

U-Store-It Trust
Form 8-K
March 28, 2007

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
Of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): March 28, 2007**

**U-STORE-IT TRUST
(Exact Name of Registrant as Specified in its Charter)**

**Maryland
(State or Other Jurisdiction of
Incorporation or Organization)**

**001-32324
(Commission File Number)**

**20-1024732
(IRS Employer Identification No.)**

**6745 Engle Road, Suite 300
Cleveland, OH 44130
(Address of Principal
Executive Offices)**

**44130
(Zip Code)**

**(440)234-0700
Registrant's Telephone Number, Including Area Code
Not Applicable
(Former name or former address, if changed since last report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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EXPLANATORY NOTE:

In accordance with Rule 3-14 and Article 11 of Regulation S-X, the Company hereby files the following financial statements and pro forma financial information, respectively.

Item 9.01. Financial Statements and Exhibits.

(a) *Financial Statements of Businesses Acquired.*

Republic Self Storage Arapaho

Independent Auditors Report

Statement of Revenues and Certain Operating Expenses for the Six Months Ended June 30, 2006 (unaudited) and Year Ended December 31, 2005

Notes to Statement of Revenues and Certain Operating Expenses

Republic Self Storage San Antonio

Independent Auditors Report

Statement of Revenues and Certain Operating Expenses for the Six Months Ended June 30, 2006 (unaudited) and Year Ended December 31, 2005

Notes to Statement of Revenues and Certain Operating Expenses

Jernigan Portfolio

Independent Auditors Report.

Combined Statement of Revenues and Certain Operating Expenses for the Six Months

Ended June 30, 2006 (unaudited) and Years Ended December 31, 2005, 2004 and 2003.

Notes to Combined Statement of Revenues and Certain Operating Expenses.

Republic Self Storage Stassney

Independent Auditors Report

Statement of Revenues and Certain Operating Expenses for the Three Months Ended March 31, 2006 (unaudited) and Year Ended December 31, 2005

Notes to Statements of Revenues and Certain Operating Expenses

SecurCare Portfolio

Independent Auditors Report.

Combined Statement of Revenues and Certain Operating Expenses for the Three Months Ended

March 31, 2006 (unaudited) and Year Ended December 31, 2005.

Notes to Combined Statement of Revenues and Certain Operating Expenses.

Sanford Partners Portfolio

Independent Auditors Report.

Combined Statement of Revenues and Certain Operating Expenses for the Year Ended

December 31, 2005.

Notes to Combined Statement of Revenues and Certain Operating Expenses.

(b) *Pro Forma Financial Information.*

Unaudited Pro Forma Condensed Consolidated Financial Information.

Unaudited Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2006.

Notes to the Unaudited Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2006.

Unaudited Pro Forma Condensed Consolidated Statement of Operations for the Year Ended December 31, 2006.

Notes to the Unaudited Pro Forma Condensed Consolidated Statement of Operations for the Year Ended December 31, 2006.

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U-STORE-IT TRUST

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma condensed consolidated financial information of U-Store-It Trust and subsidiaries (the Company) as of and for the year ended December 31, 2006 has been derived from (1) the historical audited financial statements of U-Store-It Trust as filed in the Company's 2006 Form 10-K, (2) the historical statements of revenues and certain expenses of the 44 audited properties acquired during 2006, and (3) the historical unaudited statements of revenues and certain expenses of the remaining 19 self-storage properties acquired during 2006 and 2007.

The Company acquired 60 properties during 2006 and three additional properties in January 2007. The February 2006 acquisition of a portfolio of 24 self-storage facilities (the Sure Save USA Self Storage Acquisition) was determined to be an individually significant 2006 acquisition as defined under Regulation S-X Rule 3-14. Accordingly, an audit was performed for the Sure Save USA Self Storage Acquisition properties and was included in the Company's Current Report on Form 8-K/A filed April 21, 2006. Audits were also performed on 20 additional properties that represent the mathematical majority of the cost of the Company's individually insignificant pool of 2006 acquisition properties. The unaudited pro forma condensed consolidated balance sheet as of December 31, 2006 reflects adjustments to the Company's historical financial data to give effect to the three properties acquired subsequent to December 31, 2006 as if each had occurred on December 31, 2006.

The pro forma condensed consolidated statement of operations for the year ended December 31, 2006 reflects adjustments to the Company's historical financial data to give effect to the acquisition of the 63 self-storage properties acquired in 2006 and 2007 as if each had occurred on January 1, 2006.

The unaudited pro forma adjustments are based on available information and assumptions that the Company considers reasonable. The unaudited pro forma condensed consolidated financial information is not necessarily indicative of what the Company's actual financial position or results of operations for the period would have been as of the date and for the periods indicated, nor does it purport to represent the Company's future financial position or results of operations.

The unaudited pro forma condensed consolidated financial information should be read together with the notes thereto in conjunction with the more detailed information contained in the historical financial statements referenced in this filing.

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U-STORE-IT TRUST
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
December 31, 2006 (Unaudited)
(In Thousands)

| | U-Store-It Trust Historical (1) | Acquisitions Subsequent To 12/31/06 (2) | U-Store-It Trust Pro Forma |
|---|--|--|---|
| ASSETS | | | |
| Storage facilities | \$ 1,771,864 | \$ 19,382 | \$ 1,791,246 |
| Accumulated depreciation | (205,049) | | (205,049) |
| | 1,566,815 | 19,382 | 1,586,197 |
| Cash and cash equivalents | 19,716 | | 19,716 |
| Restricted cash | 14,126 | | 14,126 |
| Loan procurement costs net of amortization | 7,575 | | 7,575 |
| Other assets | 6,475 | | 6,475 |
| Due from related parties | 632 | | 632 |
| Total Assets | \$ 1,615,339 | \$ 19,382 | \$ 1,634,721 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | |
| LIABILITIES | | | |
| Revolving credit facility | \$ 90,500 | \$ 19,382 | \$ 109,882 |
| Unsecured term loan | 200,000 | | 200,000 |
| Mortgage loans and notes payable | 588,930 | | 588,930 |
| Accounts payable and accrued expenses | 22,590 | | 22,590 |
| Due to related parties | 336 | | 336 |
| Distributions payable | 18,197 | | 18,197 |
| Deferred revenue | 9,740 | | 9,740 |
| Security deposits | 655 | | 655 |
| Total liabilities | 930,948 | 19,382 | 950,330 |
| COMMITMENTS & CONTINGENCIES | | | |
| MINORITY INTERESTS | 56,898 | | 56,898 |
| SHAREHOLDERS EQUITY | | | |
| Common shares | 573 | | 573 |
| Additional paid-in-capital | 794,632 | | 794,632 |
| Accumulated deficit | (167,712) | | (167,712) |
| Total shareholders equity | 627,493 | | 627,493 |
| Total Liabilities and Shareholders Equity | \$ 1,615,339 | \$ 19,382 | \$ 1,634,721 |

See accompanying notes to unaudited pro forma condensed consolidated statement of operations.

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U-STORE-IT TRUST
NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands)

- (1) Reflects the historical condensed consolidated balance sheet of U-Store-It Trust included in the Company's Annual Report on Form 10-K as of and for the year ended December 31, 2006.
- (2) Represents the three properties purchased, utilizing borrowings from the Company's revolving credit facility, subsequent to December 31, 2006:

| Property / Portfolio | Acquisition Date | Number of Facilities | Purchase Price |
|--------------------------------------|---------------------|----------------------------|-------------------|
| Stone Oak Facility | Jan-07 | 1 | \$ 6,182 |
| Grand Central Self Storage Portfolio | Jan-07 | 2 | 13,200 |
| | | 3 | \$ 19,382 |

Table of Contents**U-STORE-IT TRUST****UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS****For the Year Ended December 31, 2006****(In Thousands Except Per Share Amounts)**

| | U-Store-It Trust Historical (3) | Completed Facility Acquisitions (4) | Other Adjustments | U-Store-It Trust Pro Forma |
|--|---|---|-----------------------------------|---|
| REVENUES: | | | | |
| Rental income | \$ 197,753 | \$ 10,073 | \$ | \$ 207,826 |
| Other property related income | 14,902 | 482 | | 15,384 |
| Other related party | 457 | | | 457 |
| Total revenues | 213,112 | 10,555 | | 223,667 |
| OPERATING EXPENSES: | | | | |
| Property operating expenses | 86,547 | 3,858 | | 90,405 |
| Property operating expenses related party | 69 | | | 69 |
| Depreciation | 64,729 | | 3,913(5) | 68,642 |
| Asset write-off | 305 | | | 305 |
| General and administrative | 21,675 | 436 | | 22,111 |
| General and administrative related party | 613 | | | 613 |
| Total operating expenses | 173,938 | 4,294 | 3,913 | 182,145 |
| OPERATING INCOME | 39,174 | 6,261 | (3,913) | 41,522 |
| OTHER INCOME (EXPENSE): | | | | |
| Interest: | | | | |
| Interest expense on loans | (46,125) | | (5,878)(6) | (52,003) |
| Loan procurement amortization expense | (1,998) | | (22)(6) | (2,020) |
| Write-off of loan procurement cost due to early extinguishment of debt | (1,907) | | | (1,907) |
| Interest income | 1,341 | | | 1,341 |
| Other | 191 | | | 191 |
| Total other expense | (48,498) | | (5,900) | (54,398) |
| INCOME (LOSS) BEFORE MINORITY INTERESTS | (9,324) | 6,261 | (9,814) | (12,877) |
| Minority interests | 773 | | 295(7) | 1,068 |

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| | | | | |
|---|------------|----------|------------|-------------|
| NET INCOME (LOSS) | \$ (8,551) | \$ 6,261 | \$ (9,519) | \$ (11,809) |
| Basic and diluted earnings (loss) per share | \$ (0.15) | | | \$ (0.21) |
| Weighted average number of common shares | | | | |
| Basic and diluted | 57,287 | | | 57,287 |
| See accompanying notes to unaudited pro forma condensed consolidated statement of operations. | | | | |
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U-STORE-IT TRUST
NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF
OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2006

(in thousands, except per share data)

- (3) Reflects the historical condensed consolidated statement of operations of U-Store-It Trust for the year ended December 31, 2006.
- (4) Represents the unaudited pro forma revenues and operating expenses for the year ended December 31, 2006 of the properties that were acquired in 2006 and 2007 for the period prior to acquisition:

| Property / Portfolio | Acquisition Date | Number of Facilities | Rental Income | Other Property Related Income | Total Revenues | Property Operating Expenses | General and Administrative Expenses | Total Operating Expenses | Operating Income |
|----------------------|------------------|----------------------|---------------|-------------------------------|----------------|-----------------------------|-------------------------------------|--------------------------|------------------|
| Nashville, TN | | | | | | | | | |
| Portfolio | Jan-06 | 2 | \$ 61 | \$ 4 | \$ 65 | \$ 12 | \$ | \$ 12 | \$ 53 |
| Dallas, TX Portfolio | Jan-06 | 2 | 64 | | 64 | 5 | 6 | 11 | 53 |
| U-Stor Self Storage | | | | | | | | | |
| Portfolio | Feb-06 | 3 | 37 | 17 | 54 | 48 | 6 | 54 | |
| Sure Save Portfolio | Feb-06 | 24 | 1,485 | 93 | 1,578 | 540 | 35 | 575 | 1,003 |
| Texas Storage | | | | | | | | | |
| Portfolio | Mar-06 | 4 | 259 | 21 | 280 | 143 | 16 | 159 | 121 |
| Nickey Portfolio | Apr-06 | 4 | 668 | | 668 | 220 | 28 | 248 | 420 |
| SecurCare Portfolio | May-06 | 4 | 1,069 | 29 | 1,098 | 304 | 52 | 356 | 742 |
| Texas Storage | | | | | | | | | |
| Portfolio | Jun-06 | 1 | 151 | 8 | 159 | 83 | 9 | 92 | 67 |
| Jernigan Portfolio | Jul-06 | 9 | 2,643 | 186 | 2,829 | 1,080 | 118 | 1,198 | 1,631 |
| U-Stor Self Storage | | | | | | | | | |
| Portfolio | Aug-06 | 1 | 266 | | 266 | 107 | 19 | 126 | 140 |
| Bailes Portfolio | Aug-06 | 3 | 964 | | 964 | 343 | | 343 | 621 |
| In & Out Self | | | | | | | | | |
| Storage Portfolio | Aug-06 | 1 | 590 | 14 | 604 | 273 | 37 | 310 | 294 |
| Texas Storage | | | | | | | | | |
| Portfolio | Sep-06 | 2 | 372 | 14 | 386 | 252 | 22 | 274 | 112 |
| Stone Oak Facility | | | | | | | | | |
| (i) | Jan-07 | 1 | | | | | | | |
| Grand Central Self | | | | | | | | | |
| Storage Portfolio | Jan-07 | 2 | 1,444 | 96 | 1,540 | 448 | 88 | 536 | 1,004 |
| | | 63 | \$ 10,073 | \$ 482 | \$ 10,555 | \$ 3,858 | \$ 436 | \$ 4,294 | \$ 6,261 |

(i) This property had no historical operating results as it was under development prior to acquisition.

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- (5) Reflects real estate depreciation for the period prior to acquisition computed on a straight-line basis with depreciable lives ranging from 5 to 39 years.

| Property / Portfolio | Acquisition Date | Number of Facilities | Total Assets | Depreciable Assets | Depreciation for Period Prior to Acquisition |
|--------------------------------------|------------------|----------------------|--------------|--------------------|--|
| Nashville, TN Portfolio | Jan-06 | 2 | \$ 13,152 | \$ 11,744 | \$ 29 |
| Dallas, TX Portfolio | Jan-06 | 2 | 11,549 | 5,503 | 21 |
| U-Stor Self Storage Portfolio | Feb-06 | 3 | 10,946 | 7,553 | 39 |
| Sure Save Portfolio | Feb-06 | 24 | 165,107 | 123,031 | 705 |
| Texas Storage Portfolio | Mar-06 | 4 | 22,618 | 10,777 | 95 |
| Nickey Portfolio | Apr-06 | 4 | 13,649 | 12,188 | 211 |
| SecurCare Portfolio | May-06 | 4 | 35,700 | 24,638 | 509 |
| Texas Storage Portfolio | Jun-06 | 1 | 6,499 | 3,097 | 83 |
| Jernigan Portfolio | Jul-06 | 9 | 44,934 | 35,977 | 910 |
| U-Stor Self Storage Portfolio | Aug-06 | 1 | 3,330 | 2,985 | 103 |
| Bailes Portfolio | Aug-06 | 3 | 15,606 | 11,584 | 357 |
| In & Out Self Storage Portfolio | Aug-06 | 1 | 7,276 | 3,576 | 117 |
| Texas Storage Portfolio | Sep-06 | 2 | 12,045 | 5,739 | 232 |
| Stone Oak Facility (i) | Jan-07 | 1 | 6,182 | 4,589 | |
| Grand Central Self Storage Portfolio | Jan-07 | 2 | 13,200 | 9,799 | 504 |
| | | 63 | \$ 381,793 | \$ 272,779 | \$ 3,913 |

- (i) This property was under development prior to acquisition, and accordingly, there is no pro forma adjustment to reflect depreciation expense.

- (6) Reflects interest expense and amortization of loan procurement costs for the period prior to acquisition.

| Property / Portfolio | Acquisition Date | Number of Facilities | Assumed Mortgage Debt | Effective Interest Rate | Interest for Period Prior to Acquisition | Amortization of Loan Procurement Costs for Period Prior to Acquisition |
|---------------------------------|------------------|----------------------|-----------------------|-------------------------|--|--|
| Dallas, TX Portfolio | Jan-06 | 2 | \$ 7,081 | 5.87% | \$ 28 | \$ 1 |
| SecurCare Portfolio | May-06 | 4 | 14,029 | 6.50% | 322 | |
| Jernigan Portfolio | Jul-06 | 9 | 6,983 | 6.50% | 257 | 12 |
| U-Stor Self Storage Portfolio | Aug-06 | 1 | 1,906 | 6.41% | 72 | 2 |
| In & Out Self Storage Portfolio | Aug-06 | 1 | 4,459 | 6.32% | 176 | 7 |
| | | 17 | \$ 34,458 | | 856 | 22 |
| | | | | | 5,022 | |

Revolving Credit Facility

(i)

| | | | | |
|-------|----|-------|----|----|
| Total | \$ | 5,878 | \$ | 22 |
|-------|----|-------|----|----|

(i) Reflects pro forma interest expense on revolving credit facility borrowings (at a rate of 6.40%) assumed to have been used to fund the acquisition price, net of mortgage debt, of each 2006 and 2007 acquired property for the period prior to acquisition.

(7) Reflects the pro forma allocation of loss from continuing operations to minority interest holders.

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INDEPENDENT AUDITORS REPORT

To the Board of Trustees and Shareholders
U-Store-It Trust
Cleveland, Ohio

We have audited the accompanying statement of revenues and certain operating expenses of Republic Self Storage-Arapaho (the Property) for the year ended December 31, 2005. The statement is the responsibility of the Property s management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. 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 audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in Form 8-K of U-Store-It Trust, as described in Note 1. This presentation is not intended to be a complete presentation of the Property s revenues and expenses.

In our opinion, the statement referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 1 of the Property for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ The Schonbraun McCann Group LLP
Roseland, New Jersey
September 27, 2006

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REPUBLIC SELF STORAGE-ARAPAHO
STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

| | For the period January 1, 2006 through June 30, 2006 (Unaudited) | Year ended December 31, 2005 |
|---|--|---|
| Revenues | | |
| Base rents | \$ 133,845 | \$ 229,209 |
| Other income | 4,168 | 13,582 |
| | 138,013 | 242,791 |
| Certain Operating Expenses | | |
| Property operating expenses | 57,406 | 123,865 |
| Real estate taxes | 44,364 | 83,838 |
| General and administrative expenses | 6,574 | 10,900 |
| | 108,344 | 218,603 |
| Revenues in excess of certain operating expenses | \$ 29,669 | \$ 24,188 |

See accompanying notes to statement of revenues and certain operating expenses.

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REPUBLIC SELF STORAGE-ARAPAHO

NOTES TO STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

1. BASIS OF PRESENTATION

Presented herein are the statements of revenues and certain operating expenses related to the operation of Republic Self Storage Garland, LP located in Garland, Texas with 486 rental units (Property).

On September 27, 2006, U-Store It (the Trust) acquired the Property.

The accompanying statement of revenues and certain operating expenses for the year ended December 31, 2005 was prepared for the purpose of complying with the provisions of Article 3.14 of Regulation S-X promulgated by the Securities and Exchange Commission (SEC) which requires certain information with respect to real estate operations to be included with certain filings with the SEC. Accordingly, the revenues and certain operating expenses excludes certain expenses that may not be comparable to those expected to be incurred by the Trust in the proposed future operations of the Property. Items excluded consist of mortgage interest expense, depreciation, management fees and general and administrative expenses not directly related to the future operations.

2. USE OF ESTIMATES

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

3. REVENUE RECOGNITION

Revenues relating to the Property are recognized when payments are due. If it is determined after all methods of collection have been exhausted, that the account will not be collected, then it is written off to bad debt expense. The Property is being leased to tenants under operating leases generally on a month to month basis.

4. PROPERTY OPERATING EXPENSES

The Property s operating expenses for the year ended December 31, 2005, include \$7,129 for insurance, \$23,010 for utilities, \$20,125 for operating and maintenance costs, \$49,991 in payroll and advertising expenses of \$23,610. (See Note 5)

The Property s operating expenses for the period January 1, 2006 through June 30, 2006 (unaudited) include \$3,671 for insurance, \$12,840 for utilities, \$10,266 for operating and maintenance costs, \$22,959 for payroll and advertising expenses of \$7,670. (See Note 5)

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REPUBLIC SELF STORAGE-ARAPAHO

NOTES TO STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

5. ADVERTISING

Advertising costs are expensed as incurred, \$23,610 and \$7,670 for 2005 and for the six months ended June 30, 2006 (unaudited), respectively, are included in property operating expenses.

6. INTERIM UNAUDITED FINANCIAL INFORMATION

The statement of revenues and certain operating expenses for the period January 1, 2006 through June 30, 2006 is unaudited; however, in the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the statement of revenues and certain operating expenses for this interim period has been included. The results of interim periods are not necessarily indicative of the results to be obtained for a full fiscal year.

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INDEPENDENT AUDITORS REPORT

To the Board of Trustees and Shareholders
U-Store-It Trust
Cleveland, Ohio

We have audited the accompanying statement of revenues and certain operating expenses of Republic Self Storage-San Antonio (the Property) for the year ended December 31, 2005. The statement is the responsibility of the Property s management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. 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 audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in Form 8-K of U-Store-It Trust, as described in Note 1. This presentation is not intended to be a complete presentation of the Property s revenues and expenses.

In our opinion, the statement referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 1 of the Property for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ The Schonbraun McCann Group LLP
Roseland, New Jersey
September 27, 2006

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REPUBLIC SELF STORAGE-SAN ANTONIO
STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

| | For the period January 1, 2006 through June 30, 2006 (Unaudited) | Year ended December 31, 2005 |
|---|--|---|
| Revenues | | |
| Base rents | \$ 132,890 | \$ 174,711 |
| Other income | 6,074 | 12,551 |
| | 138,964 | 187,262 |
| Certain Operating Expenses | | |
| Property operating expenses | 69,351 | 128,430 |
| Real estate taxes | 34,838 | 67,353 |
| General and administrative expenses | 9,173 | 7,422 |
| | 113,362 | 203,205 |
| Revenue in excess of certain operating expenses / (Certain operating expenses in excess of Revenues) | \$ 25,602 | \$ (15,943) |

See accompanying notes to statement of revenues and certain operating expenses.

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REPUBLIC SELF STORAGE-SAN ANTONIO

NOTES TO STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

1. BASIS OF PRESENTATION

Presented herein are the statements of revenues and certain operating expenses related to the operation of Interstate 10 Self Storage, LP storage facility located in San Antonio, Texas with 676 rental units (the Property).

On September 27, 2006, U-Store It (the Trust) acquired the Property.

The accompanying statement of revenues and certain operating expenses for the year ended December 31, 2005 was prepared for the purpose of complying with the provisions of Article 3.14 of Regulation S-X promulgated by the Securities and Exchange Commission (SEC) which requires certain information with respect to real estate operations to be included with certain filings with the SEC. Accordingly, the revenues and certain operating expenses excludes certain expenses that may not be comparable to those expected to be incurred by the Trust in the proposed future operations of the Property. Items excluded consist of mortgage interest expense, depreciation, management fees and general and administrative expenses not directly related to the future operations.

2. USE OF ESTIMATES

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

3. REVENUE RECOGNITION

Revenues relating to the Property are recognized when payments are due. If it is determined after all methods of collection have been exhausted, that the account will not be collected, then it is written off to bad debt expense. The Property is being leased to tenants under operating leases generally on a month to month basis.

4. PROPERTY OPERATING EXPENSES

The Property s operating expenses for the year ended December 31, 2005, include \$7,968 for insurance, \$24,170 for utilities, \$10,261 for operating and maintenance costs, \$67,015 for payroll and advertising expenses of \$19,016. (See Note 5)

The Property s operating expenses for the period January 1, 2006 through June 30, 2006 (unaudited) include \$4,218 for insurance, \$12,562 for utilities, \$11,014 for operating and maintenance costs, \$32,154 for payroll and advertising expenses of \$9,403. (See Note 5)

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REPUBLIC SELF STORAGE-SAN ANTONIO

NOTES TO STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

5. ADVERTISING

Advertising costs are expensed as incurred, \$19,016 and \$9,403 for 2005 and for the six months ended June 30, 2006 (unaudited), respectively, are included in property operating expenses.

6. INTERIM UNAUDITED FINANCIAL INFORMATION

The statement of revenues and certain operating expenses for the period January 1, 2006 through June 30, 2006 is unaudited; however, in the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the statement of revenues and certain operating expenses for this interim period has been included. The results of interim periods are not necessarily indicative of the results to be obtained for a full fiscal year.

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INDEPENDENT AUDITORS REPORT

To the Board of Trustees and Shareholders

U-Store-It Trust

Cleveland, Ohio

We have audited the accompanying combined statements of revenues and certain operating expenses of the Jernigan Portfolio (the Properties) for the years ended December 31, 2005, 2004 and 2003. The statements are the responsibility of the Properties management. Our responsibility is to express an opinion on these statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free from material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Properties internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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.

The accompanying combined statements of revenues and certain operating expenses were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in Form 8-K of U-Store-It Trust, as described in Note 1. This presentation is not intended to be a complete presentation of the Properties revenues and expenses.

In our opinion, the statements referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 1 of the Properties for the years ended December 31, 2005, 2004 and 2003, in conformity with accounting principles generally accepted in the United States of America.

/s/ The Schonbraun McCann Group LLP

Roseland, New Jersey

September 29, 2006

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JERNIGAN PORTFOLIO
COMBINED STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES

| | For the Period January 1, 2006 Through June 30, 2006 (Unaudited) | Year Ended December 31, 2005 | Year Ended December 31, 2004 | Year Ended December 31, 2003 |
|---|---|---|---|---|
| Revenues | | | | |
| Base rents | \$ 2,272,858 | \$ 4,606,184 | \$ 4,422,559 | \$ 4,396,511 |
| Other income | 186,034 | 357,352 | 337,595 | 317,900 |
| | 2,458,892 | 4,963,536 | 4,760,154 | 4,714,411 |
| Certain Operating Expenses | | | | |
| Property operating expenses | 615,591 | 1,222,971 | 1,128,307 | 1,131,418 |
| Real estate taxes | 337,498 | 629,595 | 541,893 | 527,400 |
| General and administrative expenses | 99,658 | 219,928 | 270,161 | 240,511 |
| | 1,052,747 | 2,072,494 | 1,940,361 | 1,899,329 |
| Revenues in excess of certain operating expenses | \$ 1,406,145 | \$ 2,891,042 | \$ 2,819,793 | \$ 2,815,082 |

See accompanying notes to combined statements of revenues and certain operating expenses.

Table of Contents**JERNIGAN PORTFOLIO****NOTES TO COMBINED STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES****1. BASIS OF PRESENTATION**

Presented herein are the combined statements of revenues and certain operating expenses related to the operation of the following nine storage facilities, collectively (Jernigan Portfolio or the Properties):

| Property Name | Facility Location | Units |
|------------------------|--------------------------|--------------|
| 1350 N. First St. | Garland, TX | 681 |
| 1236 Texas St. | Lewisville, TX | 452 |
| 201 S. I35 E. St. | Denton, TX | 516 |
| 3300 Southwest Blvd. | Grove City, OH | 779 |
| 5252 Nike Dr. | Columbus-Hilliard, OH | 784 |
| 6446 E. Main St. | Reynoldsburg, OH | 669 |
| 5411 West Broad St. | Columbus, OH | 603 |
| 3595 Anderson Farm Rd. | Austell, GA | 668 |
| 43 Old Olden Avenue | Hamilton, NJ | 419 |
| | | 5,571 |

The accompanying combined statements of revenues and certain operating expenses for the years ended December 31, 2005, 2004 and 2003 were prepared for the purpose of complying with the provisions of Article 3.14 of Regulation S-X promulgated by the Securities and Exchange Commission (SEC) which requires certain information with respect to real estate operations to be included with certain filings with the SEC. Accordingly, the combined revenues and certain operating expenses exclude certain expenses that may not be comparable to those expected to be incurred by U-Store-It Trust in the proposed future operations of the Properties. Items excluded consist of mortgage interest expense, depreciation, management fees and general and administrative expenses not directly related to the future operations.

2. USE OF ESTIMATES

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

3. REVENUE RECOGNITION

Revenues relating to the Properties are recognized when payments are due. If it is determined after all methods of collection have been exhausted, that the account will not be collected, then it is written off to bad debt expense. The Properties are being leased to tenants under operating leases generally on a month to month basis.

Table of Contents**JERNIGAN PORTFOLIO****NOTES TO COMBINED STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES****4. PROPERTY OPERATING EXPENSES**

| | For the Period January 1, 2006 Through June 30, 2006 (Unaudited) | Year Ended December 31, 2005 | Year Ended December 31, 2004 | Year Ended December 31, 2003 |
|---------------------------------|---|---|---|---|
| Insurance | \$ 39,116 | \$ 77,389 | \$ 71,473 | \$ 67,877 |
| Utilities | 119,301 | 229,782 | 206,233 | 187,113 |
| Operating and maintenance costs | 84,966 | 192,958 | 153,656 | 186,187 |
| Payroll | 295,818 | 573,207 | 496,519 | 479,213 |
| Advertising (see Note 5) | 76,390 | 149,635 | 200,426 | 211,028 |
| | \$ 615,591 | \$ 1,222,971 | \$ 1,128,307 | \$ 1,131,418 |

5. ADVERTISING

Advertising costs are expensed as incurred and are included in property operating expenses as follows:

| | |
|---|------------|
| January 1, 2006 through June 30, 2006 (unaudited) | \$ 76,390 |
| 2005 | \$ 149,635 |
| 2004 | \$ 200,426 |
| 2003 | \$ 211,028 |

6. INTERIM UNAUDITED FINANCIAL INFORMATION

The combined statement of revenue and certain operating expenses for the period January 1, 2006 through June 30, 2006 is unaudited; however, in the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the statement of revenue and certain operating expenses for this interim period has been included. The results of interim periods are not necessarily indicative of the results to be obtained for a full fiscal year.

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INDEPENDENT AUDITORS REPORT

To the Board of Trustees and Shareholders

U-Store-It Trust

Cleveland, Ohio

We have audited the accompanying statement of revenues and certain operating expenses of Republic Self Storage-Stassney (the Property) for the year ended December 31, 2005. The statement is the responsibility of the Property s management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. 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 audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in Form 8-K of U-Store-It Trust, as described in Note 1. This presentation is not intended to be a complete presentation of the Property s revenues and expenses.

In our opinion, the statement referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 1 of the Property for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ The Schonbraun McCann Group LLP

Roseland, New Jersey

September 27, 2006

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REPUBLIC SELF STORAGE-STASSNEY
STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

| | For the period January 1, 2006 through March 31, 2006 (Unaudited) | Year ended December 31, 2005 |
|---|---|---|
| Revenues | | |
| Base rents | \$ 75,323 | \$ 225,551 |
| Other income | 6,394 | 25,612 |
| | 81,717 | 251,163 |
| Certain Operating Expenses | | |
| Property operating expenses | 35,000 | 140,772 |
| Real estate taxes | 22,704 | 90,530 |
| General and administrative expenses | 4,194 | 14,472 |
| | 61,898 | 245,774 |
| Revenues in excess of certain operating expenses | \$ 19,819 | \$ 5,389 |

See accompanying notes to statement of revenues and certain operating expenses.

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REPUBLIC SELF STORAGE-STASSNEY

NOTES TO STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

1. BASIS OF PRESENTATION

Presented herein are the statements of revenues and certain operating expenses related to the operation of Republic Self Storage Stassney, LP storage facility located in Austin, Texas with 587 rental units (the Property). On June 28, 2006 U-Store-It Trust (the Trust) acquired the Property.

The accompanying statement of revenues and certain operating expenses for the year ended December 31, 2005 was prepared for the purpose of complying with the provisions of Article 3.14 of Regulation S-X promulgated by the Securities and Exchange Commission (SEC) which requires certain information with respect to real estate operations to be included with certain filings with the SEC. Accordingly, the revenues and certain operating expenses excludes certain expenses that may not be comparable to those expected to be incurred by the Trust in the proposed future operations of the Property. Items excluded consist of mortgage interest expense, depreciation, management fees and general and administrative expenses not directly related to the future operations.

2. USE OF ESTIMATES

The preparation of the statement of revenues and certain operating expenses in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the statement of revenues and certain operating expenses and accompanying notes. Actual results could differ from those estimates.

3. REVENUE RECOGNITION

Revenues relating to the Property are recognized when payments are due. If it is determined after all methods of collection have been exhausted, that the account will not be collected, then it is written off to bad debt expense. The Property is being leased to tenants under operating leases generally on a month to month basis.

4. PROPERTY OPERATING EXPENSES

The Property s operating expenses for the year ended December 31, 2005, include \$10,528 for insurance, \$35,638 for utilities, \$12,464 for operating and maintenance costs, \$66,004 for payroll and \$16,138 for advertising expenses. (See Note 5)

The Property s operating expenses for the period January 1, 2006 through March 31, 2006 (unaudited) include \$2,639 for insurance, \$9,766 for utilities, \$1,966 for operating and maintenance costs, \$15,993 for payroll and \$4,636 for advertising expenses. (See Note 5)

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REPUBLIC SELF STORAGE-STASSNEY

NOTES TO STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

5. ADVERTISING

Advertising costs are expensed as incurred, \$16,138 and \$4,636 for 2005 and for the three months ended March 31, 2006 (unaudited), respectively, are included in property operating expenses.

6. INTERIM UNAUDITED FINANCIAL INFORMATION

The statement of revenues and certain operating expenses for the period January 1, 2006 through March 31, 2006 is unaudited; however, in the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the statement of revenues and certain operating expenses for this interim period has been included. The results of interim periods are not necessarily indicative of the results to be obtained for a full fiscal year.

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INDEPENDENT AUDITORS REPORT

To the Board of Trustees and Shareholders

U-Store-It Trust

Cleveland, Ohio

We have audited the accompanying combined statements of revenues and certain operating expenses of the SecurCare Portfolio (the Properties) for the year ended December 31, 2005. The statement is the responsibility of the Properties management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Properties internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. 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 audit provides a reasonable basis for our opinion.

The accompanying combined statements of revenues and certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in Form 8-K of U-Store-It Trust, as described in Note 1. This presentation is not intended to be a complete presentation of the Properties revenues and expenses.

In our opinion, the statement referred to above presents fairly, in all material respects, the revenue and certain operating expenses described in Note 1 of the Properties for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ The Schonbraun McCann Group LLP

Roseland, New Jersey

September 29, 2006

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SECURCARE PORTFOLIO
COMBINED STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES

| | For the period January 1, 2006 through March 31, 2006 (Unaudited) | Year ended December 31, 2005 |
|---|---|---|
| Revenues | | |
| Base rents | \$ 737,246 | \$ 3,103,640 |
| Other income | 28,812 | 145,552 |
| | 766,058 | 3,249,192 |
| Certain Operating Expenses | | |
| Property operating expenses | 94,113 | 384,853 |
| Real estate taxes | 93,571 | 337,121 |
| General and administrative expenses | 35,491 | 140,251 |
| | 223,175 | 862,225 |
| Revenues in excess of certain operating expenses | \$ 542,883 | \$ 2,386,967 |

See accompanying notes to combined statements of revenues and certain operating expenses.

Table of Contents**SECURCARE PORTFOLIO****NOTES TO COMBINED STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES****1. BASIS OF PRESENTATION**

Presented herein are the combined statements of revenues and certain operating expenses related to the operation of the following five storage facilities, collectively (SecurCare Portfolio or the Properties):

| Location | Units |
|----------------------------------|--------------|
| 5815 Arapahoe Ave, Boulder CO | 1224 |
| 6338 Arapahoe Ave, Boulder CO | 784 |
| 6405 O Dell Place, Boulder CO | 717 |
| 4545 Broadway Street, Boulder CO | 132 |
| 4667 Broadway Street, Boulder CO | 401 |
| | 3,258 |

On May 10, 2006, U-Store-It Trust (the Trust) acquired SecurCare Portfolio. The accompanying combined statements of revenues and certain operating expenses for the year ended December 31, 2005 was prepared for the purpose of complying with the provisions of Article 3.14 of Regulation S-X promulgated by the Securities and Exchange Commission (SEC) which requires certain information with respect to real estate operations to be included with certain filings with the SEC. Accordingly, the combined revenues and certain operating expenses excludes certain expenses that may not be comparable to those expected to be incurred by the Trust in the proposed future operations of the Properties. Items excluded consist of mortgage interest expense, depreciation, management fees and general and administrative expenses not directly related to the future operations.

2. USE OF ESTIMATES

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

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SECURCARE PORTFOLIO

NOTES TO COMBINED STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES

3. REVENUE RECOGNITION

Revenues relating to the Properties is recognized when payments are due. If it is determined after all methods of collection have been exhausted, that the account will not be collected, then it is written off to bad debt expense. The Properties are being leased to tenants under operating leases generally on a month to month basis.

4. PROPERTY OPERATING EXPENSES

The Properties operating expenses for the year ended December 31, 2005, include \$34,000 for insurance, \$75,864 for utilities, \$59,218 in operating and maintenance costs, \$164,140 in payroll and \$51,631 for advertising expenses (see note 5).

The Properties operating expenses for the period January 1, 2006 through March 31, 2006 (unaudited) include \$8,637 for insurance, \$28,023 for utilities, \$6,330 for operating and maintenance costs, \$33,244 for payroll and \$17,879 for advertising expenses (see note 5).

5. ADVERTISING

Advertising costs are expensed as incurred, \$51,631 and \$17,879 for 2005 and for the period ended March 31, 2006 (unaudited), respectively, are included in property operating expenses.

6. INTERIM UNAUDITED FINANCIAL INFORMATION

The combined statement of revenue and certain operating expenses for the period January 1, 2006 through March 31, 2006 is unaudited; however, in the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the statement of revenues and certain operating expenses for this interim period has been included. The results of interim periods are not necessarily indicative of the results to be obtained for a full fiscal year.

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INDEPENDENT AUDITORS REPORT

To the Board of Trustees and Shareholders
U-Store-It Trust
Cleveland, Ohio

We have audited the accompanying combined statement of revenues and certain operating expenses of the Sanford Partners Portfolio (the Properties) for the year ended December 31, 2005. The statement is the responsibility of the Properties management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Properties internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. 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 audit provides a reasonable basis for our opinion.

The accompanying combined statement of revenues and certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in Form 8-K of U-Store-It Trust, as described in Note 1. This presentation is not intended to be a complete presentation of the Properties revenues and expenses.

In our opinion, the statement referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 1 of the Properties for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ The Schonbraun McCann Group LLP
Roseland, New Jersey
September 27, 2006

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**SANFORD PARTNERS PORTFOLIO
COMBINED STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES**

| | | Year ended December 31, 2005 |
|---|--------|---|
| Revenues | | |
| Base rents | \$ | 1,456,373 |
| Other income | | 117,649 |
| | | 1,574,022 |
| Certain Operating Expenses | | |
| Property operating expenses | | 528,859 |
| Real estate taxes | | 249,812 |
| General and administrative expenses | | 84,380 |
| | | 863,051 |
| Revenues in excess of certain operating expenses | \$ | 710,971 |

See accompanying notes to combined statement of revenues and certain operating expenses.

Table of Contents**SANFORD PARTNERS PORTFOLIO****NOTES TO COMBINED STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES****1. BASIS OF PRESENTATION**

Presented herein is the combined statement of revenues and certain operating expenses related to the operation of the following four storage facilities, collectively (Sanford Partners Portfolio or the Properties):

| Property Name | Facility Location | Units |
|---------------------------------|--------------------------|--------------|
| Republic Self Storage-Eastchase | Fort Worth, TX | 674 |
| Republic Self Storage-Manchaca | Austin, TX | 570 |
| Republic Self Storage-Wade | Frisco, TX | 629 |
| Republic Self Storage-Mansfield | Mansfield, TX | 499 |
| | | 2,372 |

On March 1, 2006, U-Store-It Trust (the Trust) acquired Sanford Partners Portfolio. The accompanying combined statement of revenues and certain operating expenses for the year ended December 31, 2005 was prepared for the purpose of complying with the provisions of Article 3.14 of Regulation S-X promulgated by the Securities and Exchange Commission (SEC) which requires certain information with respect to real estate operations to be included with certain filings with the SEC. Accordingly, the combined revenues and certain operating expenses excludes certain expenses that may not be comparable to those expected to be incurred by the Trust in the proposed future operations of the Properties. Items excluded consist of mortgage interest expense, depreciation, management fees and general and administrative expenses not directly related to the future operations.

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SANFORD PARTNERS PORTFOLIO

NOTES TO COMBINED STATEMENT OF REVENUES AND CERTAIN OPERATING EXPENSES

2. USE OF ESTIMATES

The preparation of the combined statements of revenues and certain operating expenses in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the combined statement of revenues and certain operating expenses and accompanying notes. Actual results could differ from those estimates.

3. REVENUE RECOGNITION

Revenues relating to the Properties is recognized when payments are due. If it is determined after all methods of collection have been exhausted, that the account will not be collected, then it is written off to bad debt expense. The Properties are being leased to tenants under operating leases generally on a month to month basis.

4. PROPERTY OPERATING EXPENSES

The Properties operating expenses for the year ended December 31, 2005, include \$40,690 for insurance, \$115,053 for utilities, \$57,412 in operating and maintenance costs, \$224,615 in payroll, and advertising expenses of \$91,089 (see note 5).

5. ADVERTISING

Advertising costs are expensed as incurred, \$91,089 for 2005, and are included in property operating expenses.

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SIGNATURE

Pursuant to the requirements of Securities Exchange Act of 1934, the registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned thereunto duly authorized.

U-STORE-IT TRUST
(Registrant)

Date: March 28, 2007

By: /s/ CHRISTOPHER P. MARR
Name: Christopher P. Marr
Chief Financial Officer