
4039 North LaPorte



STORAGE PROPOSAL



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April 21, 2009

The Building

4039 North LaPorte, is an apartment building located in Chicago's Old Irving Neighborhood which contains 76 two bedroom apartments, renting from for an average of \$800 a unit.

Storage Analysis

On April 17, 2009, we made a site visit to 4039 North LaPorte to evaluate the currently available storage, the need for additional and/or improved storage and opportunities in the building to provide this storage.

4039 North LaPorte does not currently have any storage for tenants. We believe that there would be demand for onsite storage that would be leased to tenants on a month-to-month basis. While we found a several areas in the basement of the building that would be appropriate for self storage, an area adjacent to and south of the current laundry room seemed particularly well suited. In addition, a second room directly to the south of the laundry this area could accommodate lockers as well.

While the exact size, location and number of storage lockers is subject to field verification and may change, we believe that the area adjacent to the laundry would accommodate approximately 13 lockers. These lockers would be an average size of about 25 sq. ft (typically a combination of 5'x 5' and 4'x 6' lockers). We would propose building out this area first, and building out the adjacent room to the south after tenant demand for the size and pricing for these initial lockers has been established. Please see the attached picture of the current laundry room and a drawing illustrating a general layout of these storage rooms.

Tenloc
Relationship

Our agreement will provide for us to install, and manage these lockers at our sole cost and expense, and rent them directly to the residents of your building, and pay you 25% of the gross revenues collected. Also attached is a copy of our "frequently asked questions" addressing many of the common questions owners have about their relationship with Tenloc.

Financial Analysis

In analyzing the current market for outside storage, we determined that the typical 5' x 5' climate controlled locker rents for an average of about \$40 a month. Due to the increased convenience of renting onsite, we believe that the Tenloc Storage lockers in 4039 North LaPorte could conservatively be rented for \$40 a month as well, and assuming thirteen initial lockers in the laundry room, 25% of the gross revenues would equate to Annual Revenue to Owner of about \$1,560. The amount of this revenue may vary, and depends on actual occupancy and rental rates.

Tenloc
Process

Once a decision is made to move forward with Tenloc, we will submit a Building Lease Agreement to you for your review. Once the Agreement has been signed, we will return to the building to do final field verification before ordering the lockers. Installation is usually scheduled approximately 60 days after the final field measurements have been taken. Typically, prior to installing the lockers, Tenloc will clean out light debris from the existing space, paint the lockers area, and install additional lighting if necessary.

We look forward to working with you.

Frequently Asked Questions

What Are The Costs To Me? None. Tenloc builds the storage rooms and maintains and operates them at no cost to you.

What Do Your Storage Rooms Look Like? Our storage rooms are clean, neat and professional looking. If necessary, we paint the floors, walls and ceilings and install fluorescent lights. The rooms are typically locked, and are only accessible to our personal and tenants renting lockers from us. Our lockers have steel walls and doors, are fire-resistant, and look like those found in public storage buildings. Each individual unit has a floor system that allows users to store items off your finished floor.

Where Do You Build Your Storage Rooms? In any readily-accessible, unused space in your building. Typically though, they are built in basements.

My Basement is full of Debris, Clutter, Replacement Parts, General Storage, Etc.- who relocates these items? We will. Identify the items you want moved and/or thrown away and we will move or throw away most of these items at no cost to you.

What Is The Nature of Our Relationship? You are the landlord and we are the tenant- we lease space in your building from you. We then build a storage room inside your building and sublease lockers to your tenants.

What Is My Share Of The Revenues? You will receive 25% of all GROSS operating revenues.

How Long Is Our Lease? Ten years.

How Often Do I Get Paid? You will receive a check and an operating and management statement every month.

How Will You Show The Lockers? Tenants will make appointments directly with us, and our sales agent will meet them at the building to show them the lockers.

What If The Lockers Break? We will maintain and repair the lockers as necessary.

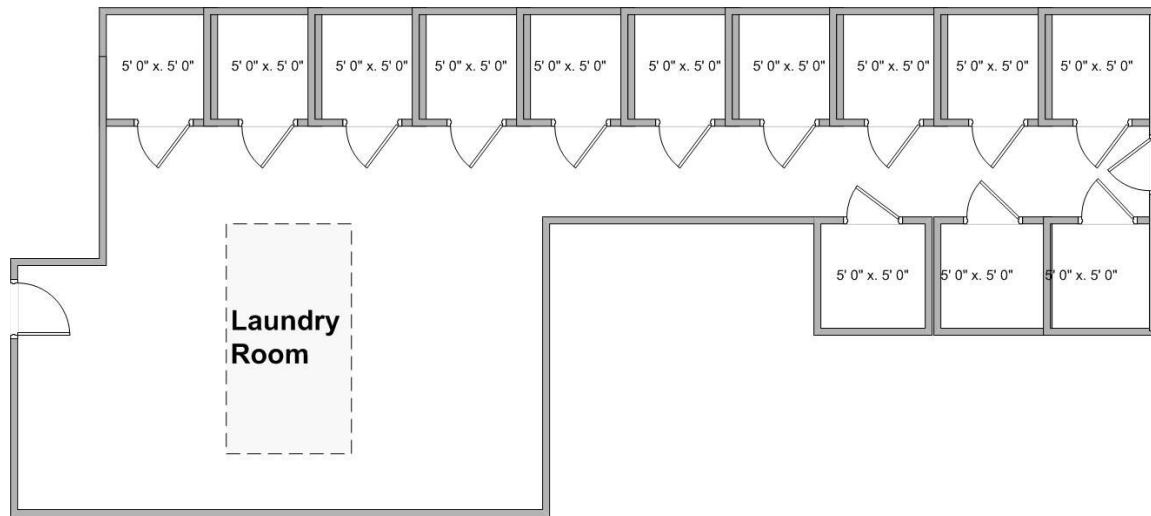
How Big Are Your Storage Lockers? Typical unit sizes are 5' x 5', but sizes may vary depending on the needs of your tenants.

How Many Storage Lockers Will You Build? It depends on various factors, but as a rule of thumb we build one locker for every four residents.

What Happens If Items in Storage are Damaged Due to Flooding, Fire or Other Casualty? Tenants are responsible for loss or damage to items stored in their lockers and typically carry home owner's insurance, just like they do for items kept in their homes. However, our insurance policy indemnifies you for losses you may incur and responsibility for items lost or damaged through no fault of your own.

What Happens at the End of the Term of Our Agreement? You may either renew the Agreement, or have Tenloc remove the lockers at our expense.

Proposed Storage Layout



Layout is approximate and subject to final field verification.