	5/5/2015
Shreveport-Bossier City	LA	479	1,439	35	479	1,474	1,953	113	5/5/2015

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MSA[1]	State	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total[2]	Accumulated Depreciation	Date Acquired
Shreveport-Bossier City	LA	475	854	34	475	888	1,363	82	5/5/2015
Gulfport-Biloxi-Pascagoula	MS	645	2,413	195	645	2,608	3,253	101	4/12/2016
Meridian[3]	MS	224	1,052	141	224	1,193	1,417	229	5/1/2009
Meridian[3]	MS	382	803	189	382	992	1,374	194	5/1/2009
Asheville	NC	1,030	1,487	16	1,030	1,503	2,533	238	5/19/2014
Asheville	NC	631	1,916	54	631	1,970	2,601	216	7/8/2014
Charlotte-Concord-Gastonia	NC	1,871	4,174	17	1,871	4,191	6,062	258	5/1/2015
Charlotte-Concord-Gastonia[3]	NC	1,108	3,935	22	1,108	3,957	5,065	251	5/4/2015
Charlotte-Concord-Gastonia[3]	NC	2,301	4,458	80	2,301	4,538	6,839	305	5/4/2015
Charlotte-Concord-Gastonia[3]	NC	1,862	3,297	41	1,862	3,338	5,200	203	9/2/2015
Durham-Chapel Hill	NC	390	1,025	163	390	1,188	1,578	300	8/29/2007
Durham-Chapel Hill[3]	NC	663	2,743	224	663	2,967	3,630	722	9/28/2007
Durham-Chapel Hill	NC	1,024	1,383	376	1,024	1,759	2,783	413	9/28/2007
Durham-Chapel Hill[3]	NC	1,711	4,180	18	1,711	4,198	5,909	236	5/1/2015
Fayetteville	NC	636	2,169	1,655	636	3,824	4,460	880	8/29/2007
Fayetteville[3]	NC	151	5,392	144	151	5,536	5,687	1,301	9/28/2007
Fayetteville	NC	1,319	3,444	20	1,319	3,464	4,783	410	10/10/2013
Fayetteville	NC	772	3,406	17	772	3,423	4,195	334	10/10/2013
Fayetteville[3]	NC	1,276	4,527	25	1,276	4,552	5,828	395	12/20/2013
Fayetteville	NC	1,195	2,072	—	1,195	2,072	3,267	95	10/1/2015
Fayetteville	NC	830	3,710	11	830	3,721	4,551	139	10/1/2015
Greensboro-High Point	NC	873	769	180	873	949	1,822	247	8/29/2007
Jacksonville[3]	NC	1,265	2,123	20	1,265	2,143	3,408	196	5/1/2015
Nonmetropolitan Area	NC	530	2,394	5	530	2,399	2,929	188	12/11/2014
Nonmetropolitan Area	NC	667	2,066	12	667	2,078	2,745	172	12/11/2014
Nonmetropolitan Area[3]	NC	689	3,153	10	689	3,163	3,852	199	5/6/2015
Raleigh-Cary	NC	396	1,700	167	396	1,867	2,263	479	8/29/2007
Raleigh-Cary	NC	393	1,190	134	393	1,324	1,717	335	8/29/2007
Raleigh-Cary	NC	907	2,913	102	907	3,015	3,922	720	8/29/2007
Raleigh-Cary[3]	NC	1,578	4,678	47	1,578	4,725	6,303	257	5/4/2015
Wilmington	NC	1,283	1,747	94	1,283	1,841	3,124	447	8/29/2007
Wilmington[3]	NC	860	828	57	860	885	1,745	218	9/28/2007
Wilmington[3]	NC	1,881	4,618	18	1,881	4,636	6,517	270	5/1/2015
Winston-Salem	NC	362	529	61	362	590	952	147	8/29/2007

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MSA[1]	State	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total[2]	Accumulated Depreciation	Date Acquired
Concord	NH	632	1,040	19	632	1,059	1,691	297	6/24/2013
Concord	NH	197	901	15	197	916	1,113	230	6/24/2013
Dover-Durham	NH	1,488	7,300	31	1,488	7,331	8,819	726	7/1/2014
Boston-Cambridge-Quincy	NH	899	3,863	27	899	3,890	4,789	172	9/22/2015
Manchester-Nashua	NH	1,786	6,100	19	1,786	6,119	7,905	191	2/22/2016
Manchester-Nashua	NH	1,395	5,573	22	1,395	5,595	6,990	161	2/22/2016
Greater New Hampshire	NH	1,528	2,686	13	1,528	2,699	4,227	116	2/22/2016
Rockingham County-Strafford County	NH	1,597	3,138	33	1,597	3,171	4,768	114	2/22/2016
Rockingham County-Strafford County	NH	1,445	2,957	27	1,445	2,984	4,429	113	2/22/2016
Albuquerque	NM	1,089	2,845	91	1,089	2,936	4,025	59	8/31/2016
Albuquerque	NM	854	3,436	81	854	3,517	4,371	39	9/19/2016
Las Vegas-Henderson-Paradise	NV	1,757	4,223	28	1,757	4,251	6,008	54	9/20/2016
Las Vegas-Henderson-Paradise	NV	1,121	1,510	—	1,121	1,510	2,631	25	9/20/2016
Las Vegas-Henderson-Paradise	NV	2,160	4,544	—	2,160	4,544	6,704	19	11/17/2016
Las Vegas-Paradise	NV	1,169	3,616	68	1,169	3,684	4,853	758	12/23/2013
Las Vegas-Paradise	NV	389	2,850	66	389	2,916	3,305	344	4/1/2014
Las Vegas-Paradise	NV	794	1,406	68	794	1,474	2,268	214	7/1/2014
Canton-Massillon	OH	83	2,911	—	83	2,911	2,994	15	11/10/2016
Canton-Massillon	OH	292	2,107	—	292	2,107	2,399	22	11/10/2016
Cleveland-Elyria	OH	169	2,702	—	169	2,702	2,871	13	11/10/2016
Cleveland-Elyria	OH	193	3,323	—	193	3,323	3,516	14	11/10/2016
Cleveland-Elyria	OH	490	1,050	—	490	1,050	1,540	8	11/10/2016
Cleveland-Elyria	OH	845	4,916	—	845	4,916	5,761	25	11/10/2016
Cleveland-Elyria	OH	842	2,044	—	842	2,044	2,886	16	11/10/2016
Oklahoma City	OK	388	3,142	133	388	3,275	3,663	829	5/29/2007
Oklahoma City	OK	213	1,383	61	213	1,444	1,657	363	5/29/2007
Oklahoma City	OK	561	2,355	427	561	2,782	3,343	743	5/29/2007
Oklahoma City	OK	349	2,368	405	349	2,773	3,122	734	5/29/2007
Oklahoma City	OK	466	2,544	99	466	2,643	3,109	656	5/29/2007
Oklahoma City	OK	144	1,576	138	144	1,714	1,858	461	5/29/2007
Oklahoma City	OK	168	1,696	240	168	1,936	2,104	504	5/29/2007
Oklahoma City	OK	220	1,606	86	220	1,692	1,912	421	5/30/2007
Oklahoma City	OK	376	1,460	31	376	1,491	1,867	366	5/30/2007
Oklahoma City	OK	337	2,788	88	337	2,876	3,213	704	5/30/2007

Location		Initial Cost to Company			Gross Carrying Amount at Year-End				
MSA[1]	State	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total[2]	Accumulated Depreciation	Date Acquired
Oklahoma City	OK	814	3,161	1,162	814	4,323	5,137	702	5/30/2007
Oklahoma City	OK	590	1,502	1,751	590	3,253	3,843	711	8/29/2007
Oklahoma City	OK	205	1,772	385	205	2,157	2,362	566	5/1/2009
Oklahoma City	OK	701	4,926	—	701	4,926	5,627	47	9/1/2016
Oklahoma City	OK	1,082	4,218	1	1,082	4,219	5,301	143	1/1/2016
Oklahoma City	OK	736	2,925	3	736	2,928	3,664	121	1/1/2016
Oklahoma City	OK	1,135	3,759	4	1,135	3,763	4,898	135	1/1/2016
Tulsa	OK	548	1,892	73	548	1,965	2,513	474	8/29/2007
Tulsa	OK	764	1,386	372	764	1,758	2,522	433	8/29/2007
Tulsa	OK	1,305	2,533	111	1,305	2,644	3,949	642	8/29/2007
Tulsa	OK	940	2,196	223	940	2,419	3,359	588	8/29/2007
Tulsa	OK	59	466	173	59	639	698	175	8/29/2007
Tulsa	OK	426	1,424	221	426	1,645	2,071	485	8/29/2007
Tulsa	OK	250	667	148	250	815	1,065	219	8/29/2007
Tulsa[3]	OK	944	2,085	52	944	2,137	3,081	483	2/14/2008
Tulsa[3]	OK	892	2,421	20	892	2,441	3,333	550	2/14/2008
Tulsa	OK	492	1,343	65	492	1,408	1,900	316	4/1/2008
Tulsa	OK	505	1,346	722	505	2,068	2,573	595	4/1/2008
Tulsa	OK	466	1,270	88	466	1,358	1,824	314	4/1/2008
Tulsa[3]	OK	1,103	4,431	13	1,103	4,444	5,547	1,024	6/10/2013
Bend	OR	295	1,369	5	295	1,374	1,669	325	4/1/2013
Bend	OR	1,692	2,410	23	1,692	2,433	4,125	606	4/1/2013
Bend[3]	OR	571	1,917	—	571	1,917	2,488	275	6/10/2013
Bend[3]	OR	397	1,180	87	397	1,267	1,664	281	6/10/2013
Bend	OR	690	1,983	7	690	1,990	2,680	262	5/1/2014
Bend	OR	722	2,151	4	722	2,155	2,877	250	5/1/2014
Bend	OR	800	2,836	6	800	2,842	3,642	331	5/1/2014
Bend-Redmond	OR	2,688	10,731	1	2,688	10,732	13,420	284	4/15/2016
Corvallis	OR	382	1,465	—	382	1,465	1,847	233	12/30/2013
Eugene-Springfield	OR	710	1,539	60	710	1,599	2,309	316	4/1/2013
Eugene-Springfield	OR	842	1,674	12	842	1,686	2,528	357	4/1/2013
Eugene-Springfield[3]	OR	414	1,990	—	414	1,990	2,404	244	6/10/2013
Eugene-Springfield[3]	OR	1,149	2,061	37	1,149	2,098	3,247	314	6/10/2013
Eugene-Springfield	OR	728	3,230	93	728	3,323	4,051	342	12/30/2013

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Location		Initial Cost to Company			Gross Carrying Amount at Year-End				
MSA[1]	State	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total[2]	Accumulated Depreciation	Date Acquired
Eugene-Springfield	OR	1,601	2,686	86	1,601	2,772	4,373	469	4/1/2014
Hood River	OR	997	1,874	—	997	1,874	2,871	162	12/1/2014
Portland-Vancouver-Hillsboro	OR	851	2,063	4	851	2,067	2,918	277	4/1/2013
Portland-Vancouver-Hillsboro	OR	1,704	2,313	93	1,704	2,406	4,110	445	4/1/2013
Portland-Vancouver-Hillsboro	OR	1,254	2,787	3	1,254	2,790	4,044	387	4/1/2013
Portland-Vancouver-Hillsboro	OR	2,808	4,437	16	2,808	4,453	7,261	805	4/1/2013
Portland-Vancouver-Hillsboro	OR	1,015	2,184	3	1,015	2,187	3,202	321	4/1/2013
Portland-Vancouver-Hillsboro[3]	OR	1,077	3,008	139	1,077	3,147	4,224	351	6/10/2013
Portland-Vancouver-Hillsboro[3]	OR	1,072	2,629	12	1,072	2,641	3,713	433	6/10/2013
Portland-Vancouver-Hillsboro[3]	OR	2,217	3,766	2	2,217	3,768	5,985	487	6/10/2013
Portland-Vancouver-Hillsboro[3]	OR	1,334	2,324	69	1,334	2,393	3,727	375	6/10/2013
Portland-Vancouver-Hillsboro[3]	OR	996	2,525	52	996	2,577	3,573	388	6/10/2013
Portland-Vancouver-Hillsboro	OR	1,496	3,372	20	1,496	3,392	4,888	414	6/24/2013
Portland-Vancouver-Hillsboro	OR	954	3,026	9	954	3,035	3,989	338	6/24/2013
Portland-Vancouver-Hillsboro	OR	1,627	2,388	70	1,627	2,458	4,085	329	6/24/2013
Portland-Vancouver-Hillsboro	OR	2,509	4,200	65	2,509	4,265	6,774	527	12/30/2013
Portland-Vancouver-Hillsboro	OR	787	1,915	37	787	1,952	2,739	220	12/30/2013
Portland-Vancouver-Hillsboro	OR	1,703	4,729	8	1,703	4,737	6,440	463	4/1/2014
Portland-Vancouver-Hillsboro	OR	738	2,483	—	738	2,483	3,221	244	4/1/2014
Portland-Vancouver-Hillsboro	OR	1,690	2,995	39	1,690	3,034	4,724	233	4/1/2014
Portland-Vancouver-Hillsboro	OR	1,200	9,531	135	1,200	9,666	10,866	1,275	5/30/2014
Portland-Vancouver-Hillsboro	OR	401	3,718	68	401	3,786	4,187	396	5/30/2014
Portland-Vancouver-Hillsboro	OR	1,160	3,291	12	1,160	3,303	4,463	336	6/30/2014
Portland-Vancouver-									

Hillsboro	OR	1,435	4,342	—	1,435	4,342	5,777	446	6/30/2014
Portland-Vancouver-Hillsboro	OR	1,478	4,127	1	1,478	4,128	5,606	420	6/30/2014
Portland-Vancouver-Hillsboro	OR	1,402	3,196	—	1,402	3,196	4,598	311	6/30/2014
Portland-Vancouver-Hillsboro	OR	3,538	4,938	8	3,538	4,946	8,484	502	6/30/2014
Portland-Vancouver-Hillsboro	OR	1,501	3,136	—	1,501	3,136	4,637	319	6/30/2014
Portland-Vancouver-Hillsboro[3]	OR	1,746	3,393	—	1,746	3,393	5,139	339	8/27/2014
Portland-Vancouver-Hillsboro[3]	OR	1,014	3,017	—	1,014	3,017	4,031	312	8/27/2014
Portland-Vancouver-Hillsboro[3]	OR	2,202	3,477	104	2,202	3,581	5,783	354	10/20/2014
Portland-Vancouver-Hillsboro	OR	1,764	7,360	—	1,764	7,360	9,124	556	12/16/2014
Portland-Vancouver-Hillsboro	OR	2,670	8,709	—	2,670	8,709	11,379	318	8/10/2015
Portland-Vancouver-Hillsboro	OR	410	622	78	410	700	1,110	15	7/14/2016

Location		Initial Cost to Company			Gross Carrying Amount at Year-End				
MSA[1]	State	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total[2]	Accumulated Depreciation	Date Acquired
Portland-Vancouver-Hillsboro	OR	1,258	6,298	—	1,258	6,298	7,556	23	11/21/2016
Portland-Vancouver-Hillsboro	OR	2,334	7,726	—	2,334	7,726	10,060	12	12/6/2016
Prineville[3]	OR	427	1,648	—	427	1,648	2,075	160	8/27/2014
Roseburg[3][5]	OR	474	1,789	78	474	1,867	2,341	303	6/10/2013
Salem	OR	1,405	2,650	410	1,405	3,060	4,465	427	4/1/2014
Salem	OR	492	1,248	1	492	1,249	1,741	46	4/20/2016
The Dalles[3]	OR	1,108	2,100	—	1,108	2,100	3,208	197	12/5/2014
Anderson	SC	92	976	98	92	1,074	1,166	275	8/29/2007
Charlotte-Gastonia-Rock Hill[3]	SC	924	3,086	26	924	3,112	4,036	186	5/4/2015
Greenville-Mauldin-Easley	SC	82	838	64	82	902	984	222	8/29/2007
Spartanburg	SC	535	1,934	14	535	1,948	2,483	97	11/12/2015
Amarillo[3]	TX	80	877	106	80	983	1,063	197	5/1/2009
Amarillo[3]	TX	78	697	136	78	833	911	167	5/1/2009
Amarillo[3]	TX	147	810	142	147	952	1,099	189	5/1/2009
Austin-Round Rock-San Marcos	TX	937	5,319	42	937	5,361	6,298	593	6/24/2013
Austin-Round Rock-San Marcos	TX	1,395	2,790	20	1,395	2,810	4,205	479	6/24/2013
Austin-Round Rock-San Marcos	TX	768	1,923	104	768	2,027	2,795	195	10/29/2014
Brownsville-Harlingen	TX	845	2,364	57	845	2,421	3,266	196	9/4/2014
Brownsville-Harlingen	TX	639	1,674	75	639	1,749	2,388	171	9/4/2014
Brownsville-Harlingen	TX	386	2,798	165	386	2,963	3,349	73	5/2/2016
College Station-Bryan	TX	618	2,512	43	618	2,555	3,173	607	8/29/2007
College Station-Bryan	TX	551	349	215	551	564	1,115	123	8/29/2007
College Station-Bryan	TX	295	988	150	295	1,138	1,433	235	4/1/2008
College Station-Bryan	TX	51	123	63	51	186	237	51	4/1/2008
College Station-Bryan	TX	110	372	133	110	505	615	99	4/1/2008
College Station-Bryan	TX	62	208	12	62	220	282	50	4/1/2008
Dallas-Fort Worth-Arlington	TX	164	865	39	164	904	1,068	221	8/29/2007
Dallas-Fort Worth-Arlington	TX	155	105	53	155	158	313	46	9/28/2007
Dallas-Fort Worth-Arlington	TX	98	282	96	98	378	476	102	9/28/2007
Dallas-Fort Worth-Arlington	TX	264	106	165	264	271	535	78	9/28/2007
Dallas-Fort Worth-Arlington[3]	TX	376	803	120	376	923	1,299	231	9/28/2007
Dallas-Fort Worth-Arlington[3]	TX	338	681	99	338	780	1,118	192	9/28/2007
Dallas-Fort Worth-Arlington	TX	1,388	4,195	37	1,388	4,232	5,620	543	6/24/2013
Dallas-Fort Worth-Arlington	TX	1,859	5,293	219	1,859	5,512	7,371	652	7/25/2013

Location		Initial Cost to Company			Gross Carrying Amount at Year-End				
MSA[1]	State	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total[2]	Accumulated Depreciation	Date Acquired
Dallas-Fort Worth-Arlington	TX	379	2,212	55	379	2,267	2,646	387	7/25/2013
Dallas-Fort Worth-Arlington	TX	1,397	5,250	79	1,397	5,329	6,726	600	7/25/2013
Dallas-Fort Worth-Arlington	TX	2,102	5,755	87	2,102	5,842	7,944	767	7/25/2013
Dallas-Fort Worth-Arlington	TX	649	1,637	34	649	1,671	2,320	410	7/25/2013
Dallas-Fort Worth-Arlington	TX	396	1,411	362	396	1,773	2,169	166	4/29/2015
Dallas-Fort Worth-Arlington	TX	1,263	3,346	32	1,263	3,378	4,641	214	10/19/2015
Dallas-Plano-Irving	TX	1,421	2,349	224	1,421	2,573	3,994	66	6/1/2016
El Paso	TX	338	1,275	40	338	1,315	1,653	317	8/29/2007
El Paso	TX	94	400	166	94	566	660	135	8/29/2007
Houston-Sugar Land-Baytown	TX	698	2,648	204	698	2,852	3,550	161	7/20/2015
Houston-The Woodlands-Sugar Land	TX	1,042	3,061	247	1,042	3,308	4,350	120	1/22/2016
Longview[3]	TX	651	671	98	651	769	1,420	153	5/1/2009
Longview[3]	TX	104	489	158	104	647	751	121	5/1/2009
Longview[3]	TX	310	966	199	310	1,165	1,475	225	5/1/2009
Longview	TX	2,466	3,559	37	2,466	3,596	6,062	343	6/19/2014
Longview	TX	959	1,640	17	959	1,657	2,616	169	6/25/2014
McAllen–Edinburg–Mission	TX	1,217	2,738	152	1,243	2,890	4,133	374	7/31/2014
McAllen–Edinburg–Mission	TX	1,973	4,517	46	1,973	4,563	6,536	456	9/4/2014
McAllen–Edinburg–Mission	TX	1,295	3,929	44	1,295	3,973	5,268	390	9/4/2014
McAllen–Edinburg–Mission	TX	3,079	7,574	66	3,079	7,640	10,719	805	9/4/2014
McAllen–Edinburg–Mission	TX	1,017	3,261	55	1,017	3,316	4,333	319	9/4/2014
McAllen–Edinburg–Mission	TX	803	2,914	66	803	2,980	3,783	228	9/4/2014
McAllen–Edinburg–Mission	TX	2,249	4,966	37	2,249	5,003	7,252	513	9/4/2014
McAllen–Edinburg–Mission	TX	1,118	3,568	55	1,118	3,623	4,741	298	9/4/2014
Midland[3]	TX	691	1,588	161	691	1,749	2,440	333	5/1/2009
Odessa[3]	TX	168	561	99	168	660	828	134	5/1/2009
San Angelo[3]	TX	381	986	97	381	1,083	1,464	210	5/1/2009
San Antonio-New Braunfels	TX	614	2,640	42	614	2,682	3,296	329	4/1/2014
Aberdeen	WA	393	1,462	8	393	1,470	1,863	232	4/1/2014
Centralia[3]	WA	810	1,530	—	810	1,530	2,340	358	6/10/2013
Centralia[3]	WA	998	1,862	37	998	1,899	2,897	508	6/10/2013
Longview	WA	448	2,356	7	448	2,363	2,811	122	9/3/2015
Portland-Vancouver-Hillsboro	WA	421	2,313	—	421	2,313	2,734	307	4/1/2013
Portland-Vancouver-Hillsboro	WA	1,903	2,239	—	1,903	2,239	4,142	380	4/1/2013

Location		Initial Cost to Company			Gross Carrying Amount at Year-End				
MSA[1]	State	Land	Buildings and Improvements	Subsequent Additions	Land	Buildings and Improvements	Total[2]	Accumulated Depreciation	Date Acquired
Portland-Vancouver-Hillsboro[3]	WA	923	2,821	—	923	2,821	3,744	364	6/10/2013
Portland-Vancouver-Hillsboro	WA	935	2,045	1	935	2,046	2,981	212	4/1/2014
Portland-Vancouver-Hillsboro	WA	478	2,158	66	478	2,224	2,702	256	4/1/2014
Portland-Vancouver-Hillsboro[3]	WA	2,023	3,484	21	2,023	3,505	5,528	390	8/27/2014
Seattle-Tacoma-Bellevue	WA	770	3,203	13	770	3,216	3,986	386	4/1/2014
Seattle-Tacoma-Bellevue	WA	1,390	2,506	7	1,390	2,513	3,903	298	8/27/2014
Seattle-Tacoma-Bellevue	WA	1,438	3,280	19	1,438	3,299	4,737	341	9/18/2014
Seattle-Tacoma-Bellevue	WA	1,105	2,121	—	1,105	2,121	3,226	195	10/3/2014
Total		$456,104	$ 1,353,317	$ 34,884	$ 456,135	$ 1,388,201	$1,844,336	$ 110,803	

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

(2) The aggregate cost of land and depreciable property for Federal income tax purposes was approximately $1.5 billion (unaudited) at December 31, 2016.

(3) As of December 31, 2016, 73 of our self storage properties were encumbered by an aggregate of $212.6 million of debt financing.

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

(5) During the year ended December 31 2016, the Company consolidated two Oregon self storage properties into one single self storage property.

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

NATIONAL STORAGE AFFILIATES TRUST
SCHEDULE III-REAL ESTATE AND ACCUMULATED DEPRECIATION
For the Years Ended December 31, 2016, 2015 and 2014
(in thousands)

	2016	2015	2014
Self Storage properties:			
Balance at beginning of year	$ 1,147,201	$ 838,941	$ 370,698
Acquisitions and improvements	715,509	308,323	470,060
Write-off of fully depreciated assets and other	—	(63)	—
Dispositions	(4,820)	—	(1,817)
Assets held for sale	(13,554)	—	—
Balance at end of year	$ 1,844,336	$ 1,147,201	$ 838,941
Accumulated depreciation:			
Balance at beginning of year	$ 68,100	$ 39,614	$ 24,379
Depreciation expense	42,703	28,549	15,508
Write-off of fully depreciated assets and other	—	(63)	—
Dispositions	—	—	(273)
Balance at end of year	$ 110,803	$ 68,100	$ 39,614

Exhibit 10.8

FIRST AMENDMENT
TO
THE PARTNERSHIP UNIT DESIGNATION OF
SERIES HA CLASS B OP UNITS OF
NSA OP, LP

This First Amendment (this "Amendment") to the Partnership Unit Designation of Series HA Class B OP Units (the "Partnership Unit Designation") of NSA OP, LP (the "Company") is made and entered as of January 27, 2017 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, on April 1, 2016, the Partnership Unit Designation was adopted;

WHEREAS, the General Partner has determined that certain clerical errors are contained in the Partnership Unit Designation relating to the definitions of "Cash Available For Distribution," "Applicable Percentage," "Lockup Expiration Date," and "Retirement Trigger Date";

WHEREAS, Section 6.3 of the Partnership Unit Designation permits the General Partner to unilaterally correct such errors through an amendment, subject to certain conditions;

NOW, THEREFORE, BE IT RESOLVED, that the General Partner has determined that the revisions to the foregoing definitions are clerical in nature and do not negatively impact the substantive rights that the holders of Series HA Class B OP Units had believed they had agreed to, and the General Partner hereby amends and restates the foregoing definitions in the Partnership Unit Designation as follows:

"**Cash Available For Distribution**" means with respect to the Partnership or the Class A OP Units of the Partnership, the Facilities Portfolio Available Revenues from all Facilities Portfolios held by the Partnership, together with all amounts comparable to Facilities Portfolio Available Revenue generated by other assets, properties, operations and businesses of the Partnership, and with respect to the Series HA Facilities Portfolio or the Series HA Class B OP Units, the Facilities Portfolio Available Revenues from the Series HA 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

"**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 April 1, 2016 and ends on the day immediately prior to the three-year anniversary of April 1, 2016, the Applicable Percentage shall be 120%; and (b) begins on the three-year anniversary of April 1, 2016 and ends on the day immediately prior to the four-year anniversary of April 1, 2016, the Applicable Percentage shall be 115%.

"**Lockup Expiration Date**" means April 1, 2018.

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

Except as set forth herein, the Partnership Unit Designation is unchanged and shall remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Amendment as of

the date first above written.

GENERAL PARTNER:
NATIONAL STORAGE AFFILIATES TRUST,
a Maryland real estate investment trust

By: /s/ ARLEN D. NORDHAGEN
Name: Arlen D. Nordhagen
Title: Chief Executive Officer

Exhibit 10.12

INCREASE AGREEMENT

This Increase Agreement (this " Agreement"), dated as of December 1, 2016 (the " Increase Effective Date"), is by and among NSA OP, LP, a limited partnership formed under the laws of the State of Delaware (the " Borrower"), certain Subsidiaries of the Borrower party to the Credit Agreement referred to below, NATIONAL STORAGE AFFILIATES TRUST, a Maryland real estate investment trust (the " Parent Guarantor" and, together with those certain Subsidiaries, collectively, the "Guarantors"), the lender parties signatory hereto (each, an " Increase Lender" and collectively the "Increase Lenders") and KeyBank National Association, as Administrative Agent (the " Administrative Agent") for the Lenders (as hereinafter defined) and in its capacity as Swingline Lender and as issuer of Letters of Credit. All capitalized terms used herein without definitions shall have the meanings given to such terms in the Credit Agreement (as hereinafter defined).

WHEREAS, the Amended and Restated Credit Agreement, dated as of May 6, 2016 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), is by and among, among others, the Borrower, the Guarantors, the Administrative Agent and the financial institutions which are or become a party thereto as lenders (each a "Lender" and, collectively, the " Lenders");

WHEREAS, Section 2.16 of the Credit Agreement provides that the Borrower may request, upon notice to the Administrative Agent and satisfaction of the conditions set forth in Section 2.16(b) (the "Increase Conditions"), that the Revolving Commitments and/or term loans made under the Credit Agreement be increased by an aggregate amount of up to $325,000,000;

WHEREAS, the Borrower has requested that the Revolving Commitments made under the Credit Agreement be increased by an aggregate amount equal to $50,000,000 (the "Increase"), so that after giving effect to the Increase, the aggregate Revolving Commitments will equal $400,000,000;

WHEREAS, each Increase Lender has agreed to increase its Revolving Commitment by $25,000,000, as set forth beside such Increase Lender's name on Annex 1 attached hereto.

WHEREAS, an updated Schedule 1.1 to the Credit Agreement (Lender Commitments), after giving effect to the Increase, is attached hereto as Annex 2; and

WHEREAS, the Administrative Agent is willing to give effect to the Increase provided that the parties hereto enter into this Agreement;

NOW THEREFORE, the parties hereto hereby agree as follows:

1. **Increase**. Pursuant to Section 2.16 of the Credit Agreement, each Increase Lender hereby agrees to increase its Revolving Commitment by an amount equal to $25,000,000. In connection therewith, subject to the terms of the Credit Agreement, each Increase Lender agrees to fund, and make one or more loans in immediately available funds to the Borrower on or after the Increase Effective Date, in each case up to an aggregate principal amount equal to its Revolving Commitment Percentage of the aggregate Revolving Commitments of all Revolving Lenders (after

giving effect to the Increase). After giving effect to the Increase, each Lender (including each Increase Lender) shall have the Revolving Commitment Amount, Revolving Commitment Percentage, Term Loan Tranche A Commitment, Term Loan Tranche B Commitment (it being acknowledged that each Term Loan Commitment terminated upon the funding of the applicable Term Loan) and Commitment Percentage with respect to the Tranche A Facility and Tranche B Facility set forth on the new Schedule 1.1 attached as Annex 2 hereto.

2. **Funding of Increase.** As more fully set forth in Section 2.16(c) of the Credit Agreement, on the Increase Effective Date, (i) each Increase 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 the 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 to equal its Revolving Commitment Percentage of such outstanding Revolving Loans, and (ii) if necessary to keep the outstanding Revolving Loans ratable with the revised Revolving Commitment Percentages arising from the non-ratable increase in the Revolving Commitments in connection with the Increase, the Borrower shall be deemed to have repaid and reborrowed any outstanding Revolving Loans as of the Increase Effective Date (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) of the Credit Agreement in order to maintain such ratability).

3. **Increasing Lender Agreement**. Each Increase Lender will enter into an Increasing Lender Agreement in substantially the form attached to the Credit Agreement as Exhibit J in connection with the Increase (each an "Increasing Lender Agreement").

4. **Amendment of Schedule 1.1.** Schedule 1.1 to the Credit Agreement is hereby amended to reflect the Increase Lenders' adjusted Revolving Commitments and the Revolving Lenders' revised Revolving Commitment Percentages, as set forth on Annex 2 attached hereto, after giving effect to the Increase.

5. **Affirmation and Acknowledgment**. Subject to the terms of the Loan Documents, the Borrower hereby ratifies and confirms all of its Obligations to the Lenders, including, without limitation, the Loans, the Notes and the other Loan Documents, and the Borrower hereby affirms its absolute and unconditional promise to pay to the Lenders all Obligations under (and as defined in) the Credit Agreement, both before and after giving effect to this Agreement. The Guarantors hereby consent to the transactions contemplated by this Agreement and acknowledge and agree that the guaranties made by them contained in each Guaranty are, and shall remain, in full force and effect after giving effect to this Agreement.

6. **Representations and Warranties**. The Borrower and each of the Guarantors hereby jointly and severally represents and warrants to the Lenders as follows:

(a) The execution, delivery and performance of this Agreement by the Borrower and each Guarantor (i) are within the authority of such Loan Party, (ii) have been duly authorized by all necessary proceedings on the part of such Loan Party and any general partner thereof, (iii) do

not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which such Loan Party is subject or any judgment, order, writ, injunction, license or permit applicable to such Loan Party, (iv) do not conflict with any provision of the organizational documents of such Loan Party or any general partner or manager thereof, and (v) do not contravene any provisions of, or constitute Default or Event of Default under the Credit Agreement or a failure to comply with any term, condition or provision of, any other agreement, instrument, judgment, order, decree, permit, license or undertaking binding upon or applicable to such Loan Party or any of such Loan Party's properties or in the creation of any mortgage, pledge, security interest, lien, encumbrance or charge upon any of the properties or assets of such Loan Party.

(b) This Agreement (including the Increase) and the Credit Agreement and other Loan Documents constitute legal, valid and binding obligations of each Loan Party, enforceable in accordance with their 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.

(c) Other than approvals or consents which have been obtained (written copies of which have been furnished to the Administrative Agent), the execution, delivery and performance by the Borrower and Guarantors of this Agreement (including the Increase), and the transactions contemplated hereby, do not require any approval or consent of, or filing with, any third party or any governmental agency or authority.

(d) 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 Increase Effective Date 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). For purposes of this clause (d), the representations and warranties contained in Section 7.11 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to Article IX of the Credit Agreement.

(e) Both immediately before and immediately after giving effect to this Agreement (including the Increase) and the transactions contemplated hereby, no Default or Event of Default under (and as defined in) the Credit Agreement has occurred and is continuing.

7. **<u>Conditions Precedent</u>**. This Agreement shall be deemed to be effective as of the Increase Effective Date, subject to the execution and delivery of the following documents, each in form and substance satisfactory to the Administrative Agent and satisfaction of the additional conditions set forth below:

(a) this Agreement executed and delivered by the Borrower, each Guarantor, the Administrative Agent, and the Increase Lenders;

(b) an amended and restated Note substantially in the form of Exhibit H-1 to the Credit Agreement issued in favor of each of the Increase Lenders reflecting their respective Revolving Commitments after giving effect to the Increase (the "New Notes");

(c) a certificate dated as of the date hereof signed by a duly authorized officer of the Borrower and each Guarantor (i) certifying and attaching the resolutions adopted by the Borrower and each Guarantor's board of directors or trustees (or other appropriate governing body or Persons) authorizing the transactions described herein and evidencing the due authorization, execution and delivery of this Agreement, the New Notes and each of the other Loan Documents to which such Loan Party is a party executed in connection with the Increase, (ii) certifying that the organizational documents of the Borrower and each Guarantor have not been amended, modified or rescinded since they were last furnished in writing to the Administrative Agent, and remain in full force and effect as of the date hereof, (iii) certifying that the Borrower and each Guarantor is duly formed, validly existing and in good standing under the laws of such entity's organization, and that there is no pending or to such officer's knowledge, threatened proceeding for dissolution, liquidation or other similar matter with respect to the Borrower or any Guarantor, (iv) certifying that, immediately before and immediately after giving effect to the Increase, this Agreement and the Increasing Lender Agreements, (A) the representations and warranties contained in Section 7 of the Credit Agreement and in the other Loan Documents 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 Increase Effective Date 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 such respects on and as of such earlier date) and except that for purposes hereof, the representations and warranties contained in Section 7.11 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to Article IX of the Credit Agreement, (B) that there has been no material adverse change in the business, assets, operations, condition (financial or otherwise) or properties of any of the Loan Parties since the date of the financial statements most recently delivered to the Administrative Agent pursuant to the Credit Agreement, and (C) no Default or Event of Default exists;

(d) to the extent requested by the Administrative Agent, the Borrower provided information with respect to any outstanding Disqualified Stock;

(e) an Increasing Lender Agreement executed and delivered by each Increase Lender and the other parties thereto;

(f) favorable opinions of counsel to the Borrower and Guarantors acceptable to the Administrative Agent with respect to this Agreement and the Increase reflected herein and the New Notes; and

(g) payment by the Borrower in immediately available funds of the fees payable to the Increase Lenders in connection with the Increase and as otherwise provided by the Credit Agreement.

8. **Miscellaneous Provisions**.

(a) 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.

(b) This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which counterparts taken together shall be deemed to constitute one and the same instrument. The existence of this Agreement may be established by the introduction into evidence of counterparts that are separately signed, provided they are otherwise identical in all material respects.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the undersigned have duly executed this Increase Agreement as of the date first above written.

BORROWER:

NSA OP, LP

By: NATIONAL STORAGE AFFILIATES TRUST, its general partner

By: /s/ TAMARA D. FISCHER
Name:
Title:

GUARANTORS:

NATIONAL STORAGE AFFILIATES TRUST

By: /s/ TAMARA D. FISCHER
Name:

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:
Title:

[SIGNATURE PAGE TO INCREASE AGREEMENT (KEYBANK/NSA)]

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:
Title:

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:
Title:

Bullhead Freedom Storage, L.L.C,
an Arizona limited liability company

By: /s/ TAMARA D. FISCHER
Name:
Title:

SecurCare of Colorado Springs 602, Ltd.,
a Colorado limited partnership

By: /s/ TAMARA D. FISCHER
Name:

Title:

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:
Title:

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:
Title:

WCAL, LLC,
a Texas limited liability company
By: /s/ TAMARA D. FISCHER
Name:
Title:

[SIGNATURE PAGE TO INCREASE AGREEMENT (KEYBANK/NSA)]

INCREASE LENDERS:

KEYBANK NATIONAL ASSOCIATION

By: /s/ MICHAEL P. SZUBA
Name: Michael P. Szuba
Title: Vice President

[SIGNATURE PAGE TO INCREASE AGREEMENT (KEYBANK/NSA)]

PNC BANK, NATIONAL ASSOCIATION

By: /s/ JAMES A. HARMANN
Name: James A. Harmann
Title: Senior Vice President

[SIGNATURE PAGE TO INCREASE AGREEMENT (KEYBANK/NSA)]

ADMINISTRATIVE AGENT:

KEYBANK NATIONAL ASSOCIATION, as Administrative Agent

By: /s/ MICHAEL P. SZUBA
Name: Michael P. Szuba
Title: Vice President

KEYBANK NATIONAL ASSOCIATION,
as issuer of Letters of Credit

By: /s/ MICHAEL P. SZUBA
Name: Michael P. Szuba
Title: Vice President

KEYBANK NATIONAL ASSOCIATION,
as Swingline Lender

By: /s/ MICHAEL P. SZUBA
Name: Michael P. Szuba
Title: Vice President

[SIGNATURE PAGE TO INCREASE AGREEMENT (KEYBANK/NSA)]

Annex 1

Increase Lenders

Increase Lender	**Revolving Commitment (Portion of Increase)**
KeyBank National Association	$25,000,000.00
PNC Bank, National Association	$25,000,000.00

Annex 2

SCHEDULE 1.1

Lender Commitments

Revolving Commitments

Lender	**Revolving Commitment Amount**	**Revolving Percentage**
KeyBank National Association	$62,500,000.00	15.625000000%
PNC Bank, National Association	$62,500,000.00	15.625000000%
Wells Fargo Bank, National Association	$35,000,000.00	8.750000000%
U.S. Bank National Association	$35,000,000.00	8.750000000%
The Huntington National Bank	$25,000,000.00	6.250000000%
Regions Bank	$30,000,000.00	7.500000000%
Morgan Stanley Senior Funding, Inc.	$30,000,000.00	7.500000000%
Capital One, National Association	$30,000,000.00	7.500000000%
SunTrust Bank	$30,000,000.00	7.500000000%
Royal Bank of Canada	$30,000,000.00	7.500000000%
BMO Harris Bank N.A.	$30,000,000.00	7.500000000%
TOTAL	$400,000,000.00	100.000000000%

Term Loan Commitments/Term Loans

Lender	Tranche A Commitment Amount/Tranche A Term Loan	Tranche A Commitment Percentage	Tranche B Commitment Amount/Tranche B Term Loan	Tranche B Commitment Percentage
KeyBank National Association	$27,500,000.00	12.22222222%	$20,000,000.00	20.000000000%
PNC Bank, National Association	$27,500,000.00	12.22222222%	$20,000,000.00	20.000000000%
Wells Fargo Bank, National Association	$25,000,000.00	11.11111111%	$12,500,000.00	12.500000000%
U.S. Bank National Association	$27,500,000.00	12.22222222%	$10,000,000.00	10.000000000%
The Huntington National Bank	$17,500,000.00	7.77777778%	$7,500,000.00	7.500000000%
Regions Bank	$20,000,000.00	8.88888889%	$10,000,000.00	10.000000000%
Morgan Stanley Senior Funding, Inc.	$10,000,000.00	4.44444444%	--	--
Capital One, National Association	$20,000,000.00	8.88888889%	$10,000,000.00	10.000000000%
SunTrust Bank	$30,000,000.00	13.33333333%	--	--
Royal Bank of Canada	--	--	--	--
BMO Harris Bank N.A.	$20,000,000.00	8.88888889%	$10,000,000.00	10.000000000%
TOTAL	$225,000,000.00	100.00000000%	$100,000,000.00	100.000000000%

Exhibit 10.13

SECOND INCREASE AGREEMENT AND AMENDMENT

This Second Increase Agreement and Amendment (this " Agreement"), dated as of February 8, 2017 (the "Increase Effective Date"), is by and among NSA OP, LP, a limited partnership formed under the laws of the State of Delaware (the "Borrower"), certain Subsidiaries of the Borrower party to the Credit Agreement referred to below, NATIONAL STORAGE AFFILIATES TRUST, a Maryland real estate investment trust (the " Parent Guarantor" and, together with those certain Subsidiaries, collectively, the "Guarantors"), the lender parties hereto providing a new commitment or new loan pursuant to the terms hereof (each, an "Increase Lender" and collectively the "Increase Lenders") and KeyBank National Association, as Administrative Agent (the " Administrative Agent") for the Lenders (as hereinafter defined) and in its capacity as Swingline Lender and as issuer of Letters of Credit. All capitalized terms used herein without definitions shall have the meanings given to such terms in the Credit Agreement (as hereinafter defined).

WHEREAS, the Amended and Restated Credit Agreement, dated as of May 6, 2016 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), is by and among, among others, the Borrower, the Guarantors, the Administrative Agent and the financial institutions which are or become a party thereto as lenders (each a "Lender" and, collectively, the "Lenders");

WHEREAS, Section 2.16 of the Credit Agreement provides that the Borrower may request, upon notice to the Administrative Agent and satisfaction of the conditions set forth in Section 2.16(b) (the "Increase Conditions"), that the Revolving Commitments and/or term loans made under the Credit Agreement be increased by an aggregate amount of up to $325,000,000;

WHEREAS, immediately prior to the effectiveness of this Agreement, the aggregate outstanding principal amount of (i) the Revolving Commitments is $400,000,000, (ii) the Tranche A Loans is $225,000,000 and (iii) the Tranche B Loans is $100,000,000, and there is $275,000,000 remaining to be exercised under the accordion provided under Section 2.16 of the Credit Agreement;

WHEREAS, the Borrower has requested that the Tranche A Loans made under the Credit Agreement be increased by an aggregate amount equal to $10,000,000 (the "Tranche A Increase "), so that after giving effect to the Tranche A Increase, the aggregate outstanding principal amount of the Tranche A Loans will equal $235,000,000 (the Lenders providing such Tranche A Increase, the "Tranche A Increase Lenders ");

WHEREAS, the Borrower has requested that the Tranche B Loans made under the Credit Agreement be increased by an aggregate amount equal to $55,000,000 (the "Tranche B Increase"), so that after giving effect to the Tranche B Increase, the aggregate outstanding principal amount of the Tranche B Loans will equal $155,000,000 (the Lenders providing such Tranche B Increase, the "Tranche B Increase Lenders ");

WHEREAS, the Borrower has requested that certain of the Increase Lenders provide a new tranche of term loans maturing February 8, 2024 in an aggregate principal amount equal to $105,000,000 (such new term loan tranche, the "Tranche C Loan" and the Lenders providing such Tranche C Loans, the " Tranche C Lenders");

WHEREAS, after giving effect to the Tranche A Increase, the Tranche B Increase and the making of the Tranche C Loan (collectively referred to sometimes hereinafter as the "Increase"), there will be $105,000,000 remaining to be exercised under the accordion provided under Section 2.16 of the Credit Agreement;

WHEREAS, BMO Harris Bank N.A. shall be named a Co-Lead Arranger under the Credit Agreement with respect to the Tranche C Loan;

WHEREAS, certain of the existing Lenders intend to assign a portion of their respective Revolving Commitments concurrently with the effectiveness of this Agreement (the "Revolver Assignments");

WHEREAS, one or more of the Increase Lenders shall be a new lender party to the Credit Agreement (each such new lender, an "Augmenting Lender");

WHEREAS, the Borrower has also requested, in connection with the increase in the Loans, that the number of permitted Interest Periods also be increased from seven to eight;

WHEREAS, Schedule 1.1 to the Credit Agreement (Lender Commitments) will be updated to reflect Lender Commitments after giving effect to the Tranche A Increase, the Tranche B Increase, the making of the Tranche C Loans and the Revolver Assignments, to be attached hereto as Annex 2;

WHEREAS, the parties hereto desire to make certain other conforming amendments to the Credit Agreement to reflect the addition of the Tranche C Loans thereunder, as reflected herein; and

WHEREAS, the Administrative Agent is willing to give effect to the Tranche A Increase, the Tranche B Increase, the making of the Tranche C Loans and the Revolver Assignments provided that the parties hereto enter into this Agreement;

NOW THEREFORE, the parties hereto hereby agree as follows:

1. Tranche A Increase, Tranche B Increase and Tranche C Loans; Assignments of Revolver Commitments.

(a) **Tranche A Increase**. Pursuant to (and notwithstanding any of the provisions of) Section 2.16 of the Credit Agreement, each Tranche A Increase Lender hereby severally and not jointly agrees to increase its Term Loan Tranche A Commitment by the amount set forth next to such Tranche A Increase Lender's name on Annex 1 attached hereto (in each case, such Lender's "Tranche A Increase Amount"). The aggregate Tranche A Increase, as set forth in such Annex 1, is equal to $10,000,000. In connection therewith, subject to the terms of the Credit Agreement, each Tranche A Increase Lender severally and not jointly agrees to fund, and make a single loan in immediately available funds to the Borrower on the Increase Effective Date, in an aggregate principal amount equal to its Tranche A Increase Amount. After giving effect to the Tranche A Increase, each Tranche A Lender (including each Tranche A Increase Lender) shall have the Term Loan Tranche

A Commitment (it being acknowledged that each Term Loan Tranche A Commitment terminated (or will terminate) upon the funding of the applicable Tranche A Loan) and Commitment Percentage with respect to the Tranche A Facility set forth on the new Schedule 1.1 attached as Annex 2 hereto.

(b) **Tranche B Increase**. Pursuant to (and notwithstanding any of the provisions of) Section 2.16 of the Credit Agreement, each Tranche B Increase Lender hereby severally and not jointly agrees to increase its Term Loan Tranche B Commitment by the amount set forth next to such Tranche B Increase Lender's name on Annex 1 attached hereto (in each case, such Lender's "Tranche B Increase Amount"). The aggregate Tranche B Increase, as set forth in such Annex 1, is equal to $55,000,000. In connection therewith, subject to the terms of the Credit Agreement, each Tranche B Increase Lender severally and not jointly agrees to fund, and make a single loan in immediately available funds to the Borrower on the Increase Effective Date, in an aggregate principal amount equal to its Tranche B Increase Amount. After giving effect to the Tranche B Increase, each Tranche B Lender (including each Tranche B Increase Lender) shall have the Term Loan Tranche B Commitment (it being acknowledged that each Term Loan Tranche B Commitment terminated (or will terminate) upon the funding of the applicable Tranche B Loan) and Commitment Percentage with respect to the Tranche B Facility set forth on the new Schedule 1.1 attached as Annex 2 hereto.

(c) **Tranche C Term Loan**. Pursuant to Section 2.16 of the Credit Agreement, each Tranche C Lender hereby severally and not jointly agrees to provide a Term Loan Tranche C Commitment in the amount set forth next to such Tranche C Lender's name on Annex 1 attached hereto (in each case, such Lender's " Tranche C Loan Amount"). The aggregate Tranche C Loan, as set forth in such Annex 1, is equal to $105,000,000. In connection therewith, subject to the terms of the Credit Agreement, each Tranche C Lender severally and not jointly agrees to fund, and make a single loan in immediately available funds to the Borrower on the Increase Effective Date, in an aggregate principal amount equal to its Tranche C Loan Amount. After giving effect to the making of the Tranche C Loans, each Tranche C Lender shall have the Term Loan Tranche C Commitment (it being acknowledged that each Term Loan Tranche C Commitment will terminate upon the funding of the applicable Tranche C Loan) and Commitment Percentage with respect to the Tranche C Facility set forth on the new Schedule 1.1 attached as Annex 2 hereto. Subject to Section 2.8(c) of the Credit Agreement, each payment or prepayment of principal of Tranche C Term Loans by the Borrower shall be made for the account of the Tranche C Lenders pro rata in accordance with the respective unpaid principal amounts of the Tranche C Term Loans held by them. In addition, each payment of interest on Tranche C Term Loans by the Borrower shall be made for the account of the Tranche C Lenders pro rata in accordance with the amounts of interest on the Tranche C Term Loans then due and payable to the Tranche C Lenders.

(d) **Assignments of Revolving Commitments**. Pursuant to Section 13.5 of the Credit Agreement, KeyBank National Association and PNC Bank, National Association (collectively, the " Assigning Lenders") are assigning a portion of their respective Revolving Commitments on the date hereof to certain other Lenders (the "Assignees"), as more fully set forth in the Assignment and Acceptance Agreement entered into by the Assigning Lenders and the Assignees on the date hereof and as reflected on the new Schedule 1.1 attached as Annex 2 hereto.

2. Amendments to Credit Agreement.

As of the Increase Effective Date, the Credit Agreement is amended as set forth below:

(a) The definition of "Applicable Margin" set forth in Section 1.1 of the Credit Agreement is amended by deleting the Table contained in clause (a) thereof in its entirety and inserting in place thereof the following new Table (solely to add the pricing for the Tranche C Loans to the Table):

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	Applicable Margin for Tranche C Term Loans that are LIBOR Loans	Applicable Margin for Tranche C 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%	1.70%	0.70%
2	Greater than 45% and less or equal to 50%	1.55%	0.55%	1.50%	0.50%	1.75%	0.75%	1.90%	0.90%
3	Greater than 50% and less than or equal to 55%	1.75%	0.75%	1.70%	0.70%	1.95%	0.95%	2.05%	1.05%
4	Greater than 55%	1.95%	0.95%	1.90%	0.90%	2.15%	1.15%	2.25%	1.25%

(b) The definition of "Applicable Margin" set forth in Section 1.1 of the Credit Agreement is further amended by deleting the Table contained in clause (b) thereof in its entirety and inserting in place thereof the following new Table (solely to add the pricing for the Tranche C Loans to the Table):

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	Applicable Margin for Tranche C Term Loans that are LIBOR Loans	Applicable Margin for Tranche C 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%	1.50%	0.50%
2	BBB+ or Baa1	0.90%	0.00%	1.00%	0.00%	1.40%	0.40%	1.55%	0.55%
3	BBB or Baa2	1.00%	0.00%	1.15%	0.15%	1.50%	0.50%	1.65%	0.65%
4	BBB- or Baa3	1.20%	0.20%	1.40%	0.40%	1.75%	0.75%	1.90%	0.90%
5	Below BBB- and Baa3	1.55%	0.55%	1.80%	0.80%	2.30%	1.30%	2.45%	1.45%

(c) Section 1.1 is hereby amended by amending and restating each of the following definitions to read in their entirety as follows:

"**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 Loan, Tranche B Loan or Tranche C Loan).

“**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, (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 and (d) in respect of the Tranche C Facility, with respect to any Tranche C Lender at any time, the percentage of the Tranche C Facility represented by (i) on or prior to the Second Increase and Amendment Effective Date, such Tranche C Lender’s Tranche C Commitment at such time and (ii) thereafter, the principal amount of such Tranche C Lender’s Tranche C 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.

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

“**Increasing Lender**” has the meaning given that term in Section 2.16(a) and includes any Lender providing any term loan pursuant to the Second Increase Agreement and Amendment.

“**Incremental Term Loan**” has the meaning given that term in Section 2.16(a) and includes the Tranche A Increase, the Tranche B Increase and the Tranche C Loans.

“**Incremental Term Loan Amendment**” has the meaning given that term in Section 2.16(e) and includes the First Increase Agreement and the Second Increase Agreement and Amendment.

“**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, (iii) with respect to the Tranche B Facility, the Tranche B Maturity Date, and (iv) with respect to the Tranche C Facility, the Tranche C Maturity Date; provided, however, that, in each case, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

“**Term Loan**” or “**Term Loans**” means any Tranche A Loan, Tranche B Loan or Tranche C 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 as of the Second Increase and Amendment Effective Date, its Tranche A Commitment, Tranche B Commitment and/or Tranche C Commitment, as the context may require, as set forth on

Schedule 1.1, as the same may be amended from time to time, or (b) a Term Loan Lender's obligation to make a Term Loan after the Second Increase and Amendment 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, the Tranche B Facility and the Tranche C Facility.

"**Titled Agents**" means, (a) each of KeyBanc Capital Markets Inc., PNC Capital Markets LLC, and, solely with respect to the Tranche C Loan, BMO Harris Bank N.A., in their capacity as Co-Lead Arrangers; (b) each of KeyBanc Capital Markets Inc. and PNC Capital Markets LLC, in their capacity as Co-Bookrunners, and (c) PNC Bank, National Bank, in its capacity as Syndication Agent.

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

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

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

(d) Section 1.1 is hereby further amended by inserting therein each of the following new definitions in the appropriate alphabetical order:

"**First Increase Agreement** " means that certain Increase Agreement dated as of December 1, 2016 among the Borrower, the Guarantors, the Lenders party thereto and the Administrative Agent.

"**Second Increase Agreement and Amendment** " means that certain Second Increase Agreement and Amendment dated as of the Second Increase and Amendment Effective Date among the Borrower, the Guarantors, the Lenders party thereto and the Administrative Agent.

"**Second Increase and Amendment Effective Date** " means February 8, 2017.

"Total Tranche C Commitment" means as of the Second Increase and Amendment Effective Date, the sum of the Tranche C Commitments of the Tranche C Lenders. As of the Second Increase and Amendment Effective Date, the Total Tranche C Commitment is $105,000,000. Upon the funding of the Tranche C Loans in an amount equal to the Total Tranche C Commitment on the Second Increase and Amendment Effective Date, the Tranche C Commitments will be deemed to be zero and will terminate.

"**Tranche A Increase** " shall have the meaning set forth therefor in the Second Increase Agreement and Amendment.

“**Tranche B Increase**” shall have the meaning set forth therefor in the Second Increase Agreement and Amendment.

“**Tranche C Commitment**” means as to each Tranche C Lender, its obligation to make Tranche C Loans to Borrower on the Second Increase and Amendment Effective Date pursuant to Section 2.2(bb) in an original principal amount not to exceed the applicable amount set forth opposite such Tranche C Lender’s name on Schedule 1.1. Upon the funding of the Tranche C Loans in an amount equal to the Total Tranche C Commitment on the Second Increase and Amendment Effective Date, the Tranche C Commitments will be deemed to be zero and will terminate.

“**Tranche C Facility**” means at any time, (a) on or prior to the Second Increase and Amendment Effective Date, the aggregate amount of the Tranche C Commitments at such time and (b) thereafter, the aggregate principal amount of the Tranche C Loans of all Tranche C Lenders outstanding at such time.

“**Tranche C Lender** ” means (a) at any time on or prior to the Second Increase and Amendment Effective Date, any Term Loan Lender that has a Tranche C Commitment at such time and (b) at any time after the Second Increase and Amendment Effective Date, any Term Loan Lender that holds Tranche C Loans at such time.

“**Tranche C Loan**” or “**Tranche C Term Loan** ” means an advance made by any Tranche C Lender under the Tranche C Facility.

“**Tranche C Loan Prepayment Premium** ” means with respect to any principal amount of the Tranche C Loan being prepaid in whole or in part pursuant to Section 2.8(a), whether before or after an Event of Default or acceleration, including acceleration due to any event described in Section 11.1(f) or 11.1(g), during any of the periods set forth below an amount equal to the percentage set forth opposite such period of the aggregate principal amount of such Tranche C Loan being prepaid at such time:

Period	Percentage
From the Second Increase and Amendment Effective Date through and including the first anniversary of the Second Increase and Amendment Effective Date	2.00%
After the first anniversary of the Second Increase and Amendment Effective Date through and including the second anniversary of the Second Increase and Amendment Effective Date	1.00%
Thereafter	0.00%

“**Tranche C Maturity Date** ” means February 8, 2024, or such earlier date on which the Tranche C Loans shall become due and payable pursuant to the terms hereof.

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

(e) Section 2.2 of the Credit Agreement is hereby amended by inserting, immediately following clause (b) contained therein, the following new clause (bb):

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

(f) Section 2.2 of the Credit Agreement is hereby further amended by amending and restating clause (d) contained therein to read in its entirety as follows:

(d) Disbursement of Term Loan Proceeds. No later than 12:00 p.m. on the Effective Date or the Second Increase and Amendment Effective Date, as applicable, 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 Tranche A Loan and Tranche B 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. No later than 12:00 p.m. (or such later time as is agreed by the Administrative Agent) on the Second Increase and Amendment Effective Date, each Tranche C 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 Tranche C Loan to be made by such Lender. Subject to satisfaction of the applicable conditions set forth in the Second Increase Agreement and Amendment for such borrowing, the Administrative Agent will make the proceeds of such borrowing available to the Borrower no later than 5:00 p.m. on the Second Increase and Amendment Effective Date.

(g) Section 2.6 of the Credit Agreement is hereby amended by deleting the reference therein to "seven" and replacing it with the following: "eight".

(h) Section 2.7 of the Credit Agreement is hereby amended and restated to read in its entirety as follows:

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 Loans on the Tranche A Maturity Date, (iii) the Tranche B Loans on the Tranche B Maturity Date and (iv) the Tranche C Loans on the Tranche C Maturity Date.

(i) The first sentence of clause (a) contained in Section 2.8 of the Credit Agreement is hereby amended and restated to read in its entirety as follows:

(a) Optional. Subject to Section 4.4, the Borrower may prepay any Loan at any time without premium or penalty; provided, that any prepayment in whole or in part of the Tranche C Loan shall be made by the payment of the principal amount to be prepaid, accrued interest thereon to the date fixed for prepayment, plus the Tranche C Loan Prepayment Premium, if applicable.

(j) The last sentence of Section 2.11(b) of the Credit Agreement is hereby amended and restated to read in its entirety as follows:

For the avoidance of doubt, the Tranche A Loans shall be evidenced by the Tranche A Notes, the Tranche B Loans shall be evidenced by the Tranche B Notes and the Tranche C Loans shall be evidenced by the Tranche C Notes.

(k) Clause (d) contained in Section 2.16 of the Credit Agreement is hereby amended and restated to read in its entirety as follows:

(d) Terms. The Incremental Term Loans (i) shall rank pari passu in right of payment with the Revolving Loans and the initial Term Loans and any other Incremental Term Loan, (ii) shall not mature earlier than the latest maturity date of any then outstanding Term Loan (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 and any prior Incremental Term Loan; provided, that (x) the terms and conditions applicable to any Incremental Term Loan maturing after the latest maturing Term Loan then outstanding may provide for material additional or different financial or other covenants or prepayment requirements applicable only during periods after the maturity date of such latest maturing Term Loan and (y) the Incremental Term Loans may be priced differently than the Revolving Loans and the initial Term Loans and any other Incremental Term Loan.

(l) Exhibit H-2 (Form of Tranche A/Tranche B Term Note) to the Credit Agreement is hereby deleted in its entirety and replaced in its entirety with Exhibit H-2 (Form of Tranche A/Tranche B/Tranche C Term Note) attached hereto as Annex 3. The reference to such Exhibit H-2 in the Table of Contents of the Credit Agreement shall be updated accordingly.

(m) On and after the Second Increase and Amendment Effective Date, each reference in the Credit Agreement to “this Agreement,” “hereunder,” “hereof” or words of like import referring

to the Credit Agreement shall mean and be a reference to the Credit Agreement, as amended by the Second Increase Agreement and Amendment.

3. Increasing/Augmenting Lender Agreements. Each Increase Lender that is an existing Lender immediately prior to the effectiveness of this Agreement will enter into an Increasing Lender Agreement in substantially the form attached to the Credit Agreement as Exhibit J in connection with the Increase (each an "Increasing Lender Agreement"); and each Increase Lender that is an Augmenting Lender will enter into an Augmenting Lender Agreement in substantially the form attached to the Credit Agreement as Exhibit K (each an "Áugmenting Lender Agreement").

4. Amendment of Schedule 1.1. Schedule 1.1 to the Credit Agreement is hereby deleted and replaced with Schedule 1.1 attached hereto as Annex 2.

5. Affirmation and Acknowledgment. Subject to the terms of the Loan Documents, the Borrower hereby ratifies and confirms all of its Obligations to the Lenders, including, without limitation, the Loans, the Notes and the other Loan Documents, and the Borrower hereby affirms its absolute and unconditional promise to pay to the Lenders all Obligations under (and as defined in) the Credit Agreement, both before and after giving effect to this Agreement. The Guarantors hereby consent to the transactions contemplated by this Agreement and acknowledge and agree that the guaranties made by them contained in each Guaranty are, and shall remain, in full force and effect after giving effect to this Agreement. The execution, delivery and effectiveness of this Agreement shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

6. Representations and Warranties. The Borrower and each of the Guarantors hereby jointly and severally represent and warrant to the Lenders as follows:

(a) The execution, delivery and performance of this Agreement by the Borrower and each Guarantor (i) are within the authority of such Loan Party, (ii) have been duly authorized by all necessary proceedings on the part of such Loan Party and any general partner thereof, (iii) do not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which such Loan Party is subject or any judgment, order, writ, injunction, license or permit applicable to such Loan Party, (iv) do not conflict with any provision of the organizational documents of such Loan Party or any general partner or manager thereof, and (v) do not contravene any provisions of, or constitute a Default or Event of Default under the Credit Agreement or a failure to comply with any term, condition or provision of, any other agreement, instrument, judgment, order, decree, permit, license or undertaking binding upon or applicable to such Loan Party or any of such Loan Party's properties or in the creation of any mortgage, pledge, security interest, lien, encumbrance or charge upon any of the properties or assets of such Loan Party.

(b) This Agreement (including the Increase) and the Credit Agreement and other Loan Documents constitute legal, valid and binding obligations of each Loan Party, enforceable in accordance with their 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.

(c) Other than approvals or consents which have been obtained (written copies of which have been furnished to the Administrative Agent), the execution, delivery and performance by the Borrower and Guarantors of this Agreement (including the Increase), and the transactions contemplated hereby, do not require any approval or consent of, or filing with, any third party or any governmental agency or authority.

(d) 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 Increase Effective Date 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). For purposes of this clause (d), the representations and warranties contained in Section 7.11 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to Article IX of the Credit Agreement.

(e) Both immediately before and immediately after giving effect to this Agreement (including the Increase) and the transactions contemplated hereby, no Default or Event of Default under (and as defined in) the Credit Agreement has occurred and is continuing.

7. Conditions Precedent. This Agreement shall be deemed to be effective as of the Increase Effective Date, subject to the execution and delivery of the following documents, each in form and substance satisfactory to the Administrative Agent and satisfaction of the additional conditions set forth below:

(a) this Agreement executed and delivered by the Borrower, each Guarantor, the Administrative Agent, and the Increase Lenders;

(b) (i) an amended and restated Note substantially in the form of Exhibit H-2 to the Credit Agreement issued in favor of each Tranche A Increase Lender and Tranche B Increase Lender reflecting the aggregate principal amount of such lender's Tranche A Loan and/or Tranche B Loan after giving effect to the Tranche A Increase and the Tranche B Increase, respectively, and (ii) a Note substantially in the form of Exhibit H-2 to the Credit Agreement issued in favor of each Tranche C Lender reflecting the aggregate principal amount of such lender's Tranche C Loan (collectively, the "New Notes");

(c) a certificate dated as of the date hereof signed by a duly authorized officer of the Borrower and each Guarantor (i) certifying and attaching the resolutions adopted by the Borrower and each Guarantor's board of directors or trustees (or other appropriate governing body or Persons) authorizing the transactions described herein and evidencing the due authorization, execution and delivery of this Agreement, the New Notes and each of the other Loan Documents to which such Loan Party is a party executed in connection with the Increase, (ii) certifying that the organizational documents of the Borrower and each Guarantor have not been amended, modified or rescinded

since they were last furnished in writing to the Administrative Agent, and remain in full force and effect as of the date hereof, (iii) certifying that the Borrower and each Guarantor is duly formed, validly existing and in good standing under the laws of such entity's organization, and that there is no pending or to such officer's knowledge, threatened proceeding for dissolution, liquidation or other similar matter with respect to the Borrower or any Guarantor, (iv) certifying that, immediately before and immediately after giving effect to the Increase, this Agreement, Increasing Lender Agreements and the Augmenting Lender Agreements, (A) the representations and warranties contained in Section 7 of the Credit Agreement and in the other Loan Documents 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 Increase Effective Date 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 such respects on and as of such earlier date) and except that for purposes hereof, the representations and warranties contained in Section 7.11 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to Article IX of the Credit Agreement, (B) that there has been no material adverse change in the business, assets, operations, condition (financial or otherwise) or properties of any of the Loan Parties since the date of the financial statements most recently delivered to the Administrative Agent pursuant to the Credit Agreement, and (C) no Default or Event of Default exists;

(d) to the extent requested by the Administrative Agent, the Borrower provided information with respect to any outstanding Disqualified Stock;

(e) an Increasing Lender Agreement executed and delivered by each Increase Lender that is not an Augmenting Lender and the other parties thereto;

(f) an Augmenting Lender Agreement executed and delivered by each Augmenting Lender and the other parties thereto;

(g) favorable opinions of counsel to the Borrower and Guarantors acceptable to the Administrative Agent with respect to this Agreement and the Increase reflected herein and the New Notes;

(h) payment by the Borrower in immediately available funds of the fees payable to the Increase Lenders set forth in the fee letter delivered in connection with this Agreement and as otherwise provided by the Credit Agreement; and

(i) the Assignment and Acceptance Agreement executed and delivered by each of the Assigning Lenders and its respective Assignee.

8. Miscellaneous Provisions.

(a) 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.

(b) This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which counterparts taken together shall be deemed to constitute one and the same instrument. The existence of this Agreement may be established by the introduction into evidence of counterparts that are separately signed, provided they are otherwise identical in all material respects.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date 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

[SIGNATURE PAGE TO SECOND INCREASE AGREEMENT AND AMENDMENT (KEYBANK/NSA)]

GUARANTORS:

NATIONAL STORAGE AFFILIATES TRUST

By: /s/ TAMARA D. FISCHER
Name: Tamara Fischer

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

INCREASE LENDERS:

KEYBANK NATIONAL ASSOCIATION

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

[SIGNATURE PAGE TO SECOND INCREASE AGREEMENT AND AMENDMENT (KEYBANK/NSA)]

BMO Harris Bank N.A.

By: /s/ MICHAEL KAUFFMAN
Name: Michaela Kauffman
Title: Managing Director

[SIGNATURE PAGE TO SECOND INCREASE AGREEMENT AND AMENDMENT (KEYBANK/NSA)]

U.S. BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ TODD SCHRADER
Name: Todd Schrader
Title: Vice President

[SIGNATURE PAGE TO SECOND INCREASE AGREEMENT AND AMENDMENT (KEYBANK/NSA)]

MORGAN STANLEY SENIOR
FUNDING, INC., as a Lender

By: /s/ MICHAEL KING
Name: Michael King
Title: Vice President

[SIGNATURE PAGE TO SECOND INCREASE AGREEMENT AND AMENDMENT (KEYBANK/NSA)]

CAPITAL ONE NATIONAL
ASSOCIATION, as a Lender

By: /s/ FREDERICK H. DENECKE
Name: Frederick H. Denecke
Title: Senior Vice President

[SIGNATURE PAGE TO SECOND INCREASE AGREEMENT AND AMENDMENT (KEYBANK/NSA)]

SUNTRUST BANK, as a Lender

By: /s/ FRANCINE GLANDT
Name: Francine Glandt
Title: Senior Vice President

[SIGNATURE PAGE TO SECOND INCREASE AGREEMENT AND AMENDMENT (KEYBANK/NSA)]

Associated Bank, National Association, as a Lender

By: /s/ GREGORY A. CONNER
Name: Gregory A. Conner
Title: Senior Vice President

[SIGNATURE PAGE TO SECOND INCREASE AGREEMENT AND AMENDMENT (KEYBANK/NSA)]

ADMINISTRATIVE AGENT:

KEYBANK NATIONAL ASSOCIATION, as Administrative Agent

By: /s/ MICHAEL P. SZUBA
Name: Michael P. Szuba
Title: Vice President

KEYBANK NATIONAL ASSOCIATION,
as issuer of Letters of Credit

By: /s/ MICHAEL P. SZUBA
Name: Michael P. Szuba
Title: Vice President

KEYBANK NATIONAL ASSOCIATION,
as Swingline Lender

By: /s/ MICHAEL P. SZUBA
Name: Michael P. Szuba
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ KEVIN A. STACKER
Name: Kevin A. Stacker
Title: Senior Vice President

[SIGNATURE PAGE TO SECOND INCREASE AGREEMENT AND AMENDMENT (KEYBANK/NSA)]

REGIONS BANK, as a Lender

By: /s/ PAUL E. BURGAN
Name: Paul E. Burgan
Title: Vice President

[SIGNATURE PAGE TO SECOND INCREASE AGREEMENT AND AMENDMENT (KEYBANK/NSA)]

ROYAL BANK OF CANADA, as a Lender

By: /s/ JOSHUA FREEDMAN
Name: Joshua Freedman
Title: Authorized Signatory

MORGAN STANLEY BANK, N.A., as a Lender

By: /s/ MICHAEL KING
Name: Michael King
Title: Authorized Signatory

[SIGNATURE PAGE TO SECOND INCREASE AGREEMENT AND AMENDMENT (KEYBANK/NSA)]

Annex 1

Increase Lenders

Tranche A Increase Lender	Tranche A Commitment (Portion of Increase)
U.S. Bank National Association	$5,000,000
Morgan Stanley Senior Funding, Inc.	$5,000,000
Total	$10,000,000

Tranche B Increase Lender	Tranche B Commitment (Portion of Increase)
KeyBank National Association	$3,750,000
PNC Bank, National Association	$3,750,000
U.S. Bank National Association	$2,500,000
BMO Harris Bank N.A.	$7,500,000
Capital One, National Association	$12,500,000
SunTrust Bank	$25,000,000
Total	$55,000,000

Tranche C Lender	Tranche C Commitment
KeyBank National Association	$25,000,000
PNC Bank, National Association	$25,000,000
BMO Harris Bank N.A.	$25,000,000
Associated Bank, National Association	$30,000,000
Total	$105,000,000

Annex 2

SCHEDULE 1.1

Lender Commitments

Revolving Commitments

Lender	**Revolving Commitment Amount**	**Revolving Percentage**
KeyBank National Association	$37,500,000.00	9.375000000%
PNC Bank, National Association	$37,500,000.00	9.375000000%
U.S. Bank National Association	$45,000,000.00	11.250000000%
Wells Fargo Bank, National Association	$35,000,000.00	8.750000000%
BMO Harris Bank N.A.	$37,500,000.00	9.375000000%
Capital One, National Association	$37,500,000.00	9.375000000%
Regions Bank	$30,000,000.00	7.500000000%
The Huntington National Bank	$25,000,000.00	6.250000000%
Morgan Stanley Bank, N.A.	$25,000,000.00	6.250000000%
Morgan Stanley Senior Funding, Inc.	$30,000,000.00	7.500000000%
Royal Bank of Canada	$30,000,000.00	7.500000000%
SunTrust Bank	$30,000,000.00	7.500000000%
Associated Bank, National Association	--	--
TOTAL	$400,000,000.00	100.000000000%

Term Loan Commitments/Term Loans

Lender	Tranche A Commitment Amount/Tranche A Term Loan	Tranche A Commitment Percentage	Tranche B Commitment Amount/Tranche B Term Loan	Tranche B Commitment Percentage	Tranche C Commitment Amount/Tranche C Term Loan	Tranche C Commitment Percentage
KeyBank National Association	$27,500,000.00	11.702127660%	$23,750,000.00	15.322580645%	$25,000,000	23.809523810%
PNC Bank, National Association	$27,500,000.00	11.702127660%	$23,750,000.00	15.322580645%	$25,000,000	23.809523810%
U.S. Bank National Association	$32,500,000.00	13.829787234%	$12,500,000.00	8.064516129%	--	--
Wells Fargo Bank, National Association	$25,000,000.00	10.638297872%	$12,500,000.00	8.064516129%	--	--
BMO Harris Bank N.A.	$20,000,000.00	8.510638298%	$17,500,000.00	11.290322581%	$25,000,000	23.809523810%
The Huntington National Bank	$17,500,000.00	7.446808511%	$7,500,000.00	4.838709677%	--	--
Regions Bank	$20,000,000.00	8.510638298%	$10,000,000.00	6.451612903%	--	--
Morgan Stanley Senior Funding, Inc.	$15,000,000.00	6.382978723%	--	--	--	--
Capital One, National Association	$20,000,000.00	8.510638298%	$22,500,000.00	14.516129032%	--	--
SunTrust Bank	$30,000,000.00	12.765957447%	$25,000,000	16.129032258%	--	--
Royal Bank of Canada	--	--	--	--	--	--
Associated Bank, National Association	--	--	--	--	$30,000,000	28.571428570%

Lender	Tranche A Commitment Amount/Tranche A Term Loan	Tranche A Commitment Percentage	Tranche B Commitment Amount/Tranche B Term Loan	Tranche B Commitment Percentage	Tranche C Commitment Amount/Tranche C Term Loan	Tranche C Commitment Percentage
Morgan Stanley Bank, N.A.	--	--	--	--	--	--
TOTAL	$235,000,000.00	100.000000000%	$155,000,000.00	100.000000000%	$105,000,000.00	100.000000000%

Annex 3

EXHIBIT H-2

FORM OF [TRANCHE A/TRANCHE B/TRANCHE C] LOAN PROMISSORY NOTE

$__________ __________ ___, 20__

FOR VALUE RECEIVED, the undersigned hereby promises to pay to _______________ (the " Lender") or its registered assigns, in care of KeyBank National Association, as Administrative Agent (the " Administrative Agent") at KeyBank National Association, 127 Public Square, Cleveland, Ohio 44114, or at such other address as may be specified in writing by the Administrative Agent to the Borrower, the principal sum of _____________AND __/100 DOLLARS ($___________), on the date and in the principal amount provided in the Credit Agreement, and to pay interest on the unpaid principal amount owing hereunder, at the rates and on the dates provided in the Credit Agreement.

The date, amount of the [Tranche A/Tranche B/Tranche C] Loan made by the Lender to the Borrower, and each payment made on account of the principal thereof, shall be recorded by the Lender on its books and, prior to any transfer of this [Tranche A/Tranche B/Tranche C] Loan Promissory Note (the "Note"), endorsed by the Lender on the schedule attached hereto or any continuation thereof, provided that the failure of the Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower to make a payment when due of any amount owing under the Credit Agreement or hereunder in respect of the [Tranche A/Tranche B/Tranche C] Loan made by the Lender.

This Note is one of the Notes referred to in the Amended and Restated Credit Agreement (the " Credit Agreement") dated as of May 6, 2016, by and among 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 thereto, and KEYBANK NATIONAL ASSOCIATION, as Administrative Agent for the Lenders, 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"). Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events and for prepayments of Loans upon the terms and conditions specified therein.

This Note is guaranteed by the Guarantors as provided in the Guaranty. Reference is hereby made to the Guaranty for a description of the nature and extent of such guaranty, the terms and conditions upon which such guaranty was granted and the rights of the holder of this Note in respect thereof. This Note is secured as provided in the Pledge and Security Agreement. Reference is hereby made to the Pledge and Security Agreement for a description of the nature and extent of

such collateral security, the terms and conditions upon which such collateral security was granted and the rights of the holder of this Note in respect thereof.

Except as permitted by Section 13.5 of the Credit Agreement, this Note may not be assigned by the Lender to any other Person.

[This Note is given in replacement of the Term Note dated _______ __, 20__ in the original principal amount of $_________ previously delivered to the Lender under the Credit Agreement. THIS NOTE IS NOT INTENDED TO BE, AND SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING UNDER OR IN CONNECTION WITH THE OTHER NOTE.]

THIS NOTE 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.

The Borrower hereby waives presentment for payment, demand, notice of demand, notice of non-payment, protest, notice of protest and all other similar notices.

Time is of the essence for this Note.

[Signature Page Follows]

[1] **Bracketed language to be used in replacement notes only.**

IN WITNESS WHEREOF, the undersigned has executed and delivered this Note as of the date first written above.

NSA OP, LP, as Borrower

By: NATIONAL STORAGE AFFILIATES TRUST, its general partner

By: ________________________________
Name:
Title:

Exhibit 10.20

Execution Version

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (this "Agreement") is dated as of January 1, 2017 (the "Commencement Date"), by and between National Storage Affiliates Trust, a Maryland real estate investment trust (the "Company"), and Brandon Togashi, residing at the address set forth in the Company's records (the "Executive").

WHEREAS, the Company wishes to offer a promotion in employment to vice president, controller, and chief accounting officer of the Company, and the Executive wishes to accept such offer on the terms set forth below, to be effective as of the Commencement Date.

NOW THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Term. The Company hereby employs the Executive, and the Executive hereby accepts such employment, for an initial term commencing as of the Commencement Date of this Agreement and continuing for a three-year period (the "Initial Term"), unless sooner terminated in accordance with the provisions of Section 4 or Section 5; with such employment to automatically continue following the Initial Term for additional successive one-year periods (each, a "Subsequent Term") in accordance with the terms of this Agreement (subject to termination as aforesaid) unless either party notifies the other party in writing of its intention not to continue such employment at least 90 days prior to the expiration of the Initial Term or any Subsequent Term, as applicable (the Initial Term, together with all Subsequent Terms hereunder, shall hereinafter be referred to as the "Term").

2. Duties. During the Term, the Executive shall be employed by the Company as vice president, controller, and chief accounting officer, and, as such, the Executive shall have such responsibilities and authority as are customary for a vice president, controller, and chief accounting officer of a company of

similar size and nature as the Company and shall faithfully perform for the Company the duties of each such office and shall report directly to the chief financial officer of the Company. The Executive shall devote substantially all of his business time and effort to the performance of his duties hereunder; provided, however, that the Executive may serve on the boards of directors or trustees of any business corporations or charitable organizations and such service shall not be a violation of this Agreement, provided that such other activities do not materially interfere with the performance of the Executive's duties hereunder.

3. Compensation.

3.1 Salary. The Company shall pay the Executive during the Term a salary at the minimum rate of $210,000 per annum, in accordance with the customary payroll practices of the Company applicable to senior executives from time to time. The Compensation, Nominating and Corporate Governance Committee of the Board (the "Compensation Committee") shall review the Executive's Annual Salary in good faith on an annual basis and may provide for increases therein as it may in its sole discretion deem appropriate (such annual salary, as increased, the "Annual Salary"). Once increased, the Annual Salary shall not thereafter be decreased.

3.2 Bonus. During the Term, Executive shall be eligible to participate in any annual incentive or bonus plan or plans maintained by the Company for senior management executives of the Company generally, in accordance with the terms, conditions, and provisions of each such plan as the same may be adopted, changed, amended, or terminated, from time to time in the discretion of the Board. Executive shall be eligible to earn a target bonus (the "Annual Bonus") pursuant to a program as established by Board and subject to the achievement of performance goals determined by the Board.

3.3 Benefits - In General. The Executive shall be permitted during the Term to participate in any group life, hospitalization or disability insurance plans, health programs, equity incentive plans, long-term incentive programs, 401(k) and other retirement plans, fringe benefit programs and similar benefits that may be available (currently or in the future) to other senior executives of the Company generally, in each case to the extent that the Executive is eligible under the terms of such plans or programs.

3.4 Specific Benefits. Without limiting the generality of Section 3.3, the Executive shall be entitled to paid vacation of not less than the greater of (a) 20 business days per year or (b) the number of paid business vacation days provided to other senior executives of the Company (to be taken at reasonable times in accordance with the Company's policies). Any accrued vacation not taken during any year may be carried forward to subsequent years; provided, that the Executive may not carry forward more than 20 business days of unused vacation in any one year.

3.5 Expenses. The Company shall promptly pay or reimburse the Executive for all ordinary and reasonable out-of-pocket expenses actually incurred (and, in the case of reimbursement, paid) by the Executive during the Term in the performance of the Executive's services under this Agreement; provided that the Executive documents such expenses with the properly completed forms as prescribed from time to time by the Company in accordance with the Company's policies, plans and/or programs.

4. Termination upon Death or Disability. If the Executive dies during the Term, the Term shall terminate as of the date of death. If there is a good faith determination by the Board that the Executive has become physically or mentally incapable of performing his duties under the Agreement and such disability has disabled the Executive for a cumulative period of 180 days within any 12-month period (a "Disability"), the Company shall have the right, to the extent permitted by law, to terminate the employment of the Executive upon notice in writing to the Executive. Upon Executive’s death or in the event that Executive’s employment is terminated due to his Disability, Executive or his estate or his beneficiaries, as the case may be, shall be entitled to: (i) all accrued but unpaid Annual Salary or Annual Bonus through the date of termination of Executive’s employment, (ii) any unpaid or unreimbursed expenses incurred in accordance with Section 3.5 hereof, (iii) any benefits provided under the Company’s employee benefit plans upon a termination of employment, in accordance with the terms contained therein (the payments and benefits referred to in clauses (i) through (iii) above, collectively, the "Accrued Obligations"), (iv) an amount equal to the target Annual Bonus, prorated to reflect the partial year of employment, which amount shall be paid at such time annual bonuses are paid to other senior executives of the Company, but in no event later than March 15 of the fiscal

year following the fiscal year in which such termination occurred (subject to Section 7.15 of this Agreement), (v) for a period of 24 months after termination of employment, such continuing medical benefits for the Executive and/or the Executive's eligible family members under the Company's health plans and programs applicable to senior executives of the Company generally as the Executive would have received under this Agreement (and at such costs to the Executive) in the absence of such termination (but not taking into account any post-termination increases in Annual Salary that may otherwise have occurred without regard to such termination and that may have affected such benefits), (vi) all outstanding equity (or equity-based) incentives and awards granted upon the completion of the Company's IPO and the Formation Transactions held by the Executive shall thereupon vest and become free of restrictions and shall be exercisable in accordance with their terms and (vii) a prorated portion (based on the number of days of employment during a fiscal year until the date of the Executive's death or Disability, as applicable, over 365) of any other unvested outstanding equity (or equity-based) awards held by the Executive that would have vested in the fiscal year in which such termination occurs shall thereupon vest and become free of restrictions and any remaining portion of such awards will be forfeited.

Following the Executive's death or a termination of the Executive's employment by reason of a Disability, except as set forth in this Section 4, the Executive shall have no further rights to any compensation or any other benefits under this Agreement.

5. Certain Terminations of Employment.

5.1 Termination by the Company for Cause; Termination by the Executive without Good Reason

(a) For purposes of this Agreement, "Cause" shall mean, the Executive's:

(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 Company;

(ii) willful failure to perform his material duties hereunder (other than any such failure resulting from Executive's incapacity due to injury or physical or mental illness) which failure continues for a period of thirty (30) business days after written demand for corrective

action is delivered by the Company specifically identifying the manner in which the Company believes the Executive has not performed his duties;

(iii) conduct by the Executive constituting an act of willful misconduct or gross negligence in connection with the performance of his duties that are injurious to the business, including, without limitation, embezzlement or the misappropriation of funds or property of the Company;

(iv) failure to adhere to the lawful directions of the chief executive officer of the Company which continues for a period of 30 business days after written demand for corrective action is delivered by the Company; or

(v) intentional and material breach of (x) any covenant contained in Section 6 of this Agreement or any other material agreement between the Executive and the Company; or (y) the other terms and provisions of this Agreement and, in each case, failure to cure such breach within 10 days following written notice from the Company specifying such breach;

provided, that the Company shall not be permitted to terminate the Executive for Cause except on written notice given to the Executive at any time within 30 days following the occurrence of any of the events described above (or, if later, the Company's knowledge thereof). Notwithstanding anything herein to the contrary, the Executive shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the Board at a meeting of the Board called and held for such purposes (after reasonable notice to the Executive and an opportunity for him, together with his counsel, to be heard before the Board), finding that in the good faith opinion of the Board after reasonable investigation that the Executive has engaged in acts or omissions constituting Cause. Notwithstanding the foregoing, no act or failure to act on the part of the Executive shall be considered “willful” unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive’s action or omission was in the best interests of the Company.

(b) The Company may terminate the Executive's employment hereunder for Cause on at least 10 days’ notice, and the Executive may terminate his employment on at least 30 days' written notice. If the Company terminates the Executive for Cause, or the Executive terminates his employment and the termination by the Executive is not covered by Section 4 or 5.2, the Executive shall receive the Accrued

Obligations in a lump sum payment (subject to Section 7.15 of this Agreement) within 30 days following Executive's termination of employment, and the Executive shall have no further rights to any compensation or any other benefits under this Agreement.

5.2 Termination by the Company without Cause; Termination by the Executive for Good Reason

(a) For purposes of this Agreement, "Good Reason" shall mean the following, unless consented to by the Executive:

(i) any material change in job title or material diminution in the Executive's roles, reporting lines and responsibilities from those set forth in this Agreement or assignment of duties inconsistent with such position;

(ii) a material reduction in the Executive's Annual Salary or Annual Bonus potential or failure to promptly pay such amounts when due;

(iii) if the Company relocates Executive's office outside a 30 mile radius of Executive's primary office;

(iv) a material breach by the Company of this Agreement or any other material agreement between the Executive and the Company; or

(v) the Company's notice to the Executive of non-renewal of the Initial Term or any Subsequent Term in accordance with Section 1 of this Agreement.

Good Reason shall also include on or following a "Change in Control" (as defined in the National Storage Affiliates Trust 2015 Equity Incentive Plan), any change in job title or diminution of roles, reporting lines or responsibilities and any reduction in the Executive's Annual Salary or Annual Bonus potential. Notwithstanding the foregoing, (x) Good Reason shall not be deemed to exist unless written notice of termination on account thereof is given by the Executive no later than 60 days after the time at which the event or condition purportedly giving rise to Good Reason first occurs or arises (or, if later, the Executive's knowledge thereof); and (y) if there exists (without regard to this clause (y)) an event or condition that constitutes Good Reason (pursuant to Section 5.2(a)(i), Section 5.2(a)(ii) or Section 5.2(a)(iv)), the Company shall have 30 days from the date

written notice of such a termination is given by the Executive to cure such event or condition and, if the Company does so, such event or condition shall not constitute Good Reason hereunder.

(b) The Company may terminate the Executive's employment without Cause at any time for any reason or no reason. The Executive may terminate the Executive's employment with the Company at any time for any reason or no reason, and for Good Reason under this Section 5.2. If (x) the Company terminates the Executive's employment and the termination is not covered by Section 4 or 5.1, or (y) the Executive terminates his employment for Good Reason, (i) the Executive shall be entitled to receive, in a lump sum payment (subject to Section 7.15 of this Agreement) on the 30th day following the Executive's termination of employment, (A) the Accrued Obligations, (B) the amount equal to the sum of (x) the Executive's Annual Salary and (y) the amount equal to the greater of (1) the Executive's average Annual Bonus actually received in respect of the two fiscal years (or such fewer number of fiscal years with respect to which Executive received an Annual Bonus) prior to the year of termination and (2) the Executive's target Annual Bonus for the fiscal year in which such termination of employment occurs; (ii) for a period of 24 months after termination of employment, such continuing medical benefits for the Executive and the Executive's eligible family members under the Company's health plans and programs applicable to senior executives of the Company generally as the Executive would have received under this Agreement (and at such costs to the Executive) in the absence of such termination (but not taking into account any post-termination increases in Annual Salary that may otherwise have occurred without regard to such termination and that may have affected such benefits), subject to a reduction to the extent the Executive receives comparable benefits from a subsequent employer; and (iii) all outstanding equity (or equity-based) incentives and awards held by the Executive shall thereupon vest and become free of restrictions and all stock options shall be exercisable in accordance with their terms.

(c) Notwithstanding clause 5.2(b)(ii), (i) nothing herein shall restrict the ability of the Company to amend or terminate the health and welfare plans and programs referred to in such clause

5.2(b)(ii) from time to time in its sole discretion, provided that any such amendments or termination are made applicable generally on the same terms to all actively employed senior executives of the Company and does not result in a proportionately greater reduction in the rights of or benefits to the Executive compared with any other officers of the Company, but the Company may not reduce benefits already earned and accrued by, but not yet paid to, the Executive and (ii) the Company shall in no event be required to provide any benefits otherwise required by such clause 5.2(b)(ii) after such time as the Executive becomes entitled to receive benefits of the same type and at least as favorable to the Executive from another employer or recipient of the Executive's services (such entitlement being determined without regard to any individual waivers or other similar arrangements).

(d) Notwithstanding any other provision of this Agreement, the Company shall not be required to make the payments and provide the benefits provided for under Section 4 (in the event of Disability) or Section 5.2(b) unless the Executive executes and delivers to the Company a waiver and release substantially in the form attached hereto as Exhibit A and such waiver and release becomes effective and irrevocable; provided that the Company shall have provided the Executive with such waiver and release within 10 business days following the Executive's termination of employment.

(e) No Mitigation/No Offset. Except as otherwise provided herein, the Company's obligation to pay the Executive the amounts provided and to make the arrangements provided hereunder shall not be subject to set-off, counterclaim, or recoupment of amounts owed by the Executive to the Company or its affiliates. The Company agrees that, if the Executive's employment is terminated during the Term, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company.

6. Covenants of the Executive.

6.1 Covenant Against Competition; Other Covenants. The Executive acknowledges that (i) the principal business of the Company (which expressly includes for purposes of this Section 6 (and any related enforcement provisions hereof), its successors and assigns) is to own, operate and acquire self-

storage properties in the top 100 metropolitan statistical areas throughout the United States (such businesses, and any and all other businesses in which, at the time of the Executive's termination, the Company is actively and regularly engaged or actively pursuing, herein being collectively referred to as the "Business"); (ii) the Company is one of the limited number of persons who have developed such a business; (iii) the Company's Business is national in scope; (iv) the Executive's work for NSA and the Company has given and will continue to give him access to the confidential affairs and proprietary information of the Company; (v) the covenants and agreements of the Executive contained in this Section 6 are essential to the business and goodwill of the Company; and (vi) the Company would not have entered into this Agreement but for the covenants and agreements set forth in this Section 6. Accordingly, the Executive covenants and agrees that:

(a) By and in consideration of the salary and benefits to be provided by the Company hereunder, including the severance arrangements set forth herein, and further in consideration of the Executive's exposure to the proprietary information of the Company, and without limiting or expanding the terms and conditions set forth in any other agreement between the Company and any of its subsidiaries and the Executive and his or her affiliates, the Executive covenants and agrees that, during the period commencing on the date hereof and ending six months following the date upon which the Executive shall cease to be an employee of the Company and its affiliates (the "Restricted Period"), he shall not in the Restricted Territory (as defined below), directly or indirectly, whether as an owner, partner, shareholder, principal, agent, employee, consultant or in any other relationship or capacity, (i) engage in the Business (other than for the Company or its affiliates) or otherwise compete with the Company or its affiliates in the Business or (ii) render to a person, corporation, partnership or other entity engaged in the Business the same services that the Executive renders to the Company; provided, however, that, notwithstanding the foregoing, (A) the Executive may invest in securities of any entity, solely for investment purposes and without participating in the business thereof, if (x) such securities are listed on any national securities exchange, (y) the Executive is not a controlling person of, or a member of a group which controls, such entity, and (z) the Executive does not, directly or indirectly, own 5% or more of any class of securities of such entity; and (B) subject to the approval

of the Board, the Executive may serve on the boards of directors or trustees of any business corporations or charitable organizations on which the Executive was serving as of the date of the Executive's termination of employment and such service shall not be a violation of this Agreement.

For purposes of this Agreement, the "Restricted Territory" shall mean any (i) state in the United States and (ii) foreign country or jurisdiction, in the case of clause (i) or (ii), in which the Company (x) is actively conducting the Business during the Term or (y) has initiated a plan adopted by the Board to conduct the Business in the two years following the Term.

(b) During and after the Term, the Executive shall keep secret and retain in strictest confidence, and shall not use for his benefit or the benefit of others, except in connection with the business and affairs of the Company and its affiliates, all non-public confidential matters relating to the Company's Business and the business of any of its affiliates and to the Company and any of its affiliates, learned by the Executive heretofore or hereafter directly or indirectly from the Company or any of its affiliates (the "Confidential Company Information"), and shall not disclose such Confidential Company Information to anyone outside of the Company except in the course of his duties as vice president, controller, and chief accounting officer, or with the Board's express written consent and except for Confidential Company Information which is at the time of receipt or thereafter becomes publicly known through no wrongful act of the Executive or is received from a third party not under an obligation to keep such information confidential and without breach of this Agreement or which is independently developed or obtained by the Executive without reliance upon any confidential information of the Company or use of any Company resources. Notwithstanding anything in this agreement to the contrary, the Executive may disclose Confidential Company Information where the Executive is required to do so by law, regulation, court order, subpoena, summons or other valid legal process; provided, that the Executive first (i) promptly notifies the Company, (ii) uses commercially reasonable efforts to consult with the Company with respect to and in advance of the disclosure thereof, and (iii) reasonably cooperates with the Company to narrow the scope of the disclosure required to be made, in each case, solely at the Company’s expense.

(c) During the Restricted Period, the Executive shall not, without the Company's prior written consent, directly or indirectly, (i) solicit or encourage to leave the employment or other service of the Company or any of its subsidiaries, any person or entity who is or was during the six-month period preceding the Executive's termination of employment, an employee, agent or independent contractor of the Company or any of its subsidiaries. During the Restricted Period, the Executive shall not, whether for his own account or for the account of any other person, firm, corporation or other business organization, solicit for a competing business or intentionally interfere with the Company's or any of its subsidiaries' relationship with, or endeavor to entice away from the Company for a competing business, any person who is or was during the six month period preceding the Executive's termination of employment, a customer, client, agent, or independent contractor of the Company or any of its subsidiaries.

(d) All memoranda, notes, lists, records, property and any other tangible product and documents (and all copies thereof), whether visually perceptible, machine-readable or otherwise, made, produced or compiled by the Executive or made available to the Executive containing Confidential Company Information (i) shall at all times be the property of the Company (and, as applicable, any affiliates) and shall be delivered to the Company at any time upon its request, and (ii) upon the Executive's termination of employment, shall be promptly returned to the Company. This section shall not apply to materials that the Executive possessed prior to his business relationship with NSA or the Company, to the Executive's personal effects and documents, and to materials prepared by the Executive for the purposes of seeking legal or other professional advice.

(e) Other than in connection with either party enforcing its rights under this Agreement, at no time during the Executive's employment by the Company or at any time thereafter shall the Executive, on one hand, or the Company or any of its subsidiaries, on the other hand, publish any statement or make any statement under circumstances reasonably likely to become public that is critical of the other party, or in any way otherwise be materially injurious to the Business or reputation of the other party, unless otherwise required by applicable law or regulation or by judicial order.

6.2 Rights and Remedies upon Breach.

(a) The parties hereto acknowledge and agree that any breach of any of the provisions of Section 6 or any subparts thereof (individually or collectively, the "Restrictive Covenants") may result in irreparable injury and damage for which money damages would not provide an adequate remedy. Therefore, if the either party breaches, or threatens to commit a breach of, any of the provisions of Section 6 or any subpart thereof, the other party and its affiliates, in addition to, and not in lieu of, any other rights and remedies available to the other party and its affiliates under law or in equity (including, without limitation, the recovery of damages), shall have the right and remedy to seek to have the Restrictive Covenants or other obligations herein specifically enforced (without posting bond and without the need to prove damages) by any court having equity jurisdiction, including, without limitation, the right to an entry of restraining orders and injunctions (preliminary, mandatory, temporary and permanent) against violations, threatened or actual, and whether or not then continuing, of such covenants.

(b) The Executive agrees that the provisions of Section 6 of this Agreement and each subsection thereof are reasonably necessary for the protection of the Company's legitimate business interests and if enforced, will not prevent the Executive from obtaining gainful employment should his employment with the Company end. The Executive agrees that in any action seeking specific performance or other equitable relief, the Executive will not assert or contend that any of the provisions of this Section 6 are unreasonable or otherwise unenforceable as drafted. The existence of any claim or cause of action by the Executive, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement of the Restrictive Covenants.

7. Other Provisions.

7.1 Severability. The Executive acknowledges and agrees that (i) he has had an opportunity to seek advice of counsel in connection with this Agreement and (ii) the Restrictive Covenants are reasonable in geographical and temporal scope and in all other respects as drafted. If it is determined that any of the provisions of this Agreement, including, without limitation, any of the Restrictive Covenants,

or any part thereof, is invalid or unenforceable, the remainder of the provisions of this Agreement shall not thereby be affected and shall be given full effect, without regard to the invalid portions.

7 . 2 Duration and Scope of Covenants. If any court or other decision-maker of competent jurisdiction determines that any of the Executive's covenants contained in this Agreement, including, without limitation, any of the Restrictive Covenants, or any part thereof, is unenforceable because of the duration or geographical scope of such provision, then the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable and, in its reduced form, such provision shall then be enforceable and shall be enforced.

7.3 Enforceability; Jurisdiction; Arbitration.

(a) The Company and the Executive intend to and hereby confer jurisdiction to enforce the Restrictive Covenants set forth in Section 6 upon the courts of any jurisdiction within the geographical scope of the Restrictive Covenants. If the courts of any one or more of such jurisdictions hold the Restrictive Covenants wholly unenforceable by reason of breadth of scope or otherwise it is the intention of the Company and the Executive that such determination not bar or in any way affect the Company's right, or the right of any of its affiliates, to the relief provided above in the courts of any other jurisdiction within the geographical scope of such Restrictive Covenants, as to breaches of such Restrictive Covenants in such other respective jurisdictions, such Restrictive Covenants as they relate to each jurisdiction's being, for this purpose, severable, diverse and independent covenants, subject, where appropriate, to the doctrine of res judicata. The parties hereby agree to waive any right to a trial by jury for any and all disputes hereunder (whether or not relating to the Restricted Covenants).

(b) Any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement (other than a controversy or claim arising under Section 6, to the extent necessary for the Company (or its affiliates, where applicable) to avail itself of the rights and remedies referred to in Section 6.2) that is not resolved by the Executive and the Company (or its affiliates, where applicable) shall be submitted to arbitration in Denver, Colorado in accordance with Colorado law and the employment arbitration

rules and procedures of the American Arbitration Association, before an arbitrator experienced in employment disputes who is licensed to practice law in the State of Colorado. The determination of the arbitrator shall be conclusive and binding on the Company (or its affiliates, where applicable) and the Executive and judgment may be entered on the arbitrator(s)' award in any court having jurisdiction. The arbitration shall be held in Denver, Colorado.

(c) In the event of any dispute between the parties with respect to the terms of this Agreement, the prevailing party in any legal proceeding or other action to enforce the terms of this Agreement will be entitled to an award of attorneys' fees incurred in connection with such proceeding or action.

7.4 Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, sent by facsimile transmission or sent by certified, registered or express mail, or overnight courier, postage prepaid. Any such notice shall be deemed given when so delivered personally, sent by facsimile transmission or, if mailed, five days after the date of deposit in the United States mails as follows:

(i) If to the Company or NSA, to:

National Storage Affiliates Trust
5200 DTC Parkway
Suite 200
Greenwood Village, Colorado 80111
Attention: Arlen D. Nordhagen
with a copy to (which shall not constitute notice to the Executive):

Clifford Chance US LLP
31 West 52nd Street
New York, New York 10019-6131
Attention: Jay L. Bernstein

(ii) If to the Executive, to the address in the records of the Company.

Any such person may by notice given in accordance with this Section 7.4 to the other parties hereto designate another address or person for receipt by such person of notices hereunder.

7.5 Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto.

7.6 Waivers and Amendments. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. Except as expressly provided herein, no delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any such right, power or privilege nor any single or partial exercise of any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

7.7 **GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MARYLAND WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICTS OF LAW WHICH COULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF MARYLAND.**

7.8 Assignment. This Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive; any purported assignment by the Executive in violation hereof shall be null and void. Except as otherwise provided by operation of law, in the event of any sale, transfer or other disposition of all or substantially all of the Company's assets or business, whether by merger, consolidation or otherwise, the Company may assign this Agreement and its rights hereunder, provided that the successor or purchaser agrees in writing, as a condition of such transaction, to assume all of the Company's obligations hereunder.

7.9 Withholding. The Company shall be entitled to withhold from any payments or deemed payments any amount of tax withholding it determines to be required by law.

7.10 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, heirs, executors and legal representatives.

7.11 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two copies hereof each signed by one of the parties hereto.

7.12 Survival. Anything contained in this Agreement to the contrary notwithstanding, the provisions of Sections 4, 5, 6, and 7, shall survive any termination of the Executive's employment hereunder and continue in full force until performance of the obligations thereunder, if any, in accordance with their respective terms.

7.13 Existing Agreements. The Executive represents to the Company that he is not subject or a party to any employment or consulting agreement, non-competition covenant or other agreement, covenant or understanding which might prohibit him from executing this Agreement or limit his ability to fulfill his responsibilities hereunder.

7.14 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

7.15 Section 409A Compliance. Any payments under this Agreement that are deemed to be deferred compensation subject to the requirements of Section 409A of the Code are intended to comply with the requirements of Section 409A and this Agreement shall be interpreted accordingly. To this end and notwithstanding any other provision of this Agreement to the contrary, if at the time of the Executive's termination of employment with the Company, (i) the Company's securities are publicly traded on an established securities market; (ii) Executive is a "specified employee" (as defined in Section 409A); and (iii) the deferral of the commencement of any payments or benefits otherwise payable pursuant to this Agreement as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A, then the Company will defer the commencement of such payments

(without any reduction in amount ultimately paid or provided to the Executive). Such deferral shall last until the date that is six months following the Executive's termination of employment with the Company (or the earliest date as is permitted under Section 409A). Any amounts the payment of which are so deferred shall be paid in a lump sum payment on the first day of the seventh month following the end of such deferral period. If the Executive dies during the deferral period prior to the payment of any deferred amount, then the unpaid deferred amount shall be paid to the personal representative of the Executive's estate within 60 days after the date of the Executive's death. For purposes of Section 409A, the Executive's right to receive installment payments pursuant to this Agreement including, without limitation, any COBRA (Consolidated Omnibus Budget Reconciliation Act) continuation reimbursement shall be treated as a right to receive a series of separate and distinct payments. The Executive will be deemed to have a date of termination for purposes of determining the timing of any payments or benefits hereunder that are classified as deferred compensation only upon a "separation from service" within the meaning of Section 409A. Any amount that the Executive is entitled to be reimbursed under this Agreement will be reimbursed to the Executive as promptly as practical and in any event not later than the last day of the calendar quarter after the calendar quarter in which the expenses are incurred, any right to reimbursement or in kind benefits will not be subject to liquidation or exchange for another benefit, and the amount of the expenses eligible for reimbursement during any taxable year will not affect the amount of expenses eligible for reimbursement in any other taxable year. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within 30 days following the date of termination"), the actual date of payment within the specified period shall be within the reasonable discretion of the Company. For purposes of Section 409A, any payment to be made to the Executive after receipt of an executed and irrevocable release within any specified period, in which such period begins in one taxable year of Executive and ends in a second taxable year of Executive, will be made in the second taxable year.

The parties agree to consider any amendments or modifications to this Agreement or any other compensation arrangement between the parties, as reasonably requested by the other party, that is

necessary to cause such agreement or arrangement to comply with Section 409A (or an exception thereto), provided that such proposed amendment or modification does not change the economics of the agreement or arrangement and does not provide for any additional cost to either party. Notwithstanding the foregoing, the parties will not be obligated to make any amendment or modification and the Company makes no representation or warranty with respect to compliance with Section 409A and shall have no liability to the Executive or any other person if any provision of this Agreement or such other arrangement are determined to constitute deferred compensation subject to Section 409A that does not satisfy an exemption from, or the conditions of, such Section.

7.16 Parachute Payments. If there is a change in ownership or control of the Company that would cause any payment or distribution by the Company or any other person or entity to the Executive or for the Executive's benefit (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (a "Payment") to be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") (such excise tax, together with any interest or penalties incurred by the Executive with respect to such excise tax, the "Excise Tax"), then the Executive will receive the greatest of the following, whichever gives the Executive the highest net after-tax amount (after taking into account federal, state, local and social security taxes): (a) the Payments or (b) one dollar less than the amount of the Payments that would subject the Executive to the Excise Tax (the "Safe Harbor Amount"). If a reduction in the Payments is necessary so that the Payments equal the Safe Harbor Amount and none of the Payments constitutes non-qualified deferred compensation (within the meaning of Section 409A of the Code), then the reduction shall occur in the manner the Executive elects in writing prior to the date of payment. If any Payment constitutes non-qualified deferred compensation or if the Executive fails to elect an order, then the Payments to be reduced will be determined in a manner which has the least economic cost to the Executive and, to the extent the economic cost is equivalent, will be reduced in the inverse order of when payment would have been made to the Executive, until the reduction is achieved. All determinations required to be made under this Section 7.16, including whether and when the Safe Harbor Amount is required

and the amount of the reduction of the Payments and the assumptions to be utilized in arriving at such determination, shall be made by a certified public accounting firm designated by the Company (the "Accounting Firm"). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon Company and the Executive.

IN WITNESS WHEREOF, the parties hereto have signed their names as of the day and year first above written.

NATIONAL STORAGE AFFILIATES TRUST

By: /s/ Arlen. D. Nordhagen
Name: Arlen D. Nordhagen
Title: Chief Executive Officer

Brandon Togashi

/s/ Brandon Togashi

EXHIBIT A

Form of Waiver and Release

This Waiver and General Release of all Claims (this "Agreement") is entered into by Brandon Togashi (the "Executive") and National Storage Affiliates Trust, a Maryland real estate investment trust (the "Company"), effective as of ____________ (the "Effective Date").

In consideration of the promises set forth in the Employment Agreement between the Executive and the Company, dated _____________ (the "Employment Agreement"), the Executive and the Company agree as follows:

1. General Releases and Waivers of Claims.

(a) Executive's Release of Company. In consideration of the payments and benefits provided to the Executive under Sections 4 and/or 5.2(b) of the Employment Agreement and after consultation with counsel, the Executive (or his estate, as applicable) hereby irrevocably and unconditionally releases and forever discharges the Company and its past, present and future parent entities, subsidiaries, divisions, affiliates and related business entities, any of its or their successors and assigns, assets, employee benefit plans or funds, and any of its or their respective past, present and/or future directors, officers, fiduciaries, agents, trustees, administrators, managers, supervisors, stockholders, employees and assigns, whether acting on behalf of the Company or in their individual capacities (collectively, "Company Parties") from any and all claims, actions, causes of action, rights, judgments, obligations, damages, demands, accountings or liabilities of whatever kind or character (collectively, "Claims"), including, without limitation, any Claims under any federal, state, local or foreign law, that the Executive (or his estate, as applicable) may have, or in the future may possess, arising out of the Executive's employment relationship with and service as an employee, officer or director of the Company, and the termination of such relationship or service; provided, however, that the Executive (or his estate, as applicable) does not release, discharge or waive (A) any rights

to payments and benefits provided under the Employment Agreement, (B) any right the Executive (or his estate, as applicable) may have to enforce this Agreement, the Award Agreements or the Employment Agreement or any other rights as a member, shareholder or partner of the Company or its affiliates, (C) the Executive's rights under any indemnification agreement with the Company and rights to indemnification and advancement of expenses in accordance with the Company's certificate of incorporation, bylaws or other corporate governance document, or any applicable insurance policy, (D) any claims for benefits under any employee benefit or pension plan of the Company Parties subject to the terms and conditions of such plan and applicable law including, without limitation, any such claims under the Employee Retirement Income Security Act of 1974, or (E) any right or claim that the Executive (or his estate, as applicable) may have to obtain contributions as permitted by applicable law in an action in which both the Executive on the one hand or any Company Party on the other hand are held jointly liable.

(b) Executive's Specific Release of ADEA Claims. In further consideration of the payments and benefits provided to the Executive under Sections 4 and 5.2(b) of the Employment Agreement, the Executive hereby unconditionally release and forever discharge the Company Parties from any and all Claims that the Executive may have as of the date the Executive signs this Agreement arising under the Federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder ("ADEA"). By signing this Agreement, the Executive hereby acknowledges and confirms the following: (i) the Executive was advised by the Company in connection with his termination to consult with an attorney of his choice prior to signing this Agreement and to have such attorney explain to the Executive the terms of this Agreement, including, without limitation, the terms relating to the Executive's release of claims arising under ADEA, and the Executive has been given the opportunity to do so; (ii) the Executive was given a period of not fewer than 21 days to consider the terms of this Agreement and to consult with an attorney of his choosing with respect thereto; and (iii) the Executive knowingly and voluntarily accepts the terms of this Agreement. The Executive also understands that he has seven days following the date on which he signs this Agreement within which to revoke the release contained in this

paragraph, by providing the Company a written notice of his revocation of the release and waiver contained in this paragraph.

(c) No Assignment. The Executive (or his estate, as applicable) represents and warrants that he has not assigned any of the Claims being released under this Agreement.

2. Waiver of Relief. The Executive (or his estate, as applicable) acknowledges and agrees that by virtue of the foregoing, the Executive (or his estate, as applicable) has waived any relief available to him/it (including without limitation, monetary damages and equitable relief, and reinstatement) under any of the Claims waived in paragraph 2. Therefore the Executive (or his estate, as applicable) agrees that he/it will not accept any award or settlement from any source or proceeding (including but not limited to any proceeding brought by any other person or by any government agency) with respect to any Claim or right waived in this Agreement. Nothing in this Agreement shall be construed to prevent the Executive (or his estate, as applicable) from cooperating with or participating in an investigation conducted by, any governmental agency, to the extent required or permitted by law.

3. Severability Clause. In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, will be inoperative.

4. Non-admission. Nothing contained in this Agreement will be deemed or construed as an admission of wrongdoing or liability on the part of the Company or any other Company Party or the Executive.

5. Governing Law. All matters affecting this Agreement, including the validity thereof, are to be governed by, and interpreted and construed in accordance with, the laws of the State of Maryland applicable to contracts executed in and to be performed in that State.

6. Arbitration. Any dispute or controversy arising under or in connection with this Agreement shall be resolved in accordance with Section 7.3 of the Employment Agreement.

7. Notices. All notices or communications hereunder shall be made in accordance with Section 7.4 of the Employment Agreement.

THE EXECUTIVE (OR HIS ESTATE, AS APPLICABLE) ACKNOWLEDGES THAT HE HAS READ THIS AGREEMENT AND THAT HE/IT FULLY KNOWS, UNDERSTANDS AND APPRECIATES ITS CONTENTS, AND THAT HE/IT HEREBY EXECUTES THE SAME AND MAKES THIS AGREEMENT AND THE RELEASE AND AGREEMENTS PROVIDED FOR HEREIN VOLUNTARILY AND OF HIS/ITS OWN FREE WILL.

By: ______________________

Date: _______________

NATIONAL STORAGE AFFILIATES TRUST

By: __________________
Name: __________________
Title: __________________

Exhibit 10.24

THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

National Storage Affiliates Trust

Form of 2017 LTIP Unit Award Agreement

1. Grant of LTIP Units.

[] (the "**Grantee**"), is hereby awarded [] LTIP Units (the "**LTIP Units**") in NSA OP, LP (the "**Partnership**"), by National Storage Affiliates Trust, in its sole capacity as general partner of the Partnership, on the date hereof subject to the terms and conditions of this 2017 LTIP Unit Award Agreement (this "**Agreement**") and subject to the provisions of the National Storage Affiliates Trust 2015 Equity Incentive Plan (the "**Plan**") and the Third Amended and Restated Limited Partnership Agreement of the Partnership, dated as of April 28, 2015 (as amended, the "**Partnership Agreement**"). The Plan is hereby incorporated herein by reference as though set forth herein in its entirety. Definitions not included herein shall have the meaning set forth in the Plan and Partnership Agreement, as applicable.

2. Restrictions and Conditions.

The LTIP Units are subject to the following restrictions and conditions, in addition to any requirements or restrictions set forth with respect to LTIP Units in the Plan and the Partnership Agreement:

(a) [] LTIP Units shall vest as specified in **Annex A** attached hereto (the "**Time Vested LTIP Units**") and [] LTIP Units, representing the maximum number of LTIP Units that can vest based on performance, shall vest as specified in **Annex B** attached hereto (the "**Performance Vested LTIP Units**"). Subject to paragraph 5(b) below, during the period prior to the full vesting of any LTIP Unit (the "**Vesting Period**"), the Grantee shall not be permitted voluntarily or involuntarily to sell, transfer, pledge, anticipate, alienate, encumber or assign such LTIP Unit (or have such LTIP Unit attached or garnished).

(b) Except as provided in the foregoing paragraph (a), below in this paragraph (b) or in the Plan, the Grantee shall have, in respect of the LTIP Units, all of the rights of a holder of LTIP Units as set forth in the Partnership Agreement. Distributions and allocations with respect to the LTIP Units shall be made to the Grantee in accordance with the terms of the Partnership Agreement, except that the Grantee, during the Vesting Period, shall be entitled to receive distributions (1) with respect to each Time Vested LTIP Unit, equal to and concurrently with each distribution paid to a holder of a Class A OP Unit as distributions on Class A OP Units are made and (2) with respect to each Performance Vested LTIP Unit at the "Maximum Level" (as set forth on Annex B), equal to ten percent (10%) of the distributions payable with respect to each distribution paid to a holder of a Class A OP Unit as distributions on Class A OP Units are made (the "**Interim Distributions**"). Upon the completion of the Vesting Period, Grantee shall be entitled to receive an amount equal to

(1) the distributions payable during the Vesting Period with respect to a number of Class A OP Units of the Company that is identical to the actual number of Performance Vested LTIP Units earned pursuant to Annex B, less (2) the amount of the Interim Distributions (such amount, the "**Performance Distribution**"). After the completion of the Vesting Period, Grantee shall be entitled to receive distributions on each vested LTIP Unit equal to distributions paid to a holder of a Class A OP Unit as distributions on Class A OP Units are made.

(c) Subject to paragraphs (d), (e) and (f) below, if the Grantee has a Termination of Service prior to the completion of the Vesting Period (i) without Cause (as defined in Grantee's employment agreement with the Company dated [] (the "**Employment Agreement**")), (ii) for Good Reason (as defined in the Employment Agreement), (iii) by reason of the Grantee's death or (iv) on account of the Grantee's Disability (as defined in the Employment Agreement) prior to the completion of the Vesting Period, then upon the completion of the Vesting Period, (1) the Grantee shall receive a prorated number of the Performance Vested LTIP Units calculated by *multiplying* the number of the Performance Vested LTIP Units that would have been awarded upon the completion of the Vesting Period if Grantee had not had a Termination of Service prior to the completion of the Vesting Period by a fraction (the " **Termination Fraction**") the numerator of which is (y) the number of calendar days that elapsed from the beginning of the Vesting Period to and including the date of the Grantee's Termination of Service, and the denominator of which is (z) the number of calendar days in the Vesting Period, (2) the Grantee shall receive a prorated amount of the Performance Distribution calculated by *multiplying* the amount of the Performance Distribution that would have been paid upon the completion of the Vesting Period if Grantee had not had a Termination of Service prior to the completion of the Vesting Period (as calculated under paragraph 2(b) above) by the Termination Fraction, and (3) the outstanding Time Vested LTIP Units shall immediately vest. Notwithstanding the foregoing or any provisions of the Employment Agreement, in the event of such a Termination of Service following a Change of Control which occurs after June 30, 20[], then the number of Performance Vested LTIP Units that shall vest shall be calculated in the same manner as set forth in this paragraph (c) without being subject to proration.

(d) Upon the completion of the Vesting Period, or, if earlier, the Grantee's Termination of Service for any reason other than as specified above in paragraph (c), all LTIP Units granted hereunder that have not vested will be forfeited without payment of any consideration, and neither the Grantee nor his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such LTIP Units.

(e) If the Grantee commences or continues service as a director or consultant of the Company upon termination of employment, such continued service shall be treated as continued employment hereunder (and for purposes of the Plan), and the subsequent termination of service shall be treated as the applicable Termination of Service for purposes of this Agreement.

(f) If the Grantee's Employment Agreement provides that LTIP Units subject to restriction shall be subject to terms other than those set forth above, the terms of the Employment Agreement shall apply with respect to such LTIP Units granted hereby and shall, to the extent applicable, supersede the terms hereof.

(g) For purposes of this Agreement, a Termination of Service shall occur when the employee-employer relationship or trusteeship, or other service relationship, between the Grantee and the Company is terminated for any reason, including, but not limited to, any termination by resignation, discharge, death or retirement under the Employment Agreement. The Compensation Committee, in its absolute discretion, shall determine the effects of all matters and questions relating to termination of service. For this purpose, the service relationship shall be treated as continuing intact while the Grantee is on sick leave or other bona fide leave of absence (to be determined in the discretion of the Compensation Committee).

3. Certain Terms of LTIP Units.

(a) The Company may, but is not obligated to, issue to the Grantee (or its assignee or transferee, as applicable) a certificate in respect of the LTIP Units or may indicate such Grantee's ownership of LTIP Units on the Company's books and records. Such certificate, if any, shall be registered in the name of the Grantee (or such assignee or transferee). The certificates for LTIP Units issued hereunder may include any legend which the Committee deems appropriate to reflect any restrictions on transfer hereunder, or pursuant to any assignment or transfer by the Grantee, or as the Compensation Committee may otherwise deem appropriate, and, without limiting the generality of the foregoing, shall bear a legend referring to the terms, conditions, and restrictions applicable to such LTIP Units, substantially in the following form:

> THE TRANSFERABILITY OF THIS CERTIFICATE AND THE LTIP UNITS REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS OF THE NATIONAL STORAGE AFFILIATES TRUST 2015 EQUITY INCENTIVE PLAN, THE PARTNERSHIP AGREEMENT AND AN AWARD AGREEMENT APPLICABLE TO THE GRANT OF THE LTIP UNITS REPRESENTED BY THIS CERTIFICATE. COPIES OF SUCH PLAN, PARTNERSHIP AGREEMENT AND AWARD ARE ON FILE IN THE OFFICES OF NSA OP, LP.

(b) Certificates, if any, evidencing the LTIP Units granted hereby shall be held in custody by the Company until the restrictions have lapsed. If and when such restrictions so lapse, the certificates shall be delivered by the Company to the Grantee.

(c) So long as the Grantee holds any LTIP Units, the Grantee shall disclose to the Company in writing such information as may be reasonably requested with respect to ownership of LTIP Units and any conditions applicable thereto, as the Company, as applicable, may deem reasonably necessary, including in order to ascertain and establish compliance with provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), applicable to the Company or to comply with requirements of any other appropriate taxing or other regulatory authority.

4. Compliance with Securities laws.

The Grantee acknowledges that the LTIP Units have not been registered under the Securities Act or under any state securities or "blue sky" law or regulation (collectively, "**Securities Laws**") and hereby makes the following representations and covenants as a condition to the grant of LTIP Units:

(a) The Grantee has not taken, and covenants that it will not take, himself or herself or through any agent acting on his behalf, any action that would subject the issuance or sale of the LTIP Units to the registration provisions of the Securities Act or to the registration, qualification or

other similar provisions of any Securities Laws, or breach any of the provisions of any Securities Laws, but, rather, that the Grantee shall at all times act with regard to the LTIP Units in full compliance with all Securities Laws;

(b) The Grantee has acquired and, to the extent applicable, is acquiring the LTIP Units for his or her own account for investment and with no present intention of distributing the LTIP Units or any part thereof;

(c) The Grantee is and shall be an "accredited investor" as defined in Section 2(15) and Rule 501(a) of Regulation D of the Securities Act;

(d) The Grantee is capable of evaluating the merits and risks of the acquisition and ownership of the LTIP Units and has obtained all information regarding the Company (and its applicable affiliates) and the LTIP Units as the Grantee deems appropriate, and has relied solely upon such information, and the Grantee's own knowledge, experience and investigation, and those of his advisors, and not upon any representations of the Company, in connection with his investment decision in acquiring the LTIP Units; and

(e) The Grantee and his or her professional advisors have had an opportunity to conduct, and have so conducted if so desired, a due diligence investigation of the Company in connection with the decision to acquire the LTIP Units and in such regard have done all things as the Grantee and they have deemed appropriate and have had an opportunity to ask questions of and receive answers from the Company, and have done so, as they have deemed appropriate.

5. Miscellaneous.

(a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICTS OF LAW WHICH COULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE.

(b) Except as set forth in the Partnership Agreement, the Grantee shall not have the right to transfer all or any portion of the LTIP Units without the prior written consent of the General Partner (in its sole discretion); provided, however, that the Grantee may transfer all or any portion of the Grantee's vested LTIP Units for bona fide estate planning purposes to an immediate family member or the legal representative, estate, trustee or other successor in interest, as applicable, of the Grantee. Any transfer in violation of this Agreement or the Partnership Agreement, or which does not otherwise comply with the conditions of transfer imposed by the General Partner shall be void.

(c) The Grantee shall be responsible for filing with the Internal Revenue Service an election under Section 83(b) of the Code on a form substantially similar to the form attached hereto as **Annex C** and reasonably satisfactory to the Company (and will include a copy thereof with the applicable tax return) within 30 days after the date hereof. The Grantee shall be solely responsible for the filing of such election and all related filings.

(d) The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors and legal representatives. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(e) The Compensation Committee may make such rules and regulations and establish such procedures for the administration of this Agreement as it deems appropriate. Without limiting the generality of the foregoing, the Compensation Committee may interpret the Plan and this Agreement, with such interpretations to be conclusive and binding on all persons and otherwise accorded the maximum deference permitted by law. In the event of any dispute or disagreement as to interpretation of the Plan or this Agreement or of any rule, regulation or procedure, or as to any question, right or obligation arising from or related to the Plan or this Agreement, the decision of the Compensation Committee shall be final and binding upon all persons.

(f) All notices hereunder shall be in writing, and if to the Company or the Compensation Committee, shall be delivered to the Company or mailed to its principal office, addressed to the attention of the Compensation Committee; and if to the Grantee, shall be delivered personally, sent by facsimile transmission or mailed to the Grantee at the address appearing in the records of the Company. Such addresses may be changed at any time by written notice to the other party given in accordance with this paragraph 5(f).

(g) The failure of the Grantee or the Company to insist upon strict compliance with any provision of this Agreement or the Plan, or to assert any right the Grantee or the Company, respectively, may have under this Agreement or the Plan, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement or the Plan.

(h) Nothing in this Agreement shall confer on the Grantee any right to continue in the employ or other service of the Company or interfere in any way with the right of the Company or its affiliates to terminate the Grantee’s employment or other service at any time.

(i) The terms of this Agreement shall be binding upon the Grantee and upon the Grantee's heirs, executors, administrators, personal representatives, transferees, assignees and successors in interest and upon the Company and its successors and assignees, subject to the terms of the Plan.

(j) Notwithstanding anything to the contrary contained in this Agreement, to the extent that the board of trustees of the Company (the "**Board**") determines that an LTIP Unit or the Plan is subject to Section 409A of the Code and fails to comply with the requirements of Section 409A of the Code, the Compensation Committee reserves the right (without any obligation to do so or to indemnify the Grantee for failure to do so), without the consent of the Grantee, to amend or terminate this Agreement and the Plan and/or amend, restructure, terminate or replace the LTIP Unit in order to cause the LTIP Unit to either not be subject to Section 409A of the Code or to comply with the applicable provisions of such section.

(k) If, in the opinion of the independent trustees of the Board, the Company's financial results are restated due in whole or in part to intentional fraud or misconduct by one or more of the Company's executive officers, the Company's independent trustees may, based upon the facts and circumstances

surrounding the restatement, direct that the Company recover all or a portion of, or cancel, the awards granted under this Agreement.

(l) This Agreement, together with the Plan and Partnership Agreement, contain the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto.

IN WITNESS WHEREOF, the Company and the Grantee have executed this Agreement as of the []th day of [], 20[].

National Storage Affiliates Trust

By: __
Name: __
Title: __

GRANTEE

By: __
Name: __
Title: ____________

ANNEX A

Time Vested LTIP Units

Subject to Section 2 of this Agreement, the [] Time Vested LTIP Units shall otherwise vest on the following dates:

Percentage (Amount) of Time Vested LTIP Units Awarded Hereunder	Vesting Date
33.33% ([])	January 1, 20[]
33.33% ([])	January 1, 20[]
33.33% ([])	January 1, 20[]

ANNEX B

Performance Vested LTIP Units

Subject to Section 2 of this Agreement, the [] Performance Vested LTIP Units shall be subject to the following vesting rules during the period between January 1, 20[] and December 31, 20[] (the "**Performance Period**") and shall vest on January 1, 20[], subject to the achievement of certain performance criteria as set forth below:

1. As to [] of the Performance Vested LTIP Units Granted:

	3-Year Relative TSR vs MSCI US REIT Index (RMS)	**Vesting Percentage**	**Number of Performance Vested LTIP Units**
"Minimum Level"	$\leq$ 35th Percentile	0%	[]
"Target Level"	55th Percentile	44.44%	[]
"Maximum Level"	75th Percentile	100%	[]

In the event the 3-Year Relative TSR vs. MSCI US REIT Index falls between the 35th and 55th percentile, the Vesting Percentage and number of Performance Vested LTIP Units vesting shall be determined using a straight line linear interpolation between 0% and 44.44% and in the event that the 3-Year Relative TSR vs. MSCI US REIT Index falls between the 55th and 75th percentile, the Vesting Percentage and number of Performance Vested LTIP Units vesting shall be determined using a straight line linear interpolation between 44.44% and 100%. In the event the 3-Year Relative TSR vs. MSCI US REIT Index exceeds the 75th percentile, the Vesting Percentage and number of Performance Vested LTIP Units vesting shall equal 100% of the "Maximum Level" Performance Vested LTIP Units.

2. As to []of the Performance Vested LTIP Units Granted:

	3-Year Relative TSR vs SS Peers	**Vesting Percentage**	**Number of Performance Vested LTIP Units**
"Minimum Level"	$\leq$ 4th Place	0%	[]
"Target Level"	2nd or 3rd Place	44.44%	[]
"Maximum Level"	1st Place	100%	[]

3. For purposes of this Annex B, TSR performance will be calculated as the compounded annual growth rate, expressed as a percentage (rounded to the nearest tenth of a percent (0.1%)), in the value per share of common stock during the Performance Period due to the appreciation in the price per share of common stock and dividends paid during the Performance Period, assuming dividends are reinvested. The Absolute TSR Percentage is calculated as follows:

Absolute TSR Percentage = (1*(1 + Cumulative TSR))^(1/3) -1

- Where "**Cumulative TSR**" = ((1*(1 + TSR Year 1)*(1 + TSR Year 2)*(1 + TSR Year 3)) -1)

- For purposes of the Cumulative TSR calculation, "**TSR**" for a given year shall be calculated as follows:

$$\text{TSR} = \left(\frac{\text{Ending Share Price} + \text{D}}{\text{Beginning Share Price}}\right) - 1$$

Where "**D**" is the amount of dividends paid to a shareholder of record with respect to one share of common stock during the Performance Period. For purposes of the calculation above, the "**Ending Share Price**" for the last year (third year) of performance shall be based on a 20 day trailing average closing stock price.

The Absolute TSR Percentage of National Storage Affiliates Trust will be compared with the Absolute TSR Percentage of each company in the MSCI US REIT Index and each SS Peer Company. The relative performance of National Storage Affiliates Trust versus the other companies in the MSCI US REIT Index will be expressed in terms of relative percentile ranking, which shall be applied as set forth in the table in Section 1 above. The relative performance of National Storage Affiliates Trust versus the other SS Peer Companies will be expressed as a relative numerical ranking against the other SS Peer Companies, which shall be applied as set forth in the table in Section 2 above.

4. For purposes of Section 2 of this Annex B, the "**SS Peer Companies**" are:

- CubeSmart
- Extra Space Storage Inc.
- Public Storage
- Life Storage, Inc. (formerly Sovran Self Storage, Inc.)

In order for a SS Peer Company to be included in the relative calculation for ascertaining the level of relative TSR performance under Section 2 of this Annex B, the SS Peer Company must be present for the entire Performance Period (i.e., a SS Peer Company that is, for example, acquired during the Performance Period, shall be entirely omitted from the calculation).

ANNEX C

[], 20[]

CERTIFIED MAIL RETURN
RECEIPT REQUESTED

Re: Section 83(b) Election

Dear Sir or Madam:

Pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the Treasury Regulations promulgated thereunder, the undersigned (the "**Taxpayer**") files the following statement for the purpose of making, with respect to the property described below, the election permitted by Section 83(b):

1. Name, address, taxpayer identification number and the taxable year of the Taxpayer:

Name: __
Address: __

T.I.N.: __
Taxable Year: __

2. Description of the property with respect to which this election is being made: ____ units ("**LTIP Units**") of interest in certain allocations and distributions of National Storage Affiliates Trust, a Maryland real estate investment trust (the "**Company**"). ______ of such LTIP Units are subject to restriction.

3. The date on which the property was acquired by the Taxpayer and the taxable year for which the election is being made: The Taxpayer acquired the LTIP Units on ___________. The taxable year for which the election is made is the calendar year _____.

4. The nature of the restrictions to which the property is subject: LTIP Units are subject to time-based and performance vesting. LTIP Units are subject to forfeiture in the event of certain terminations of the Taxpayer's service with the Company.

5. The fair market value at the time of the acquisition (determined without regard to any restriction other than a restriction which by its terms will never lapse) of the property with respect to which the election is being made: At the time of the acquisition, the LTIP Units had a fair market value of $[0] per unit.

6. The amount paid for such property: The LTIP Units were acquired for a purchase price of $[0] per unit.

7. Copies of this statement have been furnished to the person for whom the services are to be performed. Also, one copy of this statement will be submitted with the income tax return of the Taxpayer making this election for the taxable year in which the property was acquired.

Very truly yours,

____

Exhibit 21.1

Subsidiaries

Subsidiary	d/b/a	Jurisdiction
ABC RV and Mini Storage, L.L.C.	Cipole Road Mini Storage & RV	Oregon
Aberdeen Mini Storage, L.L.C.		Washington
All Spanaway Storage LLC		Washington
All Stor Asheville, LLC		Delaware
All Stor Carolina Beach, LLC		Delaware
All Stor Durham, LLC		Delaware
All Stor Indian Trail, LLC		Delaware
All Stor MH		Delaware
All Stor NC, LLC		Delaware
All Stor Prospect, LLC		Delaware
All Stor Swansboro, LLC		Delaware
All Stor Swansboro II, LLC		Delaware
Allen Storage Partners LLC	StoreMore Self Storage	Texas
American Mini Storage-San Antonio, LLC		Delaware
Banks Storage, LLC		Oregon
Banning Storage, LLC	StoreMore Self Storage	Nevada
Bauer NW Storage LLC		Oregon
Bend-Eugene Storage, LLC		Oregon
Bishop Road Mini Storage, LLC		Washington
Broadway Storage Solutions, L.L.C.		Arizona
Bullhead Freedom Storage, L.L.C.	StoreMore Self Storage; Freedom Storage	Arizona
Canyon Road Storage, LLC		Oregon
Colton Hawaiian Gardens, LP		California
Colton Riverside L.P.		California
Colton VB, L.P.		California
Corona Universal Self Storage, a California Limited Partnership		California
Damascus Mini Storage LLC		Oregon
Eagle Bow Wakefield, LLC	Eagle Storage	Delaware
East Bank Storage, L.L.C.	Portland Storage; Portland Storage Too	Oregon
Fisher's Landing Storage, LLC		Washington
Fletcher Heights Storage Solutions, L.L.C.		Arizona
Fontana Universal Self Storage, a California Limited Partnership		California
Forest Grove Mini Storage, LLC		Oregon
Forney Storage Partners LLC	StoreMore Self Storage	Texas
Freeway Self Storage, L.L.C.		Washington
GAK, LLC	Cypress Mini Storage	California
Grand Prairie Storage Partners LLC	StoreMore Self Storage	Texas
Great American Storage Partners, LLC	Great America Storage	Delaware
Gresham Mini & RV Storage, LLC		Oregon
Gresham Storage, LLC		Oregon
GSC Allsafe Riv-1, LP		California
GSC Leave It Riv-2, LP		California
GSC Montclair, LP		California
Hesperia Universal Self Storage, a California Limited Partnership		California

Hide Away SPE, LLC		Delaware
Hide Away Storage Holdings, LLC		Delaware
Highway 97 Mini Storage, LLC		Oregon
Highway 99 Mini Storage, LLC		Oregon
Hood River Mini Storage LLC		Oregon
HPRH Storage, LLC		Oregon
ICDC II, LLC		Oregon
iStorage JV, LLC		Delaware
iStorage Mezz, LLC		Delaware
iStorage PO, LLC		Delaware
iStorage TRS JV, LLC		Delaware
Keepers Storage, LLC		Washington
Lewisville Storage LLC		Washington
Loma Linda Universal Self Storage, a California Limited Partnership		California
Mini I, Limited		California
Murphy Storage Partners LLC	StoreMore Self Storage	Texas
National Storage Affiliates Management Company, LLC		Delaware
NBI Properties, L.L.C.		Delaware
Northwest II Chief Manager, LLC		Delaware
NSA Acquisition Holdings, LLC		Delaware
NSA All Stor, LLC		Delaware
NSA All Stor Chief Manager, LLC		Delaware
NSA Americor Holdings, LLC		Delware
NSA BV DR,LLC		Delaware
NSA Colton DR GP, LLC	A-1 Self Storage; StorAmerica Arcadia; El Camino Self Storage; All American Self Storage	Delaware
NSA Colton DR, LLC	Plano Self Storage; Crown Valley Self Storage; Paramount Self Storage; StorAmerica Duarte	Delaware
NSA GSC DR GP, LLC	Irvine Self Storage	Delaware
NSA GSC DR, LLC	StorAmerica Palm Springs I; Carlsbad Airport Self Storage; StorAmerica Indio	Delaware
NSA iStorage Member, LLC		Delaware
NSA iStorage TRS Member, LLC		Delaware
NSA MGMT CO GP, LLC		Delaware
NSA Northwest CMBS II, LLC		Delaware
NSA Northwest Holdings II, LLC	Old Mill Self Storage; AllStar Storage; A-1 Westside Storage	Delaware
NSA Northwest Holdings, LLC		Delaware
NSA Northwest Holdings III, LLC		Delaware
NSA NW Holdings III Chief Manager, LLC		Delaware
NSA OP, LP		Delaware
NSA Preferred Holdings, LLC		Delaware
NSA Property Holdings, LLC		Delaware
NSA SecurCare CMBS I, LLC		Delaware
NSA SecurCare Holdings, LLC		Delaware
NSA Storage Solutions, LLC		Delaware
NSA TRS, LLC		Delaware
NSA Universal DR, LLC		Delaware
NSA-C Holdings, LLC	StorAmerica Hawaiian Gardens; StorAmerica Victorville-2; Statewide Storage; Country Club Self Storage	Delaware

NSA-Colton Holdings, LLC		Delaware
NSA-G Holdings, LLC	StorAmerica Montclair; Allsafe Freeway Storage; Leave It/Lock It Self Storage; StorAmerica Ontario; StorAmerica Palm Desert; StorAmerica Oceanside; StorAmerica Victorville	Delaware
NSA-GSC Colton Holdings, LLC		Delaware
NSA-GSC Holdings, LLC		Delaware
NSA-Northwest II, LLC		Delaware
NSA-Optivest Acquisition Holdings, LLC	StoreMore Self Storage; Fort Mohave Storage	Delaware
NSA-Optivest, LLC		Delaware
NSA-SecurCare Acquisition Holdings, LLC		Delaware
NSA-SecurCare, LLC		Delaware
Oklahoma Self Storage GP, LLC		Delaware
Oklahoma Self Storage LP	SecurCare Self Storage	Colorado
Optivest Storage Partners of Austin, LLC	StoreMore Self Storage	Texas
Portland Mini Storage LLC		Oregon
Rev Smart, L.P.		Florida
S and S Storage, LLC	Safe and Sound Storage	Washington
Safegard Mini Storage, LLC		Oregon
SAG Arcadia, LP		California
Salem Self Stor, LLC		Washington
SAP-II YSI #1,LLC		Delaware
Seatac Storage, LLC	International Blvd. Self Storage	Washington
SecurCare American Portfolio, LLC		Delaware
SecurCare American Properties II, LLC		Delaware
SecurCare Colorado III, LLC	SecurCare Self Storage	Delaware
SecurCare Fayetteville I, LLC		Delaware
SecurCare Moreno Valley, LLC		Delaware
SecurCare Moveit McAllen, LLC	Move It Self Storage	Delaware
SecurCare of Colorado Springs 602 GP, LLC		Delaware
SecurCare of Colorado Springs 602, Ltd.	SecurCare Self Storage	Colorado
SecurCare Oklahoma I, LLC	SecurCare Self Storage	Delaware
SecurCare Oklahoma II, LLC	SecurCare Self Storage	Delaware
SecurCare Portfolio Holdings, LLC		Delaware
SecurCare Properties I, LLC	SecurCare Self Storage	Delaware
SecurCare Properties II R, LLC	SecurCare Self Storage	Delaware
SecurCare Properties II, LLC	SecurCare Self Storage	Delaware
SecurCare Value Properties R, LLC	SecurCare Self Storage	Delaware
Series Americor Insurance Company, a series of Endeavor Assurance Company, LLC		Delaware
Sherwood Storage, LLC		Oregon
Shreve Storage Equities, L.L.C.		Louisiana
Springfield Mini Storage, LLC		Oregon
Square Foot Springhill, LLC		Ohio
Storage Management and Leasing Co. LLC		Florida
Storage Management and Repair Co., LLC		Florida
StoreMore Self Storage-Pecos Road, LLC	StoreMore Self Storage	Delaware
Supreme Storage, LLC		Oregon
Terrell Storage Partners, LLC	StoreMore Self Storage	Texas
The Dalles Storage SPE, LLC	The Dalles Mini Storage, The Dalles Self Storage, The Dalles Storage	Oregon
Town Center Self Storage, LLC		Colorado

Troutdale Mini Storage, LLC		Oregon
Tualatin Storage, LLC		Oregon
Universal Self Storage Hesperia LLC, a California limited liability company		California
Universal Self Storage Highland, a California Limited Partnership		California
Universal Self Storage San Bernardino LLC, a California limited liability company		California
Upland Universal Self Storage, a California Limited Partnership		California
Vancouver Mini Storage, LLC		Washington
Washington Murrieta II, LLC	StorAmerica Scottsdale	California
Washington Murrieta III, LLC	StorAmerica Phoenix 24th	Arizona
Washington Murrieta IV, LLC	StorAmerica Phoenix 52nd	California
WCAL, LLC	StoreMore Self Storage	Texas
Wilsonville Just Store It, LLC		Oregon

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Trustees
National Storage Affiliates Trust:

We consent to the incorporation by reference in the registration statements on Form S-3 (Nos. 333-211570 and 333-211974) and Form S-8 (No. 333-208602) of National Storage Affiliates Trust of our report dated February 28, 2017, with respect to the consolidated balance sheets of National Storage Affiliates Trust as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income (loss), changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2016, and the related financial statement schedule, which report appears in the December 31, 2016 annual report on Form 10-K of National Storage Affiliates Trust.

/s/ KPMG LLP

Denver, Colorado
February 28, 2017

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 Annual Report on Form 10-K of National Storage Affiliates Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2017

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 Annual Report on Form 10-K of National Storage Affiliates Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2017

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 Annual Report of National Storage Affiliates Trust (the “Company”) on Form 10-K for the period ended December 31, 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, 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: February 28, 2017

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.