



THE SELF STORAGE EXPERTS

146 E. Carrillo St. Santa Barbara, CA. 93101

One of 2007's "Top 100" Operators in the country!

Economic Ripples

The events of the past several months have certainly altered the financial landscape as we have never seen before and for most of us probably never will again. I've been in the investment business since 1969 first as a stockbroker and in the early 1970's in real estate. Real estate has certainly treated us very well over the long haul. Our company's outlook has been longer term and for over 25 years has been value oriented. We've been able to pick our opportunities and over the past 15 years we've concentrated on the following two approaches.

1) Purchase at or below replacement cost. Fix up, raise rents and then decide to hold for cash flow or exchange for other properties and start the process again. If you examine our track record you'll see how well this has worked. If you'd like to review the record please email me at: peterston@dapentinc.com

2) Select an existing facility in good condition, adjust where necessary and hold for cash flow.

Unlike many in self storage today we are not under pressure to sell.

American Self Storage



We're seeing facilities that should never have been built. In one case we have advised the owner to give it back to the bank. The facility in question will never make any money. The market was so overbuilt it will take ten years to fill up! Banks are offering us properties for debt.

So far we've turned them down for lack of upside and size of debt.

Even so our bank is lending, although more conservatively. Down payments are larger, typically 30% to 35%. These numbers are not far off our past approach of 25% to 30% down.

Out of ten properties, nine in California and one in Reno, all but one is performing to projections. The tenth is carrying itself due to a competitor who way overbuilt, but even here we believe we'll finish well.

Our approach now is continue to seek value. Its out there now more than ever and cash is king.

Unwinding this whole debt mess will take time, probably a year and a half to two years. The real money of tomorrow will be made over the next two years.

Warren Buffet recently observed, "If you wait for the robin you'll miss Spring. Plan for Spring now."

Dennis A. Peterson &

Darren A. Peterson

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Issue 13 Page 2

Visit American Self Storage
on the web at:

www.americanselfstorage.biz

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What's Available for Purchase:

Several good facilities for cash flow are on the market now. Value added projects, which we specialize in, are also available. These can be found in California, Nevada and Arizona.

We offer Tenant-In-Common (without the outrageous fees) Limited Liability Companies or outright ownership. Equity required for single owner would be about \$1.5M. Tax Deferred Exchanges are also good.

1031's o.k. All or part of an offering.

Real Estate Wealth Management



Featured Manager of the Quarter October 2008



My name is Karen DeMoss. I am the Vice President of Operations for American Self Storage. My job and personal life keep me very busy. I am raising four wonderful children on my own. We love to camp, bowl, fish, and sing karaoke. In my life before self-storage, I was the marketing and Sales Director for Culligan Water in Napa. When I started this job, nine years ago, I was the relief manager at Fairfield. With the help and support of Dennis & Darren Peterson, I have learned so much about the storage business that I would not want to work in another industry.



Karen DeMoss

**Vice President of Operations
American Self Storage
of Fairfield, CA.**



I have watched our business grow from managing only four facilities to ten in just a few years. Back in the day, I used to think Dennis was crazy for having his "visions" choosing run down facilities. With our experience and expertise, we have worked together to master turning these places into respectable and profitable businesses - finding those diamonds in the rough. I look forward to coming to work because everyday is like a new adventure. The managers, assistants and home office staff are all great people, like one big American Self Storage family. I am looking forward to seeing what is in store for the years to come as we continue to grow.