

Operations Summary

TROJAN STORAGE OF COMMERCE

6210 GARFIELD AVE, COMMERCE, CA 90040

About Trojan Storage

Trojan Storage (“TS”) is based in the Los Angeles area and is a national owner, operator, and developer of self-storage facilities. Since the company’s inception in 2007, Trojan Storage has rapidly expanded its footprint. The company operates over 2,000,000 feet of storage space spanning across 24 facilities in four states. It currently has operations in Arizona, California, Colorado, and Minnesota and employs over 60 people. Trojan Storage has been recognized as a Top 25 national operator by the industry trade group, Inside Self Storage, for the last five consecutive years.

Facility Overview

Trojan Storage of Commerce will be developed into a two-story “Class A” self-storage facility totaling 212,000 gross square feet. The facility will be equipped with industry-leading amenities and security systems. There will be approximately 170,000 of net rentable square feet of storage across 1,300 units, as well as screened RV parking spaces. Unit sizes will range from 25 to 350 square feet in order to provide various options to meet our local demand. In addition to the storage units, the building will include both a rental office and manager’s apartment located at the front of the property off of Garfield.

The location of the main two-story structure has been positioned to the northwest portion of the lot. It will be a maximum of 24 feet in height once completed. The smaller single-story structure in the southeast area of the lot nearest to the residential homes has been designed and oriented in a manner that it will serve as a buffer to insulate any sound from the property and prevent noise or disturbances to neighbors. It will be approximately 12 feet in height.

NEGATIVE ENVIRONMENTAL CONDITIONS AT THE PROPERTY

Currently, the property is used as an outdoor steel-plate manufacturing and storage yard. This use is hard on the local area as it is loud and operates very early in the morning. This use and other similar uses over the years have also created environmental issues in the soil that are concerning to the neighboring properties. After several environmental studies and testing, TS has already created a “Soil Management Plan” to mitigate all environmental issues in the soil thus improving the local area during our development

of the storage site. The new development will also provide a modern office and building along Garfield, which will drastically improve its appearance on Garfield Avenue.

Usage Patterns and Intensity

Self-storage is a low intensity land use, which generates low levels of traffic that falls well below any other use such as commercial, retail, office, or industrial uses. Customers visit their storage units seldomly and generally stay for a very short period of time. TS policy limits tenants to a maximum of thirty minutes per visit to the property.

Self-Storage customers are divided into three main categories:

1. **Residential Customers:** This is the largest segment of our customer base, typically representing over 80%-85% of our tenants. Generally, customers rent storage at facilities that are located within three to five miles of their home or work. Residential customers use the space for a variety of reasons. Primarily, these are for storing extra household items, moving, renovating their homes or a general life event (death, divorce, etc.). The duration of stay is usually for one to two years, and they infrequently need to visit their storage space. On average they will make 4-6 visits per year for less than fifteen minutes per visit.
2. **Business Customers:** Business customers typically make up 10-15% of our customer base. Many different industries use storage for a variety of reasons. Even in an increasingly digital world, file storage is still needed by numerous professionals (accountants, doctors, lawyers, architects, small businesses). Other, more-active business users such as contractors or landscapers will store their equipment. Businesses benefit from being able to use extra space when their business requires it and as they grow. These customers tend to stay for a longer period of time than residential customers and access the site slightly more often.
3. **Student Customers:** Students usually account for less than 5% of our customers and typically only stay for three to four months at a time. They generally only visit twice—when they rent the storage space and then when they finally move out.

While all these customers have different needs requiring storage space, TS does a great job of ensuring the storage space is being used as intended by our lease terms. Business customers are not allowed to use the space to operate their business or disrupt the site. For example, a mechanic may use the space

to store excess parts or files but they could not change the oil of a customer on the property. TS uses all our features and amenities to ensure our facility is being used as intended.

Employees

TS will be staffed with four on-site employees, *who are generally hired from the local community* to manage the property. Office work includes sales calls, renting of storage units, and general customer service. Maintenance tasks include daily sweeping, cleaning, and general upkeep to ensure the facility grounds and storage units are extremely clean. Employees are required to maintain the curb appeal and cleanliness of the property to the highest standards in the industry.

The site manager will live on the property in a small apartment located above the rental office on Garfield. This individual is ultimately responsible for the day-to-day tenant interactions, maintenance, and security at the facility. The site manager also provides a very important contact for overall site security. The property almost always has someone who is able to respond to emergencies, respond to customers, or sweep the property for any possible trespassers. The manager uses thirty-two HD cameras to ensure the property is always watched.

Maintenance

As Trojan Storage of Commerce will be a newly constructed facility, maintenance needs are expected to be minimal. The site team is responsible for resolving any problems that may arise during normal operations of the facility. Monthly audits will be performed by the Site Supervisor to ensure both the interior and exterior of the site are presentable and free of trash and debris. Regular landscape maintenance will be completed by an outside vendor.

Hours of Operation

The rental office will be open seven days a week from 9:00 a.m. to 6:00 p.m., except major holidays. Facility gate access will be provided to tenants seven days a week from 6:00 a.m. to 9:00 p.m. A sign displaying the hours of operation and an emergency contact number will be posted at all entrances and

exits. TS always has a live operator answering the phone at all times who can contact our corporate office staff in the event of an emergency.

Site Access and Security

ACCESS

TS ensures that only authorized customers are able to access the facility during our standard business hours. The entire property is fenced and protected with two computerized access gates with keypads. The front access gate on Garfield Avenue is the **only** gate that customers will be able to use to enter and exit the property, using their unique access code at the keypad. The rear gate in the neighborhood is an EVA (Emergency Vehicle Access) gate that is only for emergency vehicles (ambulance / police / fire trucks). The rear gate will not be operable for customers to access or exit the property. TS wants to ensure that our customer traffic is controlled, and they are not bothering our local neighbors by driving through the neighborhood to enter / exit the property.

SECURITY

TS ensures that our facilities maintain all the state-of-the-art security features available to us. Our security features (discussed below) and operating procedures safeguard our property and local neighbors by maintaining strict control of our building and property. TS not only monitors that our existing customer base is following the rules but also deters any potential trespassers from creating issues at the facility.

Controlled Access Gates: As stated above, TS will have one entrance / exit gate on Garfield for customers to use. Each customer receives a unique gate code to enter and exit the property. The gate software will only allow customers to access the property during posted business hours and will deny customers from using the gate after hours. The software also records everyone who has been and is currently on site. This allows our on-site staff to always know what is happening on the property. The keycode also disengages the secondary lock that is on every customers' door, which is explained below.

Secondary Locking System: Every storage unit is secured by each customer with a typical lock and key. TS also has a sophisticated secondary locking system controlled by our security software. When the customer enters the property using their keycode at the security gate, a signal is also sent to the TS locking system to disengage the secondary lock on their specific unit. Therefore, if a customer does not enter their keycode or enters the property after hours (for example, by

jumping the gate), our secondary lock will remain engaged and will not allow them to enter their unit. This system both ensures that customers respect our operating hours and adds significant layers of security to deter break-ins.

These locking systems also record each time a storage unit is accessed with a date and time stamp. In fact, every time the door rolls up and down, it is recorded. Our staff reviews this data to know exactly what is happening at our sites.

32 HD Security Cameras: TS will strategically install at least thirty-two HD security cameras that can be viewed both at the site and at our corporate office. These cameras record 24 hours per day and seven days per week.

Resident Manager: As mentioned earlier, a site manager living on site is very important to the overall security of the storage site. This person is able to react in real time to customer issues, emergency responders or other issues that may arise. The manager has all of the above tools to report suspicious people and will perform general unscheduled sweeps of the property. Deterrence is the best form of security in storage.

Lighting: Lighting will be provided via motion activated LED fixtures mounted throughout the interior of the facility. Exterior illumination will be supplied by timed LED fixtures to create a safe, welcoming property during evening hours. All exterior light fixtures will be equipped with shields to ensure any glare is directed away from neighboring property owners.

Estimated Sales Tax

Trojan Storage of Commerce will generate approximately \$30,000 to \$40,000 in annual merchandise sales of locks, boxes, and various moving supplies. These products are subject to local sales taxes, and the City of Commerce will benefit.

The Property Tax at the site will also dramatically increase once the development is complete, which will also benefit the city.

Park Dedication

Trojan Storage will dedicate approximately 5,700 square feet of land at the rear of the property to the City of Commerce to be used as a public park for the local neighbors. TS will commit up to \$50,000 to

improve the park on behalf of the City. The City will be required to fund ongoing maintenance after completion. TS will require an easement through the park for emergency vehicles to use.