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

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**FORM 10-Q**

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(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 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: 001-12681

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**GLOBAL SELF STORAGE, INC.**

(Exact name of registrant as specified in its charter)

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**Maryland**  
(State or other jurisdiction of  
incorporation or organization)

**13-3926714**  
(I.R.S. Employer  
Identification Number)

**Global Self Storage, Inc.**  
**11 Hanover Square, 12th Floor**  
**New York, NY 10005**  
**(212) 785-0900**

(Address, including zip code, and telephone number, including area code, of Company's principal executive offices)

**John F. Ramirez, Esq.**  
**Global Self Storage, Inc.**  
**11 Hanover Square, 12th Floor**  
**New York, NY 10005**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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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 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input checked="" type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

The number of shares outstanding of the registrant's common stock, par value \$0.01 per share, as of July 31, 2016, was 7,416,766.

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## STATEMENT ON FORWARD LOOKING INFORMATION

Certain information presented in this report contains “forward-looking statements” within the meaning of the federal securities laws including, but not limited to, the Private Securities Litigation Reform Act of 1995 (the “PSLRA”). Forward looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions and other information that is not historical information. In some cases, forward looking statements can be identified by terminology such as “believes,” “expects,” “estimates,” “may,” “will,” “should,” “anticipates” or “intends,” or the negative of such terms or other comparable terminology, or by discussions of strategy. We may also make additional forward looking statements from time to time. All such subsequent forward-looking statements, whether written or oral, by us or on our behalf, are also expressly qualified by these cautionary statements. All forward-looking statements, including without limitation, management’s examination of historical operating trends and estimates of future earnings, are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them, but there can be no assurance that management’s expectations, beliefs and projections will result or be achieved.

All forward looking statements apply only as of the date made. We undertake no obligation to publicly update or revise forward looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events.

There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in or contemplated by this report. Any forward-looking statements should be considered in light of the risks referenced in “Item 1A. Risk Factors” included in our most recent registration statement on Form 10. Such factors include, but are not limited to:

- **general risks associated with the ownership and operation of real estate, including changes in demand, risks related to development of self storage facilities, potential liability for environmental contamination, natural disasters and adverse changes in tax, real estate and zoning laws and regulations;**
- **risks associated with downturns in the national and local economies in the markets in which we operate, including risks related to current economic conditions and the economic health of our customers;**
- **the impact of competition from new and existing self storage and commercial facilities and other storage alternatives;**
- **difficulties in our ability to successfully evaluate, finance, integrate into our existing operations, and manage acquired and developed facilities;**
- **risks related to our development of new facilities and/or participation in joint ventures;**
- **risks of ongoing litigation and other legal and regulatory actions, which may divert management’s time and attention, require us to pay damages and expenses or restrict the operation of our business;**
- **the impact of the regulatory environment as well as national, state, and local laws and regulations including, without limitation, those governing the environment, taxes and our tenant reinsurance business and real estate investment trusts (“REITs”), and risks related to the impact of new laws and regulations;**
- **risk of increased tax expense associated either with a possible failure by us to qualify as a REIT, or with challenges to intercompany transactions with our taxable REIT subsidiaries;**
- **changes in federal or state tax laws related to the taxation of REITs, which could impact our status as a REIT;**
- **security breaches or a failure of our networks, systems or technology could adversely impact our business, customer and employee relationships;**
- **difficulties in raising capital at a reasonable cost; and**
- **economic uncertainty due to the impact of terrorism or war.**

**PART I – FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**GLOBAL SELF STORAGE, INC.  
CONSOLIDATED BALANCE SHEET  
June 30, 2016  
(Unaudited)**

<b>Assets</b>	
Self storage facilities, net	\$ 35,162,240
Cash and cash equivalents	21,606,751
Investments in securities	4,347,513
Accounts receivable	95,354
Prepaid expenses and other assets	192,599
Total assets	\$ 61,404,457
<b>Liabilities and equity</b>	
Note payable	\$ 19,267,449
Accounts payable and accrued expenses	763,760
Total liabilities	20,031,209
Commitments and contingencies	
<b>Equity</b>	
Common stock, \$0.01 par value, 19,900,000 shares authorized; 7,416,766 issued and outstanding	74,168
Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized: zero shares issued and outstanding	—
Additional paid in capital	32,908,888
Accumulated comprehensive income	1,899,658
Retained earnings	6,490,534
Total equity	41,373,248
Total liabilities and equity	\$ 61,404,457

See notes to consolidated financial statements.

**GLOBAL SELF STORAGE, INC.**  
**STATEMENT OF ASSETS AND LIABILITIES (Predecessor Basis)**  
**December 31, 2015**  
**(Unaudited)**

<b>Assets</b>	
Investments, at value	
Wholly owned subsidiaries (cost \$27,749,573)	\$ 34,624,573
Unaffiliated issuers (cost \$5,974,192)	7,809,137
	42,433,710
Cash	29,763
Dividends receivable	14,403
Other assets	12,320
Total assets	42,490,196
<b>Liabilities</b>	
Accounts payable and accrued expenses	139,025
Due to affiliates	64,649
Total liabilities	203,674
<b>Net Assets</b>	\$ 42,286,522
<b>Net Asset Value Per Share</b>	
(applicable to 7,416,766 shares outstanding; 20,000,000 shares of \$.01 par value authorized)	\$ 5.70
<b>Net Assets Consist of</b>	
Paid in capital	\$ 32,983,056
Undistributed net investment income	593,521
Net unrealized appreciation on investments	8,709,945
	\$ 42,286,522

See notes to consolidated financial statements.

**GLOBAL SELF STORAGE, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS (Successor Basis)**  
**(Unaudited)**

	Three Months Ended June 30, 2016	For the Period January 19, 2016 through June 30, 2016
<b>Revenues</b>		
Rental income	\$ 1,104,832	\$ 1,998,768
Other property related income	40,453	71,745
<b>Total revenues</b>	<b>1,145,285</b>	<b>2,070,513</b>
<b>Expenses</b>		
Property operations	489,442	924,239
General and administrative	354,207	661,453
Depreciation and amortization	189,008	358,975
Business development and property acquisition costs	154,798	159,033
<b>Total expenses</b>	<b>1,187,455</b>	<b>2,103,700</b>
Operating loss	(42,170)	(33,187)
<b>Other income (expense)</b>		
Dividend and interest income	46,516	86,654
Interest expense	(16,652)	(16,652)
<b>Total other income, net</b>	<b>29,864</b>	<b>70,002</b>
Net income (loss)	<u>\$ (12,306)</u>	<u>\$ 36,815</u>
Earnings per share - basic and diluted	<u>\$ (0.00)</u>	<u>\$ 0.00</u>
Weighted average shares outstanding - basic and diluted	7,416,766	7,416,766

See notes to consolidated financial statements.

**GLOBAL SELF STORAGE, INC.**  
**STATEMENT OF OPERATIONS (Predecessor Basis)**  
**For the Period January 1, 2016 through January 18, 2016**  
**(Unaudited)**

<b>Investment Income</b>	
Dividends	
Unaffiliated issuers	\$ 5,165
<b>Total investment income</b>	<u>5,165</u>
<b>Expenses</b>	
Compensation and benefits	39,109
Auditing	6,570
Occupancy and other office expenses	4,091
Directors	2,070
Bookkeeping and pricing	1,440
Custodian	720
Insurance	720
Transfer agent	630
Stockholder communications	360
Registration	77
<b>Total expenses</b>	<u>55,787</u>
<b>Net investment loss</b>	<u>(50,622)</u>
<b>Realized and Unrealized Gain (Loss)</b>	
Net unrealized depreciation unaffiliated issuers	<u>(22,605)</u>
<b>Net unrealized loss</b>	<u>(22,605)</u>
<b>Net decrease in net assets resulting from operations</b>	<u><u>\$ (73,227)</u></u>

See notes to consolidated financial statements.

**GLOBAL SELF STORAGE, INC.**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Successor Basis)**  
**(Unaudited)**

	Three Months Ended June 30, 2016	For the Period January 19, 2016 through June 30, 2016
<b>Net income (loss)</b>	\$ (12,306)	\$ 36,815
<b>Other comprehensive income (loss)</b>		
Unrealized gain (loss) on investment securities available-for-sale	(203,298)	87,318
Comprehensive income (loss)	<u>\$ (215,604)</u>	<u>\$ 124,133</u>

See notes to consolidated financial statements.



**GLOBAL SELF STORAGE, INC.**  
**STATEMENT OF OPERATIONS (Predecessor Basis)**  
**(Unaudited)**

	<b>Three Months Ended June 30, 2015</b>	<b>Six Months Ended June 30, 2015</b>
<b>Investment Income</b>		
Dividends		
Wholly owned subsidiaries	\$ 1,140,000	\$ 1,140,000
Unaffiliated issuers	41,215	80,217
Total investment income	<u>1,181,215</u>	<u>1,220,217</u>
<b>Expenses</b>		
Compensation and benefits	168,396	363,056
Occupancy and other office expenses	—	74,656
Registration	300	62,860
Bookkeeping and pricing	20,545	37,795
Auditing	10,565	20,915
Directors	6,165	20,415
Legal	800	18,800
Stockholder communications	6,178	11,698
Custodian	2,850	6,900
Insurance	2,730	5,430
Transfer agent	2,410	5,110
Other	(77,252)	2,877
Total expenses	<u>143,687</u>	<u>630,512</u>
Net investment income	<u>1,037,528</u>	<u>589,705</u>
<b>Realized and Unrealized Gain (Loss)</b>		
Net realized gain on investments in unaffiliated issuers	—	900,368
Net unrealized appreciation (depreciation)		
Wholly owned subsidiaries	1,075,006	2,220,006
Unaffiliated issuers	(144,820)	(423,652)
Net realized and unrealized gain	<u>930,186</u>	<u>2,696,722</u>
Net increase in net assets resulting from operations	<u>\$ 1,967,714</u>	<u>\$ 3,286,427</u>

See notes to consolidated financial statements.

**GLOBAL SELF STORAGE, INC.**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**  
**For the Period January 19, 2016 through June 30, 2016**  
**(Unaudited)**

Net assets to allocate to stockholders' equity at January 18, 2016	\$ 42,213,295
<b>Common stock, par value</b>	
Allocated balance as of January 18, 2016; 7,416,766 shares, \$0.01 par value (Predecessor Basis)	74,168
Balance as of June 30, 2016 (7,416,766 shares, \$0.01 par value)	<u>74,168</u>
<b>Paid in capital</b>	
Allocated balance as of January 18, 2016 (Predecessor Basis)	32,908,888
Balance as of June 30, 2016	<u>32,908,888</u>
<b>Accumulated other comprehensive income</b>	
Unrealized gain on available for sale securities as of January 18, 2016 (Predecessor Basis)	1,812,340
Unrealized gain on available for sale securities	87,318
Balance as of June 30, 2016	<u>1,899,658</u>
<b>Retained earnings</b>	
Allocated balance as of January 18, 2016 (Predecessor Basis)	9,230,239
Reclassification of unrealized gain on available for sale securities (Predecessor Basis)	(1,812,340)
Transitional adjustment for net unrealized gain of wholly owned subsidiaries (Predecessor Basis)	(6,875,000)
Fair value adjustment of wholly owned subsidiaries on the effective date of the change in status	7,967,086
Combined accumulated deficit of wholly owned subsidiaries prior to the change in status	(1,092,086)
Net income	36,815
Dividends	(964,180)
Balance as of June 30, 2016	<u>6,490,534</u>
<b>Total stockholders' equity as of June 30, 2016</b>	<b><u>\$ 41,373,248</u></b>

See notes to consolidated financial statements.

**GLOBAL SELF STORAGE, INC.**

**STATEMENT OF CASH FLOWS (Predecessor Basis)  
For the Period January 1, 2016 through January 18, 2016  
(Unaudited)**

<b>Cash Flows From Operating Activities</b>	
Net decrease in net assets resulting from operations	\$ (73,227 )
Adjustments to reconcile decrease in net assets resulting from operations to net cash provided by (used in) operating activities:	
Unrealized depreciation of investments	22,605
Net sales of short term investments	96,448
Decrease in dividends receivable	9,232
Decrease in other assets	715
Decrease in accrued expenses	(69,986 )
Increase in due to affiliates	14,213
	<u>                    —</u>
Net cash provided by operating activities	<u>                    —</u>
<b>Cash</b>	
Beginning of period, December 31, 2015	<u>29,763</u>
End of period, January 18, 2016	<u>\$ 29,763</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS (Successor Basis)  
For the Period January 19, 2016 through June 30, 2016  
(Unaudited)**

<b>Cash flows from operating activities</b>	
Net income	\$ 36,815
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	
Depreciation and amortization	358,975
Cash from wholly owned subsidiaries consolidated upon change of status	464,585
Changes in operating assets and liabilities:	
Accounts receivable	(9,135 )
Prepaid expenses and other assets	31,207
Accounts payable and accrued expenses	127,346
Net cash provided by operating activities	<u>1,009,793</u>
<b>Cash flows from investing activities</b>	
Proceeds from sale of investments	3,429,889
Construction in progress	(1,141,530 )
Purchase of property and equipment	(24,433 )
Net cash provided by investing activities	<u>2,263,926</u>
<b>Cash flows from financing activities</b>	
Proceeds from note payable, net	19,267,449
Dividends paid	(964,180 )
Net cash provided by financing activities	<u>18,303,269</u>
Net increase in cash and cash equivalents	21,576,988
Cash and cash equivalents, January 18, 2016	29,763
Cash and cash equivalents, June 30, 2016	<u>\$ 21,606,751</u>
<b>Supplemental Schedule of cash flow information</b>	
Interest paid	\$ 16,302

See notes to consolidated financial statements.

**GLOBAL SELF STORAGE, INC.**  
**STATEMENT OF CASH FLOWS (Predecessor Basis)**  
**For the Six Months Ended June 30, 2015**  
**(Unaudited)**

<b>Cash Flows From Operating Activities</b>	
Net increase in net assets resulting from operations	\$ 3,286,427
Adjustments to reconcile increase in net assets resulting from operations to net cash provided by (used in) operating activities:	
Unrealized appreciation of investments	(1,796,355 )
Net realized gain on sales of investment securities	(900,368 )
Capital invested in wholly-owned subsidiaries	(450,000 )
Proceeds from sales of investment securities	900,368
Net purchases of short term investments	(144,160 )
Decrease in due from subsidiaries	3,372
Decrease in dividends receivable	2
Decrease in other assets	5,430
Increase in accrued expenses	40,647
Increase in due to affiliates	18,817
Net cash provided by operating activities	<u>964,180</u>
<b>Cash Flows from Financing Activities</b>	
Cash distributions paid	(964,180 )
Net cash used in financing activities	<u>(964,180 )</u>
Net change in cash	—
<b>Cash</b>	
Beginning of period, December 31, 2014	29,754
End of period, June 30, 2015	<u>\$ 29,754</u>

See notes to consolidated financial statements.

**GLOBAL SELF STORAGE, INC.**  
**SCHEDULE OF PORTFOLIO INVESTMENTS**  
December 31, 2015  
(Unaudited)

Member Equity Interest		Value
	<b>WHOLLY OWNED SUBSIDIARIES (81.88%)</b>	
	<b>Real Estate Owned (81.82%)</b>	
	<b>Self Storage Properties (81.82%)</b>	
100 %	SSG Bolingbrook LLC (a) (b)	\$ 6,100,000
100 %	SSG Dolton LLC (a) (b)	5,900,000
100 %	SSG Merrillville LLC (a) (b)	5,700,000
100 %	SSG Rochester LLC (a) (b)	5,950,000
100 %	SSG Sadsbury LLC (a) (b)	5,700,000
100 %	SSG Summerville I LLC (a) (b)	3,400,000
100 %	SSG Summerville II LLC (a) (b)	1,850,000
	Total real estate owned (Cost \$27,725,000)	34,600,000
	<b>Other (0.06%)</b>	
100 %	SSG Operations LLC (a) (b) (Cost \$24,573)	24,573
	Total wholly owned subsidiaries (Cost \$27,749,573)	34,624,573
<b>Shares</b>	<b>COMMON STOCKS (7.34%)</b>	
	<b>Real Estate Investment Trusts (7.34%)</b>	
	<b>Diversified (1.58%)</b>	
2,700	Public Storage	668,790
	<b>Industrial (5.76%)</b>	
24,000	CubeSmart	734,880
12,000	Extra Space Storage, Inc.	1,058,520
6,000	Sovran Self Storage, Inc.	643,860
		2,437,260
	Total common stocks (Cost \$ 1,360,102)	3,106,050
	<b>PREFERRED STOCKS (2.79%)</b>	
	<b>Real Estate Investment Trusts (2.79%)</b>	
	<b>Industrial (0.93%)</b>	
15,000	CubeSmart 7.75%, Series A	392,250
	<b>Retail (1.86%)</b>	
15,000	Pennsylvania Real Estate Investment Trust, 8.25%, Series A	387,150
15,000	Realty Income Corp., 6.625%, Series F	397,350
		784,500
	Total preferred stocks (Cost \$1,087,753)	1,176,750
	<b>OTHER (0%)</b>	
2	RMR Asia Pacific Fund Fractional shares (b) (Cost \$0)	0
	<b>SHORT TERM INVESTMENT (8.34%)</b>	
3,526,337	SSgA Money Market Fund, 7 day annualized yield 0.01% (Cost \$3,526,337)	3,526,337
	Total investments (Cost \$33,723,765) (100.35%)	42,433,710
	Liabilities in excess of other assets (-0.35%)	(147,188)
	Net assets (100.00%)	<u>\$ 42,286,522</u>

(a) Controlled affiliate.

(b) Illiquid and/or restricted security that has been fair valued.

LLC Limited Liability Company

See notes to consolidated financial statements.

**GLOBAL SELF STORAGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Unaudited)**

**1. ORGANIZATION**

Global Self Storage, Inc. (the “Company”) is a self-administered and self-managed REIT, formed as a Maryland corporation and is focused on the ownership, operation, acquisition, development and redevelopment of self storage facilities (“stores”). The Company stores are located in the Northeast, Mid-Atlantic and Mid-West regions of the United States. The Company was formerly registered under the Investment Company Act of 1940, as amended (the “1940 Act”) as a non-diversified, closed end management investment company. The Securities and Exchange Commission’s (“SEC”) order approving the Company’s application to deregister from the 1940 Act was granted on January 19, 2016. Accordingly, effective January 19, 2016, the Company changed its name to Global Self Storage, Inc. from Self Storage Group, Inc., changed its SEC registration to a reporting company under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (from an investment company under the 1940 Act), and listed its common stock on the Nasdaq Capital Market (“NASDAQ”) under the symbol “SELF”.

The Company has elected to be treated as a REIT under the Internal Revenue Code of 1986, as amended (the “IRC”). To the extent the Company continues to qualify as a REIT, it will not be subject to tax, with certain limited exceptions, on the taxable income that is distributed to its stockholders.

The Company invests in self storage facilities by acquiring stores through its wholly owned subsidiaries. At June 30, 2016, the Company owned and operated 7 stores. The Company operates primarily in one segment: rental operations.

**2. BASIS OF PRESENTATION**

Upon deregistration as an investment company, the Company's status changed to an operating company from an investment company since it no longer met the assessment of an investment company under ASC 946. The Company discontinued applying the guidance in ASC 946 and began to account for the change in status prospectively by accounting for its investments in accordance with other GAAP Topics as of the date of the change in status.

The Company financial statements for the period subsequent to the deregistration are prepared on a consolidated basis to include the financial position, results of operations, and cash flows of the Company and its wholly-owned subsidiaries, rather than by the investment company fair valuation approach. This change in status and the concomitant accounting policies affect the comparability of the financial statements for directly presenting corresponding items for 2016 and 2015. As such, for the six months ended June 30, 2016, the consolidated statements of operations and cash flows have been presented on the Predecessor Basis of accounting as an investment company from January 1, 2016 through January 18, 2016, and on the current basis of accounting as a REIT from January 19, 2016 through June 30, 2016. Similarly, separate statements of operations and cash flows are presented on the Predecessor Basis of accounting as an investment company for the periods ended June 30, 2015. The consolidated balance sheet at June 30, 2016 has been presented on the successor basis of accounting as a REIT and at June 30, 2015 the statement of assets and liabilities has been presented on the Predecessor Basis of accounting as an investment company.

The accompanying unaudited condensed consolidated financial statements of the Company are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information, and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. All material intercompany balances and transactions have been eliminated in consolidation. Accordingly, they may not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the period ended June 30, 2016, are not necessarily indicative of results that may be expected for the year ending December 31, 2016. The statement of assets and liabilities as of December 31, 2015 has been derived from the Company’s audited financial statements as of that date, but does not include all of the information and footnotes required by GAAP for complete financial statements. For further information refer to the financial statements and footnotes thereto included in the Company’s Annual Report on Form N-CSR for the year ended December 31, 2015, as filed with the SEC.

**Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses primarily consist of property tax accruals, unearned rental income, and trade payables.

## Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments, and may include money market fund shares, purchased with an original maturity of three months or less. The carrying amount reported on the balance sheet for cash and cash equivalents approximates fair value.

## Income Taxes

The Company has elected to be treated as a REIT under the IRC. In order to maintain its qualification as a REIT, among other things, the Company is required to distribute at least 90% of its REIT taxable income to its stockholders and meet certain tests regarding the nature of its income and assets. As a REIT, the Company is not subject to federal income tax with respect to that portion of its income which meets certain criteria and is distributed annually to stockholders. The Company plans to continue to operate so that it meets the requirements for taxation as a REIT. Many of these requirements, however, are highly technical and complex. If the Company were to fail to meet these requirements, it would be subject to federal income tax. The Company is subject to certain state and local taxes.

The Company recognizes the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. The Company has reviewed its tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on federal, state, and local income tax returns for open tax years (2013 – 2015), or is expected to be taken in the Company’s 2016 tax returns.

## Investments in Securities

Investments in equity securities that have readily determinable fair values are accounted for as available-for-sale. Available-for-sale securities are measured at fair value. Gains or losses from changes in the fair value of available-for-sale securities are recorded in accumulated other comprehensive income, until the investment is sold or otherwise disposed of, or until the investment is determined to be other-than-temporarily impaired, at which time the cumulative gain or loss previously reported in equity is included in income. The specific identification method is used to determine the realized gain or loss on investments sold or otherwise disposed.

Fair value is determined using a valuation hierarchy generally by reference to an active trading market, using quoted closing or bid prices. Judgment is used to ascertain if a formerly active market has become inactive and in determining fair values when markets have become inactive.

The Company periodically evaluates the carrying value of investments in securities for impairment. The Company considers, among other factors, the duration and extent of any decline in fair value, the intent and ability of the Company to hold the security for a period of time sufficient for a recovery in value, and recent events specific to the issuer or industry. If the decline in value is determined to be other-than-temporary, the carrying value of the security is written down to fair value through the income statement.

## Real Estate Assets

Real estate assets are carried at the appreciated value as of January 19, 2016, the effective date of the change in status. Purchases subsequent to the effective date of the change in status are carried at cost, less accumulated depreciation. Direct and allowable internal costs associated with the development, construction, renovation, and improvement of real estate assets are capitalized. Property taxes, and other costs associated with development incurred during the construction period are capitalized. The construction period begins when expenditures for the real estate assets have been made and activities that are necessary to prepare the asset for its intended use are in progress. The construction period ends when the asset is substantially complete and ready for its intended use.

Expenditures for maintenance and repairs are charged to expense as incurred. Major replacements and betterments that improve or extend the life of the asset are capitalized and depreciated over their estimated useful lives. Depreciation is computed using the straight-line method over the estimated useful lives of the buildings and improvements, which are generally between 5 and 39 years.

## Revenue and Expense Recognition

Revenues from stores, which are primarily composed of rental income earned pursuant to month-to-month leases for storage space, as well as associated late charges and administrative fees, are recognized as earned. Promotional discounts reduce rental income over the promotional period, which is generally one month. Ancillary revenues from sales of merchandise and tenant insurance and other income are recognized when earned.

The Company accrues for property tax expense based upon actual amounts billed and, in some circumstances, estimates and historical trends when bills or assessments have not been received from the taxing authorities or such bills and assessments are in dispute. If these estimates are incorrect, the timing and amount of expense recognition could be incorrect. Cost of operations and general and administrative expense are expensed as incurred.

#### Credit Risk

Financial assets that are exposed to credit risk consist primarily of cash and cash equivalents and certain portions of accounts receivable including rents receivable from our tenants. Cash and cash equivalents are on deposit with highly rated commercial banks.

#### Evaluation of Asset Impairment

The Company evaluates its real estate assets for impairment each quarter. If there are indicators of impairment and we determine that the asset is not recoverable from future undiscounted cash flows to be received through the asset's remaining life (or, if earlier, the expected disposal date), we record an impairment charge to the extent the carrying amount exceeds the asset's estimated fair value or net proceeds from expected disposal.

#### Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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 materially differ from management's estimates.

#### Recently Issued Accounting Standards

In March 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-09, Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting, which is intended to simplify various aspects related to how share-based payments are accounted for and presented in the financial statements. The new guidance allows for entities to make an entity-wide accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures when they occur. In addition, the guidance allows employers to withhold shares to satisfy minimum statutory tax withholding requirements up to the employees' maximum individual tax rate without causing the award to be classified as a liability. The guidance also stipulates that cash paid by an employer to a taxing authority when directly withholding shares for tax-withholding purposes should be classified as a financing activity on the statement of cash flows. The standard is effective on January 1, 2017, however early adoption is permitted. The Company is in the process of evaluating the impact of this new guidance.

In February 2016, the FASB issued ASU No. 2016-02 - Leases (Topic 842), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either financing or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires 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. The standard is effective on January 1, 2019, however early adoption is permitted. The Company is in the process of evaluating the impact of this new guidance.

In September 2015, the FASB issued ASU No. 2015-16, Simplifying the Accounting for Measurement-Period Adjustments, which amends the current business combination guidance to require that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined, as opposed to having to revise prior period information. The standard also requires additional disclosure about the impact on current-period income statement line items of adjustments that would have been recognized in prior periods if prior period information had been revised. The new standard became effective for the Company on January 1, 2016. The adoption of this guidance did not have a material impact on the Company's consolidated financial position or results of operations as there have been no measurement-period adjustments recorded.



In April 2015, the FASB issued ASU No. 2015-03, Simplifying the Presentation of Debt Issuance Costs, an update to the accounting standard relating to the presentation of debt issuance costs. Under the new guidance, debt issuance costs related to a recognized debt liability will be presented on the balance sheet as a direct deduction from the debt liability. In the event that there is not an associated debt liability recorded in the consolidated financial statements, the debt issuance costs will continue to be recorded on the consolidated balance sheet as an asset until the debt liability is recorded. The new standard became effective for the Company on January 1, 2016. The adoption of this guidance did not have a material impact on the Company's consolidated financial position or results of operations as the update only related to changes in financial statement presentation.

In February 2015, the FASB issued ASU No. 2015-02, Consolidation – Amendments to the Consolidation Analysis, which amends the current consolidation guidance affecting both the variable interest entity (“VIE”) and voting interest entity (“VOE”) consolidation models. The standard does not add or remove any of the characteristics in determining if an entity is a VIE or VOE, but rather enhances the way the Company assesses some of these characteristics. The new standard became effective for the Company on January 1, 2016. As discussed under *Basis of Presentation* above, the adoption of this guidance did not have a material impact on the Company's consolidated financial position or results of operations as none of its existing consolidation conclusions were changed.

In May 2014, the FASB issued ASU No. 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. The ASU will replace most existing revenue recognition guidance under GAAP when it becomes effective. The new standard will be effective for the Company beginning on January 1, 2018, however early application beginning on January 1, 2017 is permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company has not yet selected a transition method nor has it determined the effect of the standard on its financial statements and related disclosures.

The Company adopted ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, which requires the Company to reclassify debt financing costs, net of amortization on the Company's consolidated balance sheets, and present them as a direct deduction from the carrying amount of the related debt liability.

### 3. CHANGE IN STATUS

Prior to the January 19, 2016 change in status as a registered investment company, the Company recorded its investment in the self storage facilities at fair value and recorded the changes in the fair value as an unrealized gain or loss. Upon the effective date of the deregistration of the Company as a registered investment company, the fair value accounting as a registered investment company was no longer applicable to the Company, rather the Company began presenting on a consolidated basis, the underlying assets and liabilities of the self storage facilities. The Company's initial carrying value of the net assets of the self storage facilities is the fair value on the effective date of the change in status determined as follows:

Fair value of self storage properties on the effective date of the change in status			\$ 34,624,573
Total net assets of the combined self storage properties			
Property plant and equipment - self storage	\$ 26,388,167		
Cash and cash equivalents	464,585		
Accounts receivable	87,103		
Prepaid expenses and other assets	206,146		
Accounts payable and accrued expenses	(488,514)	26,657,487	
Adjustment to record the fair value of the net assets of the self storage properties on the effective date of the change in status			\$ 7,967,086

### 4. INVESTMENTS IN SECURITIES

Investments in securities as of June 30, 2016 consisted of the following:

	Cost Basis	Gross Unrealized		Value
		Gains	Losses	
Investment securities, available-for-sale				
Common and preferred stocks	\$ 2,447,855	\$ 1,905,149	\$ (5,491)	\$ 4,347,513
Total investment in securities	\$ 2,447,855	\$ 1,905,149	\$ (5,491)	\$ 4,347,513

## 5. SELF STORAGE FACILITIES

The carrying value of the Company's real estate assets is summarized as follows:

Self storage facilities, at cost:	
Beginning balance	\$ 30,746,183
Capital expenditures for office remodeling and equipment acquisition	24,432
Ending balance	<u>30,770,615</u>
Land	
Beginning balance	3,464,406
Ending balance	<u>3,464,406</u>
Accumulated depreciation:	
Beginning balance	—
Depreciation expense	(358,975)
Ending balance	<u>(358,975)</u>
Construction in progress:	
Beginning balance	144,664
Current development	1,141,530
Ending balance	<u>1,286,194</u>
Total real estate facilities at June 30, 2016	<u>\$ 35,162,240</u>

The real estate assets as of June 30, 2016, have been adjusted to reflect the appreciated fair value of the self storage facilities as of the date of the change in status from an investment company.

Construction in progress consists of the expansion project in Bolingbrook, IL which, when completed, will add approximately 44,260 leasable square feet of climate-controlled and traditional storage units, for an aggregate cost of approximately \$2,400,000. As of June 30, 2016, development costs for this project totaled \$1,286,194. These costs have been capitalized while the project is under development and are reflected in Self storage facilities, net on the Company's consolidated balance sheet.

## 6. FAIR VALUE MEASUREMENTS

GAAP establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration. Level 3 inputs are unobservable inputs based on our own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following table provides the assets and liabilities carried at fair value measured on a recurring basis as of June 30, 2016 and December 31, 2015:

June 30, 2016	Level 1	Level 2	Level 3	Total
Assets				
Investment in securities	\$ 4,347,513	\$ —	\$ —	\$ 4,347,513
Total assets at fair value	<u>\$ 4,347,513</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 4,347,513</u>

December 31, 2015	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments, at value				
Wholly owned subsidiaries				
Self storage facilities	\$ —	\$ —	\$34,600,000	\$34,600,000
Other	—	—	24,573	24,573
Common stocks	3,106,050	—	—	3,106,050
Preferred stocks	1,176,750	—	—	1,176,750
Other	—	—	—	—
Short term investments	3,526,337	—	—	3,526,337
Total assets at fair value	<u>\$ 7,809,137</u>	<u>\$ —</u>	<u>\$34,624,573</u>	<u>\$42,433,710</u>

There were no assets transferred from level 1 to level 2 as of June 30, 2016 or December 31, 2015. The Company did not have any assets or liabilities that are re-measured on a recurring basis using significant unobservable inputs as of June 30, 2016 or December 31, 2015.

## 7. NOTE PAYABLE

On June 24, 2016, certain wholly owned subsidiaries (the “Subsidiaries”) of the Company entered into a loan agreement (the “Loan Agreement”) borrowing the principal amount of \$20 million pursuant to a promissory note (the “Promissory Note”). The Promissory Note bears an interest rate equal to 4.192% per annum and is due to mature on July 1, 2036. Pursuant to a security agreement (the “Security Agreement”), the obligations under the Loan Agreement are secured by certain real estate assets owned by the Subsidiaries.

The Company entered into a non-recourse guaranty on June 24, 2016 (the “Guaranty,” and together with the Loan Agreement, the Promissory Note and the Security Agreement, the “Loan Documents”) to guarantee the payment to Lender of certain obligations of the Subsidiaries under the Loan Agreement.

The Loan Documents require the Subsidiaries and the Company to comply with certain covenants, including, among others, a minimum net worth test and other customary covenants. The Lender may accelerate amounts outstanding under the Loan Documents upon the occurrence of an Event of Default (as defined in the Loan Agreement) including, but not limited to, the failure to pay amounts due or commencement of bankruptcy proceedings.

The Company incurred loan procurement costs of \$732,551 and such costs have been recorded net of the note payable on the consolidated balance sheet and are amortized as an adjustment to interest expense over the term of the loan.

As of June 30, 2016, the Company’s note payable is summarized as follows:

<u>Note Payable</u>	<u>Carrying Value</u>
Principal balance outstanding	\$ 20,000,000
Less: Loan procurement costs, net	(732,551)
Total note payable, net	<u>\$ 19,267,449</u>

As of June 30, 2016, the note payable was secured by certain of its self storage facilities with an aggregate net book value of approximately \$ 35 million. The note payable pays interest only from August 1, 2016 through June 30, 2018. The following table represents the future principal payment requirements on the note payable as of June 30, 2016:

2016	\$ —
2017	—
2018	267,619
2019	474,251
2020	494,518
2021 and thereafter	18,763,612
Total principal payments	20,000,000
Less: Loan procurement costs, net	(732,551)
Total note payable	<u>\$ 19,267,449</u>

## 8. INVESTMENTS IN WHOLLY OWNED SUBSIDIARIES

The following summary sets forth the Company's membership equity ownership including membership equity capital additions and reductions, cash dividends received by the Company, and the value of each wholly owned subsidiary as recorded in the schedule of portfolio investments as of and for the year ended December 31, 2015.

	Beginning Equity Interest Percentage	Membership Equity Gross Additions	Gross Reductions	Ending Equity Interest Percentage	Dividend Income	Value December 31, 2015
SSG Bolingbrook LLC	100 %	\$ —	\$ —	100 %	\$ —	\$ 6,100,000
SSG Dolton LLC	100 %	—	—	100 %	—	5,900,000
SSG Merrillville LLC	100 %	—	—	100 %	—	5,700,000
SSG Rochester LLC	100 %	—	—	100 %	—	5,950,000
SSG Sadsbury LLC	100 %	450,000	—	100 %	—	5,700,000
SSG Summerville I LLC	100 %	—	—	100 %	—	3,400,000
SSG Summerville II LLC	100 %	—	—	100 %	—	1,850,000
SSG Operations LLC	100 %	24,573	—	100 %	—	24,573
		<u>\$ 474,573</u>	<u>\$ —</u>		<u>\$ —</u>	<u>\$ 34,624,573</u>

## 9. EARNINGS PER SHARE

Basic earnings per share is computed using the weighted average number of shares outstanding. Diluted earnings per share is computed using the weighted average number of shares outstanding adjusted for the incremental shares attributed to potentially diluted securities. The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended June 30, 2016	For the Period January 19, 2016 through June 30, 2016
Net income (loss)	\$ (12,306)	\$ 36,815
Basic and diluted weighted average common shares outstanding	7,416,766	7,416,766
Basic and diluted per share net income (loss)	\$ (0.00)	\$ 0.00

## 10. RELATED PARTY TRANSACTIONS

Certain officers and directors of the Company also serve as officers and directors of Winmill & Co. Incorporated ("Winco"), Bexil Corporation, Tuxis Corporation ("Tuxis"), and their affiliates (collectively with the Company, the "Affiliates"). As of June 30, 2016, certain of the Affiliates owned approximately 2% of the Company's outstanding common stock. Pursuant to an arrangement between a professional employer organization ("PEO") and the Affiliates, the PEO provides payroll, benefits, compliance, and related services for employees of the Affiliates in accordance with applicable rules and regulations under the IRC and, in connection therewith, Midas Management Corporation ("MMC"), a subsidiary of Winco, acts as a conduit payer of compensation and benefits to the Affiliates' employees including those who are concurrently employed by the Company and its Affiliates. Rent expense of

concurrently used office space and overhead expenses for various concurrently used administrative and support functions incurred by the Affiliates are allocated at cost among them. The Affiliates participate in a 401(k) retirement savings plan for substantially all qualified employees. A matching expense based upon a percentage of contributions to the plan by eligible employees is incurred and allocated among the Affiliates. The matching expense is accrued and funded on a current basis and may not exceed the amount permitted as a deductible expense under the IRC. The aggregate compensation and benefits accrued and paid by the Company for the three and six months ended June 30, 2016 was \$131,242 and \$261,315, respectively. The aggregate rent and overhead accrued and paid by the Company for the three and six months ended June 30, 2016 was \$15,583 and \$34,504, respectively. As of June 30, 2016, the Company had reimbursements payable to MMC and Winco for compensation and benefits and rent and overhead of \$2,767.

The Company provides a maximum monthly automobile allowance of \$1,000 per month to its President, Mark C. Winmill. To the extent that the monthly maximum payment under the Company's automobile lease exceeds the monthly allowance, Mr. Winmill must reimburse the Company for the excess amount. In this regard, Mr. Winmill has reimbursed the Company \$1,878 for the automobile payments paid and due in 2016.

The Company leases office space from Tuxis under a rental agreement. The terms of occupancy are month to month and automatically renew unless terminated by either party on ten days' written notice. The monthly rental charges are \$1,000 per month due and payable on the first day of each month. For the three and six months ended June 30, 2016, the total rent paid by the Company to Tuxis was \$3,000 and \$6,000 respectively.

## **11. CAPITAL STOCK**

The Company is authorized to issue 19,900,000 shares of \$0.01 par value common stock. The Company also has 100,000 shares of Series A participating preferred stock, \$0.01 par value, authorized, of which none has been issued.

## **12. STOCKHOLDER RIGHTS PLAN**

On January 28, 2016 the Company announced that its Board of Directors has adopted a stockholders rights plan (the "Rights Plan"). To implement the Rights Plan, the Board of Directors declared a dividend distribution of one right for each outstanding share of Company common stock, par value \$.01 per share, to holders of record of the shares of common stock at the close of business on January 29, 2016. Each right entitles the registered holder to purchase from the Company one one-thousandth of a share of preferred stock, par value \$.01 per share. The rights were distributed as a non-taxable dividend and will expire on January 29, 2026. The rights were evidenced by the underlying Company common stock, and no separate preferred stock purchase rights certificates have been presently be distributed. The rights to acquire preferred stock are not immediately exercisable and will become exercisable only if a person or group, other than Exempt Persons (as defined in the Rights Plan agreement), acquires or commences a tender offer for 9.8% or more of the Company's common stock. If a person or group, other than an Exempt Person, acquires or commences a tender offer for 9.8% or more of the Company's common stock, each holder of a right, except the acquirer, will be entitled, subject to the Company's right to redeem or exchange the right, to exercise, at an exercise price of \$12, the right to purchase one one-thousandth of a share of the Company's newly created Series A Participating Preferred Stock, or the number of shares of Company common stock equal to the holder's number of rights multiplied by the exercise price and divided by 50% of the market price of the Company's common stock on the date of the occurrence of such an event. The Company's Board of Directors may terminate the Rights Plan at any time or redeem the rights, for \$0.01 per right, at any time before a person acquires 9.8% or more of the Company's common stock. This Rights Plan replaced the Plan dated November 25, 2015, which expired on its own terms on March 24, 2016.

## **13. COMMITMENTS AND CONTINGENCIES**

The Company enters into contracts that contain a variety of representations and warranties and which may provide general indemnifications. The Company's maximum exposure under these arrangements is unknown as it involves future claims that may be made against the Company under circumstances that have not occurred.

The Company leases an automobile under a lease expiring on February 25, 2017. The future minimum lease payments under the lease in aggregate are \$15,035 comprised of annual payments of \$13,878 and \$1,157 for the years ending December 31, 2016 and 2017, respectively.

#### 14. AGREEMENTS FOR SALE AND PURCHASE

On May 9, 2016, the Company, through a wholly owned subsidiary, entered into an agreement with Gray Eagle Development, LLP to acquire a self storage facility located in Fishers, Indiana (the "Indiana Property") for the sum of \$7,700,000 (the "Indiana Purchase Agreement"). The Company's obligation to close under the Indiana Purchase Agreement is expressly conditioned upon (i) the Indiana Property being satisfactory to the Company in all respects upon completion of the Company's due diligence review and inspection of the Indiana Property and (ii) the occurrence or fulfillment of other conditions precedent to closing under the Indiana Purchase Agreement. If certain of the conditions precedent to closing under the Indiana Purchase Agreement are not satisfied, the Company, in addition to its other remedies set forth in the Indiana Purchase Agreement, shall be entitled to (A) terminate the Indiana Purchase Agreement and the Indiana Purchase Agreement shall be deemed null and void, (B) pursue specific performance of the Indiana Purchase Agreement and/or (C) pursue any other remedies at law or in equity.

On June 27, 2016, the Company, through a wholly owned subsidiary, entered into an agreement with West Robb Ave., LLC, Wall & Ceiling Systems, Inc. and Victoria L. Strickland (collectively, the "Ohio Seller") to acquire a self storage facility located in Lima, Ohio (the "Ohio Property") for the sum of \$5,300,000 (the "Ohio Agreement"). The Company's obligation to close under the Agreement is expressly conditioned upon (i) the Ohio Property being satisfactory to the Company in all respects upon completion of the Company's due diligence review and inspection of the Ohio Property and (ii) the occurrence or fulfillment of other conditions precedent to closing under the Ohio Agreement. If certain of the conditions precedent to closing under the Ohio Agreement are not satisfied, the Company, in addition to its other remedies set forth in the Ohio Agreement, shall be entitled to (A) terminate the Ohio Agreement and the Ohio Agreement shall be deemed null and void, (B) pursue specific performance of the Ohio Agreement and/or (C) pursue any other remedies at law or in equity. There is no material relationship between the Company, its Subsidiary or its affiliates and the Ohio Seller, other than in respect of the Ohio Agreement.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

### **CAUTIONARY LANGUAGE**

The following discussion and analysis should be read in conjunction with our unaudited "Condensed Consolidated Financial Statements" and the "Notes to Condensed Consolidated Financial Statements (unaudited)" appearing elsewhere in this report. We make statements in this section that may be forward looking statements within the meaning of the federal securities laws. For a complete discussion of forward looking statements, see the section in this Form 10-Q entitled "Statement on Forward Looking Information."

### **CRITICAL ACCOUNTING POLICIES**

Our discussion and analysis of our financial condition and results of operations are based on our unaudited condensed consolidated financial statements contained elsewhere in this report, which have been prepared in accordance with GAAP. Our notes to the unaudited condensed consolidated financial statements contained elsewhere in this report describe the significant accounting policies essential to our unaudited condensed consolidated financial statements. Preparation of our financial statements requires estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions that we have used are appropriate and correct based on information available at the time they were made. These estimates, judgments and assumptions can affect our reported assets and liabilities as of the date of the financial statements, as well as the reported revenues and expenses during the period presented. If there are material differences between these estimates, judgments and assumptions and actual facts, our financial statements may be affected.

In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require our judgment in its application. There are areas in which our judgment in selecting among available alternatives would not produce a materially different result, but there are some areas in which our judgment in selecting among available alternatives would produce a materially different result. See the notes to the unaudited condensed consolidated financial statements that contain additional information regarding our accounting policies and other disclosures.

### **Management's Discussion and Analysis Overview**

The Company is a self-administered and self-managed REIT focused on the ownership, operation, acquisition, development and redevelopment of self storage facilities ("stores"). Our stores are designed to offer affordable, easily accessible and secure storage space for residential and commercial customers. The Company currently owns and operates seven stores located in New York, Pennsylvania, Illinois, Indiana, and South Carolina. As previously reported in our press release on January 19, 2016, on that day the Company changed its name to Global Self Storage, Inc. from Self Storage Group, Inc., changed its SEC registration from an investment company to an operating company, and uplisted to NASDAQ.

Our store operations generated most of our net income for all periods presented. Accordingly, a significant portion of management's time is devoted to maximizing cash flows from our existing stores, as well as seeking additional investments in stores.

Most of our stores compete with other well-managed and well-located competitors and we are subject to general economic conditions, particularly those that affect the spending habits of consumers and moving trends. We believe that our centralized information networks, national telephone and online reservation system, the brand name "Global Self Storage," and our economies of scale help enable us to meet such challenges effectively.

The Company expects to continue to earn a majority of its gross income from its store operations as its current store operations continue to develop and as it makes additional store acquisitions. Over time, the Company expects to divest its remaining portfolio of investment securities and use the proceeds to acquire and operate additional stores. The Company expects its income from investment securities to continue to decrease as it continues to divest its holdings of investment securities.

### *Financial Condition and Results of Operations*

On June 24, 2016, certain wholly owned subsidiaries (“Secured Subsidiaries”) of the Company entered into a loan agreement and certain other related agreements (collectively, the “Loan Agreement”) between the Secured Subsidiaries and Insurance Strategy Funding IV, LLC (the “Lender”). Under the Loan Agreement, the Secured Subsidiaries are borrowing from Lender in the principal amount of \$20 million pursuant to a promissory note (the “Promissory Note”). The Promissory Note bears an interest rate equal to 4.192% per annum and is due to mature on July 1, 2036. Pursuant to a security agreement (the “Security Agreement”), the obligations under the Loan Agreement are secured by certain real estate assets owned by the Secured Subsidiaries. J.P. Morgan Investment Management, Inc. acted as Special Purpose Vehicle Agent of the Lender. The Company entered into a non-recourse guaranty on June 24, 2016 (the “Guaranty,” and together with the Loan Agreement, the Promissory Note and the Security Agreement, the “Loan Documents”) to guarantee the payment to Lender of certain obligations of the Secured Subsidiaries under the Loan Agreement. The Loan Documents require the Secured Subsidiaries and the Company to comply with certain covenants, including, among others, a minimum net worth test and other customary covenants. The Lender may accelerate amounts outstanding under the Loan Documents upon the occurrence of an Event of Default (as defined in the Loan Agreement) including, but not limited to, the failure to pay amounts due or commencement of bankruptcy proceedings. The Company and the Secured Subsidiaries paid customary fees and expenses in connection with their entry into the Loan Documents. There is no material relationship between the Company, its Secured Subsidiaries or its affiliates and the Lender, other than in respect of the Loan Documents. The foregoing description is qualified in its entirety by the full terms and conditions of the Loan Documents, filed as Exhibits 10.1, 10.2, 10.3 and 10.4 to the Current Report on Form 8-K filed on June 30, 2016. We intend to use the proceeds of such debt financing primarily in connection with future potential store acquisitions.

As of June 30, 2016, we had capital resources totaling \$25 million, well in excess of our current planned capital needs over the next year. Our capital resources include: (i) \$5.9 million of cash and marketable securities as of June 30, 2016, and (ii) \$20 million of net proceeds from the aforementioned loan agreement dated June 24, 2016. Capital resources derived from retained cash flow has been and is expected to be negligible. Retained operating cash flow represents our expected cash flow provided by operating activities, less shareholder distributions and capital expenditures to maintain real estate facilities.

We have been actively reviewing a number of property and portfolio acquisition candidates and have been working to further develop and expand our current properties. On May 9, 2016, one of our wholly owned subsidiaries entered into an agreement with the Indiana Seller to acquire the Indiana Property for the sum of \$7,700,000. Our obligation to close under the Purchase Agreement is expressly conditioned upon (i) the Indiana Property being satisfactory to us in all respects upon completion of our due diligence review and inspection of the Indiana Property and (ii) the occurrence or fulfillment of other conditions precedent to closing under the Indiana Purchase Agreement. If certain of the conditions precedent to closing under the Indiana Purchase Agreement are not satisfied, we, in addition to its other remedies set forth in the Indiana Purchase Agreement, will be entitled to (A) terminate the Indiana Purchase Agreement and the Indiana Purchase Agreement will be deemed null and void, (B) pursue specific performance of the Indiana Purchase Agreement and/or (C) pursue any other remedies at law or in equity.

Additionally, on June 27, 2016, the Company, through another of our wholly owned subsidiaries, entered into an agreement with the Ohio Seller to acquire a self storage facility located in Lima, Ohio the Ohio Property for the sum of \$5,300,000. The Company's obligation to close under the Ohio Agreement is expressly conditioned upon (i) the Ohio Property being satisfactory to the Company in all respects upon completion of the Company's due diligence review and inspection of the Ohio Property and (ii) the occurrence or fulfillment of other conditions precedent to closing under the Ohio Agreement. If certain of the conditions precedent to closing under the Ohio Agreement are not satisfied, the Company, in addition to its other remedies set forth in the Ohio Agreement, shall be entitled to (A) terminate the Ohio Agreement and the Ohio Agreement shall be deemed null and void, (B) pursue specific performance of the Ohio Agreement and/or (C) pursue any other remedies at law or in equity. There is no material relationship between the Company, its Subsidiary or its affiliates and the Ohio Seller, other than in respect of the Ohio Agreement.

For the three months ended June 30, 2016, the net loss was \$12,306 or less the \$(0.01) per share and for the period January 19, 2016 to June 30, 2016, net income was \$ 36,815 or less than \$0.01 per share.



### Non-GAAP Measures

Funds from Operations (“FFO”) and FFO per share are non-GAAP measures defined by the National Association of Real Estate Investment Trusts (“NAREIT”) and are considered helpful measures of REIT performance by REITs and many REIT analysts. NAREIT defines FFO as a REIT’s net income, excluding gains or losses from sales of property, and adding back real estate depreciation and amortization. FFO and FFO per share are not a substitute for net income or earnings per share. FFO is not a substitute for GAAP net cash flow in evaluating our liquidity or ability to pay dividends, because it excludes financing activities presented on our statements of cash flows. In addition, other REITs may compute these measures differently, so comparisons among REITs may not be helpful. However, the Company believes that to further understand the performance of its self-storage properties, FFO should be considered along with the reported net income and cash flows in accordance with GAAP, as presented in the Company’s financial statements.

We believe net operating income or “NOI” is a meaningful measure of operating performance, because we utilize NOI in making decisions with respect to capital allocations, determining current property values, evaluating property performance and in comparing period-to-period and market-to-market property operating results. In addition, we believe the investment community utilizes NOI in determining operating performance and real estate values, and does not consider depreciation expense because it is based upon historical cost. NOI is defined as net property earnings before general and administrative expenses, interest, taxes, depreciation, and amortization.

NOI is not a substitute for net income, net operating cash flow, or other related GAAP financial measures, in evaluating our operating results.

The following tables present a reconciliation and computation of net income to FFO and earnings per share to FFO per share:

	Three Months Ended June 30, 2016	For the Period January 19, 2016 through June 30, 2016
<b>Computation and Reconciliation of FFO</b>		
Net income (loss)	\$ (12,306)	\$ 36,815
Eliminate items excluded from FFO:		
Depreciation and amortization	189,008	358,975
FFO	<u>\$ 176,702</u>	<u>\$ 395,790</u>
<b>Computation and Reconciliation of FFO per Share</b>		
Net income (loss)	\$ (0.00)	\$ 0.00
Eliminate items excluded from FFO:		
Depreciation and amortization	0.03	0.05
FFO per Share	<u>\$ 0.02</u>	<u>\$ 0.05</u>

### Same-Store Self Storage Operations

We grew our top-line results by increasing same-store revenues by 8.9% for the three months ended June 30, 2016 versus the three months ended June 30, 2015, and by 7.6% for the six months ended June 30, 2016 versus the six months ended June 30, 2015. Same-store cost of operations increased by 7.8% for the three months ended June 30, 2016 versus the three months ended June 30, 2015, and by 6.1% for the six months ended June 30, 2016 versus the six months ended June 30, 2015. Same-store net operating income increased by 9.7% for the three months ended June 30, 2016 versus the three months ended June 30, 2015, and by 8.8% for the six months ended June 30, 2016 versus the six months ended June 30, 2015. This growth rate of net operating income was the result of an increase in year over year revenues at a rate higher than growth rate of operating expenses. General and administrative expense increased by 146.5% for the three months ended June 30, 2016 versus the three months ended June 30, 2015, and by 4.9% for the period ended June 30, 2016 versus the six months ended June 30, 2015. The increase in the general and administrative expense during the most recent quarter can be primarily attributed to an increase in legal, accounting, compliance, Nasdaq listing fees, and investor relations and capital market consulting expenses. Going forward, although we expect some general and administrative expense reductions associated with our discontinued registration as an investment company, we expect to incur a number of new expenses related to, among other things, the Company’s new reporting and regulatory requirements.

Our results were driven by, among other things, our internet and digital marketing initiatives which helped our overall average occupancy approach and maintain the 90% mark. Also contributing to our strong results were our customer service efforts which were essential in building local brand loyalty resulting in powerful referral and word-of-mouth market demand for our storage units and services. Another significant contributing factor to our results was our revenue rate management program which helped increase our total annualized revenue per leased square foot by 6.6% for the three months ended June 30, 2016 versus the three months ended June 30, 2015, and by 5.4% for the six months ended June 30, 2016 versus the six months ended June 30, 2015.

These results are summarized as follows:

**SAME - STORE PROPERTIES**

<b>Three Months ended June 30</b>	<b>2016</b>	<b>2015</b>	<b>Variance</b>	<b>% Change</b>
Revenues	\$ 1,197,549	\$ 1,099,336	\$ 98,213	8.9%
Cost of operations	\$ 484,133	\$ 449,020	\$ 35,113	7.8%
Net operating income	\$ 713,416	\$ 650,316	\$ 63,100	9.7%
Depreciation and amortization	\$ 211,689	\$ 159,124	\$ 52,565	33.0%
Net leasable square footage at period end	485,574	486,168	(594)	-0.1%
Net leased square footage at period end	447,363	438,118	9,245	2.1%
Average overall square foot occupancy	92.1%	90.1%	2.0%	2.2%
Total annualized revenue per leased square foot	\$ 10.71	\$ 10.04	\$ 0.67	6.7%
Number of leased storage units	3,467	3,359	108	3.2%

**SAME - STORE PROPERTIES**

<b>Six Months ended June 30</b>	<b>2016</b>	<b>2015</b>	<b>Variance</b>	<b>% Change</b>
Revenues	\$ 2,341,273	\$ 2,175,097	\$ 166,176	7.6%
Cost of operations	\$ 981,919	\$ 925,187	\$ 56,732	6.1%
Net operating income	\$ 1,359,354	\$ 1,249,910	\$ 109,444	8.8%
Depreciation and amortization	\$ 413,059	\$ 312,230	\$ 100,829	32.3%
Net leasable square footage at period end	485,574	486,168	(594)	-0.1%
Net leased square footage at period end	447,363	438,118	9,245	2.1%
Average overall square foot occupancy	92.1%	90.1%	2.0%	2.2%
Total annualized revenue per leased square foot	\$ 10.47	\$ 9.93	\$ 0.54	5.4%
Number of leased storage units	3,467	3,359	108	3.2%

### *Analysis of Same-Store Revenue*

For the three months ended June 30, 2016, the 8.9% revenue increase was due primarily to a 6.7% increase in total annualized revenue per leased square foot, a 2.1% increase in net leased square footage and a 2.2% increase in same store average overall square foot occupancy. For the six months ended June 30, 2016, the 7.6% revenue increase was due primarily to a 5.4% increase in total annualized revenue per leased square foot, 2.1% increase in net leased square footage and a 2.2% increase in same store average overall square foot occupancy. The increase in total annualized revenue per leased square foot was due primarily to annual rent increases given to existing tenants, an increase in available climate-controlled leasable square feet compared to available leasable parking square feet, and, to a lesser extent, increased move-in rental rates and decreased move-in rent “specials” discounting. Same store average overall square foot occupancy for all of the Company’s facilities combined increased to 92.1% in the six months ended June 30, 2016 from 90.1% in the six months ended June 30, 2015, representing an increase of 2.2%.

We believe that high occupancies help maximize our rental income. We seek to maintain an average square foot occupancy level of about 90% by regularly adjusting the rental rates and promotions offered to attract new tenants as well as adjusting our marketing efforts on the internet in order to generate sufficient move-in volume to replace tenants that vacate. Demand fluctuates due to various local and regional factors, including the overall economy. Demand is higher in the summer months than in the winter months and, as a result, rental rates charged to new tenants are typically higher in the summer months than in the winter months.

We currently expect rental income growth, if any, in the remainder of 2016 to come from a combination of the following: (i) continued annual rent increases to tenants, (ii) higher rental rates charged to new tenants, (iii) lower promotional discounts and, to a lesser extent, and (iv) higher occupancies. Our future rental income growth will also be dependent upon many factors for each market that we operate in, including demand for self storage space, the level of competitor supply of self storage space and the average length of stay of our tenants. Increasing rental rates to existing tenants, generally on an annual basis is a key component of our revenue growth. We determine the level of rental increases based upon our expectations regarding the impact of existing tenant rate increases on incremental move-outs. We currently expect rent increases to existing tenants for the remainder of 2016 to be slightly less than the prior year.

We believe that the current trends in move-in, move-out, in place contractual rents and occupancy levels are consistent with our current expectation of continued revenue growth in the remainder of 2016. However, such trends, when viewed in the short-term, are volatile and not necessarily be predictive of our revenues going forward because they are subject to many short-term factors. Such factors include, among others, initial move-in rates, seasonal factors, the unit size and geographical mix of the specific tenants moving in or moving out, the length of stay of the tenants moving in or moving out, changes in our pricing strategies, and the degree and timing of rate increases previously passed to existing tenants.

Importantly, we continue to refine our ongoing revenue management program which includes regular internet data scraping of local competitors’ prices. We do this in order to maintain our competitive market price advantage for our various sized storage units at our stores. This program helps us maximize each store’s occupancies and our self storage revenue and net operating income. We believe that through our various marketing initiatives, we can continue to attract high quality, long term tenants who we expect will be storing with us for years. Currently, our average tenant duration of stay is a little under three years, up from about two years for the same period in 2015.

**GLOBAL SELF STORAGE STORES**  
**(As of June 30, 2016)**

<u>Property</u>	<u>Address</u>	<u>Year Store Opened</u>	<u>Number of Units</u>	<u>Net Leasable Square Feet(1)</u>	<u>June 30, 2016 Square Foot Occupancy %</u>	<u>March 31, 2016 Square Foot Occupancy %</u>	<u>June 30, 2015 Square Foot Occupancy %</u>
SSG BOLINGBROOK LLC	296 North Weber Road, Bolingbrook, IL 60440	1997	497	66,250	97.4 %	96.7 %	96.4 %
SSG DOLTON LLC	14900 Woodlawn Avenue, Dolton, IL 60419	2007	649	86,725	95.5 %	95.5 %	96.4 %
SSG MERRILLVILLE LLC	6590 Broadway, Merrillville, IN 46410	2005	507	71,420	96.2 %	94.2 %	95.4 %
SSG ROCHESTER LLC	2255 Buffalo Road, Rochester, NY 14624	2010	650	68,017	90.0 %	88.2 %	95.1 %
SSG SADBURY LLC	21 Aim Boulevard, Sadsburyville, PA 19369	2006	699	79,004	90.6 %	85.5 %	78.4 %
SSG SUMMERVILLE I LLC	1713 Old Trolley Road, Summerville, SC 29485	1990	557	72,700	84.2 %	74.1 %	80.1 %
SSG SUMMERVILLE II LLC	900 North Gum Street, Summerville, SC 29483	1997	254	41,458	90.6 %	83.5 %	89.6 %
<b>TOTAL/AVERAGE</b>			<b><u>3,813</u></b>	<b><u>485,574</u></b>	<b><u>92.1 %</u></b>	<b><u>88.1 %</u></b>	<b><u>90.1 %</u></b>

- 1) Includes outside auto/RV/boat storage space of approximately 13,000 square feet at SSG Sadsbury LLC; 11,300 square feet at SSG Bolingbrook LLC; 9,900 square feet at SSG Dolton LLC; 11,170 square feet at SSG Merrillville LLC; and 5,300 square feet at SSG Summerville II LLC. During 2015, upon completion of its new construction project SSG Sadsbury LLC added 219 climate-controlled storage units comprising 16,756 leasable square feet. Also during 2015, SSG Bolingbrook LLC eliminated 98 parking spaces (32,700 square feet) to accommodate its new buildings construction project which, when complete, will add some 306 climate-controlled and traditional storage units totaling approximately 44,260 leasable square feet to the facility. Approximately 42% of our total available units are climate-controlled, 54% are traditional and 4% are parking. The six months average annualized revenue per leased square foot was \$10.47 and \$9.93 for the periods ended June 30, 2016 and June 30, 2015, respectively.

*Analysis of Same-Store Cost of Operations*

Same-store cost of operations increased 7.8% or \$35,113 for the three months ended June 30, 2016 versus the three months ended June 30, 2015, and increased 6.1% or \$56,732 for the six months ended June 30, 2016 versus the six months ended June 30, 2015. This increase in same-store cost of operations was due primarily to increased property tax expense, employment costs, repair and maintenance and marketing expense, which were partially offset by decreases in professional, utilities, administrative, and lien administration costs.

Property tax expense increased 1.0% or \$922 for the three months ended June 30, 2016 versus the three months ended June 30, 2015, and increased 3.9% or \$10,882 in the six months ended June 30, 2016 as compared to the same period in 2015, due primarily to higher assessed values and tax rates, in particular for our Sadsburyville, PA store. We expect property tax expense growth of approximately the same amount in the remainder of 2016.

On-site property manager payroll expense increased 14.2% or \$16,309 for the three months ended June 30, 2016 versus the three months ended June 30, 2015, and increased 9.8% or \$23,267 in the six months ended June 30, 2016 as compared to the same period in 2015. This increase was due primarily to wage increases and higher employee health plan expenses. We expect inflationary increases in compensation rates for existing employees and other increases in compensation costs as we add new properties as well as District and Regional Managers in the remainder of 2016.

Repairs and maintenance expense increased 27.4% or \$6,519 for the three months ended June 30, 2016 versus the three months ended June 30, 2015, and increased 32.9% or \$15,589 in the six months ended June 30, 2016 as compared to the same period in 2015 due primarily to our ongoing LED light replacement program expenses in the 2016 period compared to the 2015 period. We anticipate continued focus on our LED light replacement program throughout 2016. At our stores fully converted to LED lighting, we have realized utilities expense savings year-over-year of approximately 40% due to lower kilowatt per hour usage.

Our utility expenses are comprised of electricity, oil, and gas costs, which vary by store and are dependent upon energy prices and usage levels. Changes in usage levels are driven primarily by weather and temperature. Also affecting our utilities expenses over time is our aforementioned ongoing LED light replacement program at all of our stores which has already resulted in lower electricity usage. Utility expense decreased 12.7% or \$3,714 for the three months ended June 30, 2016 versus the three months ended June 30, 2015, and decreased 20.1% or \$16,330 in the six months ended June 30, 2016 as compared to the same period in 2015 primarily due to 2016's milder winter in most of our stores' areas and the benefit of lower electricity usage due to our LED light replacement program. It is difficult to estimate future utility costs because weather, temperature, and energy prices are volatile and unpredictable. However, based upon current trends and expectations regarding commercial electricity rates, we currently expect inflationary increases in rates combined with lower usage resulting in net lower utility costs for the remainder of 2016.

Landscaping expenses, which include snow removal costs, increased 28.4% or \$3,267 for the three months ended June 30, 2016 versus the three months ended June 30, 2015, and increased 8.0% or \$3,193 in the six months ended June 30, 2016 compared to the same period in 2015. Landscaping expense levels are dependent upon many factors such as weather conditions, which can impact landscaping needs including snow removal, inflation in material and labor costs, and random events. We currently expect inflationary increases in landscaping expense in the remainder of 2016, excluding snow removal expense, which is primarily weather dependent and unpredictable.

Marketing expense is comprised principally of internet advertising and the operating costs of our 24/7 kiosk and telephone call and reservation center. Marketing expense varies based upon demand, occupancy levels, and other factors. Internet advertising, in particular, can increase or decrease significantly in the short term in response to these factors. Marketing expense increased 48.0% or \$22,730 for the three months ended June 30, 2016 versus the three months ended June 30, 2015, and increased 34.5% or \$30,938 in the six months ended June 30, 2016 as compared to the same period in 2015 primarily due to the increased internet advertising expenses and the one-time costs associated with the production and addition of size estimator and locations videos to our facilities' website, [www.globalselfstorage.us](http://www.globalselfstorage.us). Based upon current trends in move-ins, move-outs, and occupancies, we currently expect marketing expense to increase at a somewhat lesser rate during the remainder of 2016.

Other direct property costs include administrative expenses incurred at the stores, such as property insurance, business license costs, bank charges related to processing the stores' cash receipts, credit card fees, and the cost of operating each store's rental office including supplies and telephone data communication lines. These costs increased a negligible amount in the three months ended June 30, 2016 as compared to the same period in 2015, and increased a similar negligible amount in the six months ended June 30, 2016 as compared to the same period in 2015. The small increase in this six-month period was due primarily to higher credit card fees. Credit card fees increased due to a higher proportion of collections being received from credit cards, which is one of the results of our initiatives in building a higher quality overall tenant base. We currently expect moderate increases in other direct property costs in the remainder of 2016.

#### *Analysis of General and Administrative Expenses*

General and administrative expenses represent direct and allocated expenses for shared general corporate functions, which are allocated to store operations to the extent they are related to store operations. Such functions include data processing, human resources, legal, corporate and operational accounting and finance, marketing, and compensation of senior executives.

<b>Three months ended June 30,</b>	<b>2016</b>	<b>2015</b>	<b>Variance</b>	<b>% Change</b>
General and administrative	\$ 354,207	\$ 143,687	\$ 210,520	+146.5%
<b>For the Period January 19, 2016 to June 30, 2016 compared to the Six months ended June 30, 2015</b>				
	<b>2016</b>	<b>2015</b>	<b>Variance</b>	<b>% Change</b>
General and administrative	\$ 661,453	\$ 630,512	\$ 30,941	+4.9%

General and administrative expenses increased 146.5% or \$210,520 for the three months ended June 30, 2016 versus the three months ended June 30, 2015, and increased 4.9% or \$30,941 for the period January 19, 2016 to June 30, 2016 as compared to the six months ended June 30, 2015. Most of the significant increase in the general and administrative expense during the most recent quarter is attributable to an increase in legal, accounting, compliance, Nasdaq listing fees, and investor relations and capital market consulting expenses. During the three months ended June 30, 2015, general and administrative expenses were decreased by \$77,252 due to a

favorable reversal of an expense accrual. We experienced certain cost reductions due to our transition from an investment company to an operating company, such as costs associated with fund accounting, custodian, registration, and quarterly appraisals. Concomitantly, we experienced increased legal, accounting, regulatory compliance, and investor relations expenses. Going forward, although we expect some general and administrative expense reductions associated with our discontinued registration as an investment company, we expect to incur a number of new expenses related to, among other things, the Company's new reporting and regulatory requirements.

The Company incurred substantial fees and expenses associated with the Loan Documents, the majority of which were capitalized and we would consider non-recurring.

#### *Analysis of Business Development and Property Acquisition Expenses*

Business development and property acquisition expenses increased from \$0 during the three and six months ended June 30, 2015 to \$154,798 and \$159,033 during the three and six months ended June 30, 2016, respectively. These costs primarily consisted of legal and consulting costs in connection with business development activities and future potential store acquisitions. The majority of these expenses are non-recurring and fluctuate based on business development activity during the time period.

#### *Analysis of Loan Interest and Amortization Expense*

Loan interest expense payments relating to the aforementioned \$20 million loan increased from \$0 for the three and six months ended June 30, 2015 to \$16,302 for the three and six months ended June 30, 2016. Going forward the cash payments for this expense will be \$69,867 per month until June 2018 at which point the monthly interest and amortization payment due will increase to \$107,699 where it will remain payable every month until June 2036.

#### *Analysis of Global Self Storage Property Operations*

In addition to actively reviewing a number of store and portfolio acquisition candidates, we have been working to further develop and expand our current stores. At our Sadsburyville, PA facility in 2015, we completed construction of a state-of-the-art, all climate-controlled two story storage building, adding 16,756 leasable square feet featuring a number of unique drive-up, climate-controlled units.

This expansion has been well received by the local market. As of June 30, 2016, approximately 12 months after construction was completed and lease-up commenced, 94% of the first floor and 72% of the entire building have been leased. As previously reported, we are moving forward with site work and construction of the expansion project in Bolingbrook, IL which, when completed, will add approximately 44,260 leasable square feet of climate-controlled and traditional storage units. The project features a final budget of \$2,400,000, which equates to an all-in projected cost of approximately \$53 per square foot and currently an anticipated completion date of September 2016. Next up for expansion review is the Merrillville, IN store.

Our stores in the Northeast, Mid-Atlantic and Mid-West are located in densely populated and high traffic areas near major roads and highways. All of our stores display prominent road signage and most feature LED marquee boards describing the store features and move-in rent specials. Our stores are generally located in areas with strict zoning laws and attentive planning boards which make it difficult for our competition to develop new facilities near ours. As we evaluate potential stores, we seek properties in areas with these high barriers to entry.

From a marketing perspective, we have developed the brand, "Global Self Storage," and now use it in all of our on-site signage, internet advertising and other marketing materials. During 2015, we launched our new re-designed stores' website [www.GlobalSelfStorage.us](http://www.GlobalSelfStorage.us), where prospective tenants can learn about the features of each store and view high resolution images and videos. The site also allows tenants to pay their rent online.

We continue to develop the Global Self Storage internet presence through advertising and search engine optimization. We solicit tenant reviews for posting to the "Testimonials" section of our website and encourage others to view these testimonials, as we frequently receive the top rating of 5 stars. We have found that our most reliable source of new tenants is through referrals of current tenants.

Attracting high quality, long-term tenants is the top priority for the Company, and we strongly believe in tenant quality over tenant quantity. In our marketing efforts, we have seen tremendous success in our referral marketing program, as nothing seems to be as productive as asking our satisfied tenants to recommend Global Self Storage to their family, friends, and colleagues. We also believe our store managers' attention to detail – maintaining security, cleanliness and attentive customer service – is essential to attracting high quality tenants.

Each of our stores features a rental and payment center kiosk available 24 hours a day, seven days a week, where prospective tenants can rent a unit and current tenants can pay their rent. All of our stores have on-site property managers who are committed to delivering the finest customer service. Our customer call center handles telephone inquiries from current and prospective tenants whenever our store managers are not available. They can respond to questions about our stores and storage features, and book reservations. Our top priorities are delivering convenience and high quality customer service to our tenants, as well as maintaining clean and secure stores at all times.

All of our tenant leases at all of our stores are “month-to-month” leases. We deliver at least 30 days’ written notice of any rental rate change. Lease rates at each store may be set monthly, semi-annually, annually, or at any time on a case-by-case basis as determined in the discretion of management. Tenants may be assessed late, administrative, and/or other fees. To date, none of the Company’s stores have experienced any material delinquencies.

#### *Analysis of Realized and Unrealized Gains (Losses)*

Realized gains for the three and six months ended June 30, 2016 were \$0 and \$0 compared to \$0 and \$900,368 for the three and six months ended June 30, 2015. As we continue to acquire and/or develop additional self storage properties, as part of the funding for such activities, we plan to liquidate our securities holdings, thereby realizing gains if applicable. As of June 30, 2016, our unrealized gain on investment securities available-for-sale was \$1,899,658.

#### *Distributions and Closing Market Prices*

Distributions for the three months ended June 30, 2016 were \$0.065 per share and for the six months ended June 30, 2016 totaled \$0.13 per share. The Company’s closing market price as of June 30, 2016 was \$5.39, as of March 31, 2016 was \$4.87, as of December 31, 2015 was \$3.75, and as of June 30, 2015 was \$3.54. Past performance does not guarantee future results.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

Not applicable.

### **Item 4. Controls and Procedures.**

#### *Disclosure Controls and Procedures.*

We maintain disclosure controls and procedures to ensure that information required to be disclosed in the reports we file pursuant to the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based on the definition of “disclosure controls and procedures” in Rule 13a-15(e) of the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can only provide a reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

We have a disclosure controls and procedures committee, comprised of the Chief Executive Officer and Chief Financial Officer, which meets as necessary and is responsible for considering the materiality of information and determining our disclosure obligations a timely basis.

The disclosure controls and procedures committee carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

#### *Changes in internal control over financial reporting.*

There were no changes in our internal control over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f)) that occurred during our most recent quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### **Item 1. Legal Proceedings.**

From time to time, the Company or its subsidiaries may be named in legal actions and proceedings. These actions may seek substantial or indeterminate compensatory as well as punitive damages or injunctive relief. We are also subject to governmental or regulatory examinations or investigations. Examinations or investigations can result in adverse judgments, settlements, fines, injunctions, restitutions or other relief. For any such matters, the Company will seek to include in its financial statements the necessary provisions for losses that it believes are probable and estimable. Furthermore, the Company will seek to evaluate whether there exist losses which may be reasonably possible and, if material, make the necessary disclosures. The Company currently does not have any material pending legal proceedings to which it or any of its subsidiaries is a party or of which any of their property is the subject.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

None.

### **Item 3. Defaults Upon Senior Securities.**

None.

### **Item 4. Mine Safety Disclosures.**

Not applicable.

### **Item 5. Other Information.**

None.

### **Item 6. Exhibits.**

Exhibits – See Exhibit Index below.



**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.

**GLOBAL SELF STORAGE, INC.**

Date: August 15, 2016

/s/ Mark C. Winmill  
By: Mark C. Winmill, President  
(Signing on behalf of the registrant as Principal Executive Officer)

Date: August 15, 2016

/s/ Thomas O'Malley  
By: Thomas O'Malley, Chief Financial Officer  
(Signing on behalf of the registrant as Principal Financial Officer and Principal Accounting Officer)

## Exhibit Index

Exhibit Item Number and Description	Incorporated by Reference to	Filed Herewith
10.1 Guaranty dated June 24, 2016 by Global Self Storage, Inc. in favor of Insurance Strategy Funding IV, LLC	Company's filing on Form 8-K, File No. 001-12681, as filed with the SEC on June 30, 2016.	
10.2 Loan Agreement dated June 24, 2016 between certain subsidiaries of Global Self Storage, Inc. and Insurance Strategy Funding IV, LLC	Company's filing on Form 8-K, File No. 001-12681, as filed with the SEC on June 30, 2016.	
10.3 Promissory Note dated June 24, 2016 between certain subsidiaries of Global Self Storage, Inc. and Insurance Strategy Funding IV, LLC	Company's filing on Form 8-K, File No. 001-12681, as filed with the SEC on June 30, 2016.	
10.4 Form of Mortgage, Assignment of Leases and Rents and Security Agreement	Company's filing on Form 8-K, File No. 001-12681, as filed with the SEC on June 30, 2016.	
10.5 Agreement for Sale and Purchase dated May 9, 2016 between Gray Eagle Development, LLP and a subsidiary of Global Self Storage, Inc. to acquire a storage facility located in Fishers, Indiana ("Indiana Purchase Agreement")		X
10.6 Letter Amendment dated June 22, 2016 to the Indiana Purchase Agreement		X
10.7 Agreement for Sale and Purchase dated June 27, 2016 between West Robb Ave., LLC and a subsidiary of Global Self Storage, Inc. to acquire a storage facility located in Lima, Ohio		X
10.8 Letter Amendment dated July 21, 2016 to the Indiana Purchase Agreement		X
10.9 Letter Amendment dated August 10, 2016 to the Indiana Purchase Agreement		X
31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		X
31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		X
32.1 Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		X
32.2 Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		X
101. Interactive Data File <sup>1</sup>		X

<sup>1</sup> Pursuant to Rule 406T of Regulation S-T, the interactive data files on Exhibit 101 hereto are deemed to be furnished and not filed for purposes of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under this section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, except as expressly set forth by specific reference to those documents.

AGREEMENT FOR SALE AND PURCHASE

THIS AGREEMENT FOR SALE AND PURCHASE ("Agreement"), made this 9th day of May, 2016 (the "Effective Date"), by and between GRAY EAGLE DEVELOPMENT, LLP , an Indiana limited liability partnership [dba 96th & Olio Road Self Storage] ("Seller") and SSG MCCORDSVILLE LLC, a Delaware limited liability company ("Buyer"),

WITNESSETH:

WHEREAS, Seller is the owner of the fee simple estate of all that certain tract or parcel of land located in Fishers, Indiana, and commonly known as 13942 East 96th Street, McCordsville, IN 46055 and more particularly described in Exhibit A (the "Land"), together with all improvements situate thereon (together with the Land, the "Project"); a current plan of the Project is attached hereto as Exhibit B and made a part hereof;

WHEREAS, Seller desires to sell and Buyer desires to buy, inter alia, the Project at the price and on the other terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements and covenants herein contained, and intending to be legally bound hereby, the parties covenant and agree as follows:

1. Agreement to Sell and Purchase

Seller shall sell and convey, and Buyer shall purchase, the Project; together with the easements, rights, privileges and appurtenances belonging thereto; together with Seller's right, title and interest, if any, in and to any land lying in the bed of any street, road or avenue, open or proposed, in front of or adjoining the Land to the center line thereof; together with all sign posts and signage used by Seller in connection with the Project; together with all appurtenant easements for ingress and egress and utilities; together with all fixtures and equipment now located in, upon, attached or appurtenant to or used in the operation of the Project; together with all real property leases, licenses and self-storage rental agreements (collectively, the "Leases") and the lighting fixtures, air-conditioning units, window screens and other appliances, furniture, equipment, customer lists, rights to facility telephone and fax numbers, email addresses, yellow pages ads and other local ads, inventories (including all boxes, cash registers, packaging materials, locks and all other contents of the retail store located on the Project) and other personal property and supplies owned by Seller and used or acquired for use at the Project (the "Personalty", and all of the foregoing property, real, personal and mixed, being collectively called the "Property"). The purchase of the Property shall not include the use of any name or logo belonging to Seller, except that Buyer, at no additional cost or liability to Buyer, may use the Seller's name and logo on the existing Property signage for a period not to exceed 60 days following Closing; provided, however, such use of Seller's name and logo shall be at no cost or liability to Seller. Buyer use commercially reasonable efforts to cause its own new signage to be placed at the Property post-Closing.

## 2. Purchase Price

Buyer shall pay Seller for the Property the sum of SEVEN MILLION SEVEN HUNDRED THOUSAND AND 00/100 DOLLARS (\$7,700,000.00) (the "Purchase Price") as follows:

(a) FIFTY THOUSAND AND 00/100 DOLLARS (\$50,000.00) no later than three (3) business days after the Effective Date and, unless Buyer earlier terminates (or is deemed to have terminated) this Agreement as herein provided, FIFTY THOUSAND AND 00/100 DOLLARS (\$50,000.00) within three (3) business days after the date of the Feasibility Study Clearance Letter, as hereinafter defined (all such monies, together with any additional deposit required hereunder, and together with interest which shall accrue thereon, being collectively called the "Deposit"), all to be held in escrow by First American Title Insurance Company ("Title Company" and "Escrow Agent"), with an address at 251 E. Ohio St., Suite 200, Indianapolis, IN 46204, Attn: Monica Chavez; telephone: 317-616-7336, and disbursed in accordance herewith; and

(b) The balance of the Purchase Price at Closing (hereinafter defined) by wire transfer of immediately available Federal funds, subject to the prorations set forth herein.

## 3. Representations and Warranties of Seller

Seller represents, warrants and covenants to Buyer (which representations and warranties shall be true as of the Effective Date of this Agreement and as of the Closing Date, as hereinafter defined, and shall survive Closing) that:

(a) Seller has full power and authority to enter into, and to perform its obligations under, this Agreement. This Agreement has been duly authorized by all necessary action of Seller.

(b) There is no claim, action, suit or proceeding pending or, to the best of Seller's knowledge, threatened against, by or otherwise affecting Seller or the Property or any portion thereof or relating to or arising out of ownership, management or operation of the Property in any court or before or by any federal, state, county, township or municipal department, commission, board, bureau or agency.

(c) All of the obligations of Seller under any contracts affecting the Property which ought to be fulfilled prior to the Closing Date or arising from conditions existing prior thereto will be timely performed by Seller.

(d) Seller has no employees, and Buyer shall not be assuming any employment-related liabilities of Seller under this Agreement.

(e) The Leases described in Exhibit C (the "Lease Schedule"), true, correct and complete copies of which will be made available to Buyer, are all of the leases, licenses and

rental agreements affecting the Property as of the date shown thereon Lease Schedule accurately sets forth, as of the date set forth thereon, with respect to each Lease: (i) the names, and unit numbers or leased premises, of the lessees; (ii) the monthly rents, which might be in excess of the rates described in the Leases due to increased rental rates; and (iii) the expiration dates. Seller shall make all Leases affecting the Property available to Buyer for Buyer's review at Seller's offices; provided, however, Seller shall provide to Buyer .pdf copies of those Leases with Montessori Academy at Geist, Inc. and Thomas A. Grant, respectively, by email. Seller further represents and warrants that:

(i) the Leases are in full force and effect;

(ii) no amendments, oral or written, have been made with respect to the Leases, other than those listed in the Lease Schedule or made in accordance with Paragraph 5(c);

(iii) none of the lessees under the Leases have made any security deposits thereunder, other than Montessori Academy at Geist, Inc., the amount of which deposit is shown on Schedule 3(e) attached hereto and made part hereof;

(iv) there are no rights of use for any portions of the Property now in effect or hereafter to come into effect, except the rights under the Leases or made in accordance with Paragraph 5(c), and no lessee has any option, agreement of sale, extension or renewal, or any other right, title or interest in the Property acquired directly through Seller, other than its rights of use as aforesaid; and

(v) the information relating to the Leases as set forth in the Lease Schedule is true, correct and complete as of the date shown thereon.

(f) Attached hereto as Exhibit D (the "Contract Schedule") is a true, correct and complete list of all service contracts and other contracts (other than the Leases) respecting the operation of the Property (the "Contracts"). The Contracts are currently in full force and effect and Seller has performed or, if performance is not currently required, will perform all its obligations thereunder. Buyer agrees to assume the Contracts set forth on Schedule 3(f).

(g) Seller is not a "foreign person" within the meaning of Section 1445 of the United States Internal Revenue Code, as amended, or its regulations.

(h) To the best of Seller's knowledge, no part of the Property is in violation of applicable laws, codes, or regulations, including (without limitation) those related to health, safety, access, and/or the environment.

(i) To the best of Seller's knowledge, there are no "hazardous substances" (as defined in any applicable law) located on the Project.

(j) The Project is zoned PUD M; to the best of Seller's knowledge, the current uses of the Project are permissible under such zoning classification.

(k) Seller manages and operates the Project; Braun & Sullivan, LLP provide employment, payroll and bookkeeping services to Seller.

(l) To the best of Seller's knowledge, there are no structural or other defects in or upon the Project, including (without limitation) HVAC or other mechanical systems, and all such systems are in good working order.

(m) There are no existing or pending contracts of sale, options to purchase or rights of first refusal (or the like) with respect to all or any part of the Property.

(n) The Property has direct access to and from a public right-of-way.

As used herein, "the best of Seller's knowledge" shall mean the actual and constructive knowledge of any one or both of: Seller's principals Richard Braun and Christopher Sullivan, both of whom are involved in the day to day operations of the Seller and the Property.

Buyer represents and warrants to Seller (which representations and warranties shall be true as of the date of this Agreement and as of the Closing Date, as hereinafter defined, and shall survive Closing) that Buyer has full power and authority to enter into, and to perform its obligations under, this Agreement. This Agreement has been duly authorized by all necessary limited liability company action of Buyer. Neither the execution, delivery or performance of this Agreement by the Buyer, nor compliance with the terms and provisions hereof, will result in any breach of the terms, conditions or provisions of, or conflict with or constitute a default under, or result in the creation of any lien, charge or encumbrance upon any property or assets of the Buyer pursuant to the terms of any indenture, mortgage, deed of trust, note, evidence of indebtedness or any other agreement or instrument by which the Buyer is bound.

#### 4. Conditions Precedent to Closing; Default

(a) Buyer's obligation to close hereunder shall be expressly conditioned upon the occurrence or fulfillment of each of the following conditions on or prior to the Closing Date or such earlier date as may be provided in this Paragraph 4(a):

(i) All of the representations and warranties by Seller set forth in this Agreement shall be true and correct in all material respects as if made on the Closing Date.

(ii) Seller shall have performed (in all material respects) all covenants and agreements required by this Agreement to be performed by Seller at or prior to the Closing Date.

(iii) There shall have been no material and adverse change to the condition of the Project since the Feasibility Study Termination Date.

If any of the conditions set forth above in Paragraph 4(a)(i)-(iii) are not satisfied, Buyer, in addition to its other remedies set forth herein, shall be entitled to (A) terminate this Agreement and receive back the Deposit, and this Agreement shall be deemed null and void, (B) pursue specific performance and/or (C) pursue any other remedies at law or in equity.

(b) Seller's obligation to close hereunder shall be expressly conditioned upon Buyer's performance (in all material respects) of all covenants and agreements required by this Agreement to be performed by Buyer at or prior to the Closing Date. Upon Buyer's failure to perform (in all material respects) all such covenants and agreements, Seller shall be entitled to receive the Deposit from Escrow Agent, as liquidated damages and not as a penalty, and such receipt shall be Seller's sole remedy. In no event shall Seller bring action, sue or seek damages or recourse against any principal, member, affiliate or parent company of Buyer (including, without limitation, Global Self Storage, Inc.).

5. Feasibility Study; Termination; Seller's Operations Prior to Closing; Signage

(a) Within three (3) business days after the Effective Date or within such other time as hereinafter set forth, Seller shall:

(i) Provide to Buyer, via a data room or other electronic means:

All existing Surveys and Site Plans, existing Title Policies, Income and Expense Reports and 2016 1st Quarter Income and Expense Report, Sitelink Reports [Management Summary Reports for Dec. 31, 2014; Dec. 31, 2015; March 31, 2016 and as of today; most recent Occupancy Statistics report; most recent Rent Roll report]; Copies of Service Contracts, 2015, 2014 and 2013 Tax Returns, 2015 & 2016 Due and Payable Property Taxes, Property valuations (appraisal summary letters of October 2, 2015 and May 2, 2008 appraisals), Last 12 Months Bank Statements, Leases with Montessori Academy at Geist, Inc. and Thomas A. Grant, and all insurance policies affecting the Property.

(ii) Make available to Buyer for review and inspection at Seller's offices, copies of all materials in Seller's possession respecting the Property including, without limitation: environmental reports, permits and approvals, building plans, appraisals, site plans, and related documentation, agency agreements and related documentation, licenses, zoning materials, tax bills and any other records affecting all or any part of the Property.

(iii) Make available to Buyer for review and inspection at Seller's offices copies of all materials respecting the Property including, without limitation, the following:

- (a) Original plans for the Project;
- (b) 2014 & 2015 Income and expense statements;
- (c) A report listing all tenants, unit #s and a sample copy of the form of lease used by Seller;
- (d) List of personal property to be transferred to Buyer;
- (e) Copies of all service Contracts and other contracts relating to the Property;
- (f) Copies of last three years tax returns for the Property;

- (g) Copies of the last twelve months of operating statements and utility bills for the Property;
- (h) Copies of the last twenty-four months of property taxes, valuation and tax-related documents, insurance policies and invoices, marketing and advertising expenses with invoices affecting the Property;
- (i) Copies of all material correspondence sent to or received from all Property tenants (and the representatives of such tenants) associated with material issues relating to the Leases within the twelve (12) month period preceding the Effective Date (and Seller shall promptly forward to Buyer any such correspondence sent or received during the term of this Agreement relating to materials issues associated with the Leases);
- (j) The Property management contract with amendments (if applicable), and any employment contracts (if applicable);
- (k) A summary of pending insurance claims and pending litigation (including, without limitation, all eviction and auction actions pending), if any;
- (l) Bank statements for all of Seller's accounts relating to the Property for the last 12 months;
- (m) Copies of all guaranties or warranties with respect to the roof or other portions of the Property, if any; and
- (n) Copies of all certificates of occupancy and/or other permits and approvals affecting the Property.

Electronic versions of all items to be provided by Seller to Buyer under Paragraph 5(a)(i) will be sent by Seller to Buyer at the following email address: [mwinmill@globalselfstorageinc.com](mailto:mwinmill@globalselfstorageinc.com); provided, however, that Seller shall email electronic versions of the most recent Project survey and title policy to Buyer's counsel at [amaguire@mkbattorneys.com](mailto:amaguire@mkbattorneys.com). Hard copies of all items referenced in this Paragraph 5(a) shall be sent by Seller to Buyer at the physical address referenced in Paragraph 15, if requested at Buyer's sole cost and expense.

(iii) During the term of this Agreement, Seller will afford Buyer, its agents and representatives, upon reasonable prior notice of at least forty-eight (48) hours and at reasonable times, with full access to the Property, for Buyer's inspection, testing and review. The results of such inspection or testing shall be provided to Seller, upon request. Notwithstanding the foregoing, Buyer's access to the Property shall not include any subsurface sampling of soil or groundwater without Seller's express written consent. Without limiting the foregoing, Seller shall make available to Buyer at the Project all Leases (with all Lease guarantees, tenant correspondence and related materials). Buyer shall restore any portion of the Property disturbed by Buyer's testing activities on the Property to its condition as existed prior to such disturbance. Buyer shall indemnify, hold harmless and defend (using counsel selected by Seller) Seller against all claims, losses, costs, demands and liabilities to the extent caused by Buyer's access to the Property pursuant to this Paragraph 5(a)(iii). Buyer shall provide Seller with a certificate of insurance evidencing liability insurance against property loss and personal injury in connection



with such activities in an amount of not less than \$1,000,000 combined single limit and naming Seller as an additional insured. Buyer shall promptly notify Seller in the event the policy of insurance evidenced by the certificate of insurance is cancelled by the insurance company or notice of cancellation is given by the insurance company. This Paragraph 5(a)(iii) shall survive the Closing or any prior termination of this Agreement.

(b) The "Feasibility Study Termination Date" shall be that date which is forty-five (45) days after the Effective Date. On or before the Feasibility Study Termination Date, Buyer shall have the right to terminate this Agreement (for any reason or for no reason) by delivery of notice to Seller, and this Agreement shall be deemed terminated (and the Deposit shall be returned to Buyer) upon Buyer's delivery of such termination notice. If Buyer elects to proceed to Closing hereunder, Buyer shall provide Seller with notice of same ("Feasibility Study Clearance Letter") within two (2) business days after the Feasibility Study Termination Date. In the event that Buyer fails to timely provide a Feasibility Study Clearance Letter to Seller, this Agreement shall be deemed terminated (and the Deposit shall be promptly returned to Buyer) if, within five (5) business days after Buyer's receipt of notice from Seller referencing Buyer's failure to timely provide a Feasibility Study Clearance Letter, Buyer fails to provide a Feasibility Study Clearance Letter to Seller.

(c) During the term of this Agreement, Seller shall not, without Buyer's consent (which shall not be unreasonably withheld), enter into or extend:

(i) any Lease or other possessory arrangement regarding the Property (A) for a term (including any renewals) of more than one (1) year, (B) which calls for rental and other payments which are less than those currently payable for the space being rented, except for competitive price matching, or (C) which grants the lessee any concessions which will not be fully performed by Seller prior to Closing; or

(ii) except for the web-based SiteLink Software, LLC agreement renewal, any service or other contract regarding the Property for a term which will extend past the Closing Date.

(d) During the term of this Agreement and extending beyond the Closing Date, Seller shall reasonably cooperate with Buyer's efforts to obtain permits and approvals respecting Buyer's Project signage at no cost to Seller. Without limiting the generality of the foregoing, Seller shall sign applications for permits for Buyer's submission respecting Buyer's sign panels upon Buyer's request at no cost to Seller. Notwithstanding the foregoing, in the event this Agreement is terminated, Buyer shall promptly cause the withdrawal, at Buyer's sole cost and expense, all of submissions for Buyer's sign panels.

(e) Seller shall use commercially reasonable efforts to obtain a signed estoppel certificate from each of Seller's non-storage unit tenants, including without limitation Montessori Academy at Geist, Inc. and Thomas A. Grant, in a form pre-approved by Buyer, on or before the Feasibility Study Termination Date.

(f) On or before the Feasibility Study Termination Date, Buyer shall provide written notice to Seller indicating which Contracts (if any) Buyer elects to assume at Closing. Without limiting the generality of the foregoing, Buyer shall assume Seller's Contract with SiteLink only if such Contract is for web-based service and Buyer shall assume those contracts set forth on Schedule 3(f).

## 6. Closing

Closing of the transaction contemplated herein ("Closing") shall be a remote Closing by escrow, on a date (the "Closing Date") selected by Buyer and Seller which is not later than fifteen (15) days after the date of the Feasibility Study Clearance Letter.

## 7. Evidence and Condition of Title

(a) At Closing, Seller shall cause title to the Property (other than the Personalty) to be fee simple and: (i) good and marketable and free and clear of all tenancies, liens, encumbrances and title objections, other than the Leases; and (ii) insurable as such, at regular rates, by Title Company. Title to the Personalty shall be good and marketable and free and clear of all liens, security interests and other encumbrances.

(b) After the execution of this Agreement, Buyer shall apply for a commitment for title insurance from Title Company (the "Title Commitment"). Seller agrees to cooperate with Buyer and Title Company in connection therewith, including (without limitation) delivering to Buyer copies of any requested deeds, plans, surveys and title policies in Seller's possession or control. Buyer shall have the right to deliver a notice to Seller of the existence of any requirements, conditions or exceptions noted in the Title Commitment or a current survey of the Project which are unsatisfactory to Buyer (such exceptions being called "Title Defects"), with which Buyer shall include a copy of the Title Commitment, copies of recorded exceptions specified therein and, at Buyer's option, a current survey of the Project.

(c) (i) If Buyer notifies Seller of the existence of any Title Defects, Seller shall have ten (10) days from the date of such notice to notify Buyer whether Seller intends to cure such Title Defects, except that in all cases Seller must discharge at or prior to Closing all monetary liens affecting the Property. Seller's failure to notify Buyer within such 10-day period shall be conclusively deemed to be Seller's notice to Buyer of Seller's decision not to cure the Title Defects, except such monetary liens.

(ii) If Seller notifies, or is deemed to have notified, Buyer of its intention not to cure all Title Defects, Buyer shall have ten (10) days thereafter to notify Seller of its decision whether to take such title as Seller may give or of terminating this Agreement, and in the latter event, the Deposit shall be promptly returned to Buyer and this Agreement shall terminate.

(d) If Seller agrees to cure any Title Defects and such Title Defects remain uncured at Closing, or if additional Title Defects created after the issuance of the Title Commitment exist at the time of Closing, then Buyer may, at Buyer's option: (i) take such title as Seller can give, with a credit against the Purchase Price in an amount necessary to cure or correct any Title Defects which constitute monetary liens in an ascertainable amount (as reasonably determined by Buyer); or (ii) elect to receive a return of the Deposit, whereupon this Agreement shall terminate.

(e) Subject to Paragraph 5(c)(i), Seller shall not allow the Property or any part thereof to be transferred or encumbered during the term of this Agreement.

8. Delivery of Documents and Other Items; Employees

(a) At Closing, Seller shall deliver to Buyer:

(i) A special warranty deed (the "Deed") to the Property, duly executed and acknowledged by Seller and in proper form for recording.

(ii) A Bill of Sale to the Personalty duly executed by Seller.

(iii) A valid assignment of the Leases and all security deposits required to be held by Seller pursuant to the Leases, duly executed and acknowledged, assigning to Buyer all of Seller's interest in the Leases and such security deposits, together with the original executed Leases (which Seller shall leave at the Project for Buyer) and an updated, true, correct and complete version of the Lease Schedule.

(iv) A credit to Buyer in the amount of all security deposits in connection with the Leases, including any required interest thereon, as of the Closing Date.

(v) An executed assignment to Buyer of all of the interest of Seller under the Contracts that are assignable, but only to the extent Buyer desires to assume any thereof in addition to those Contracts set forth in Paragraph 5(f) that Buyer agreed to assume, together with originals of such Contracts, if available.

(vi) An executed general assignment of all governmental plans and approvals, utility rights, and the other intangible property rights respecting the ownership and operation of the Property.

(vii) Such documents, affidavits, disclosure forms and indemnities as Title Company or Buyer shall require, including (without limitation) (A) documents or affidavits in connection with seller gain withholdings required under applicable law, (B) gap affidavit and (C) Seller's completed and signed State of Indiana Sales Disclosure form which, to the extent permitted under applicable law, may be in addition to a separate State of Indiana Sales Disclosure form submitted by Buyer.

(viii) Such limited liability partnership documents and other organization documents as Title Company shall reasonably require to evidence Seller's formation, existence and authority to consummate the sale of the Property and delivery of the Deed.

(ix) An executed version of the final closing statement prepared by the Title Company.

(x) A certificate in the form of Exhibit E, executed and acknowledged by Seller, in accordance with Section 1445 of the Internal Revenue Code, as amended.

(xi) A non-competition agreement signed by Seller and Richard Braun and Christopher Sullivan, in a form acceptable to Buyer and Seller and Seller's members, in connection with Paragraph 23.

(xii) All keys, passcards and passcodes (for doors, security systems, management kiosks or otherwise) used in connection with the Property.

(b) At Closing, Buyer shall deliver to Seller (i) an executed version of the final closing statement prepared by the Title Company, (ii) the balance of the Purchase Price due, and (iii) such limited liability company documents and other organization documents as Title Company shall reasonably require to evidence Buyer's formation, existence and authority to consummate the purchase of the Property and delivery of the Purchase Price.

(c) Effective as of the Closing Date, Seller shall cause (i) the termination of the on-site Property manager (the "Manager") and (ii) the Manager to be paid all amounts that the Manager is due through the Closing Date (including accrued wages and benefits). At such time, Buyer shall have the right, in its discretion, to enter into a separate employment agreement with the Manager. If requested by Buyer, Seller agrees to cooperate with Buyer's efforts to retain the Manager (including, without limitation, delivering a jointly-signed letter to the Manager explaining this transaction and Buyer's willingness to hire him).

(d) Pursuant to Section 9(e), the Seller and Buyer acknowledge and agree that they shall settle any prorations that are not paid on the Closing Date by the Post-Closing Settlement Date (as defined herein).

#### 9. Apportionment

The following items are to be computed and apportioned between Buyer and Seller as of the Closing Date on a per diem and on a 365 day year basis unless otherwise set forth below:

(a) Water and sewer rents.

(b) Seller shall pay all real estate taxes and assessments affecting the Property (collectively, "Taxes") which are due and payable on or before the Closing Date and Buyer shall pay all Taxes which are due and payable after the Closing Date. Notwithstanding the foregoing, after Closing, Buyer shall timely pay Taxes covering the period of Seller's ownership of the Property in an amount not to exceed Fifty-Eight Thousand Dollars (\$58,000) and Seller shall timely pay all other Taxes (including, without limitation, any applicable agricultural rollback tax) covering any period of Seller's ownership of the Property. Each party shall indemnify, hold harmless and defend the other party (using counsel selected by the other party) against all claims, losses, costs, demands and liabilities in connection with the foregoing Paragraph 9(b).

(c) Any amounts payable under the Contracts to be assumed by Buyer; provided, that if Buyer receives a bill for any such amount after the Closing Date which bill covers a period prior to the Closing Date, Seller shall pay to Buyer that part of such amount properly allocable to the period prior to the Closing Date.

(d) The rents and charges due under all Leases, hot and cooled water charges, electricity and other utility charges and all other additional rent, sundry charges paid by lessees under the Leases and other income to Seller to the extent collected by Seller prior to the Closing Date and which, as of the Closing Date, represent payments thereof to Seller which are applicable in whole or in part to a period of time subsequent to the Closing Date.

(e) All of the items referenced in Paragraph 9(d) which are due and payable prior to the Closing Date, but which have not been collected by Seller, shall be pro-rated as follows at Closing: Current rental income shall be pro-rated as of the Closing Date. Income received on the Closing Date shall be credited to Buyer. All prepaid rents covering any time period from or after the Closing Date shall be transferred to Buyer. All deposits shall be transferred to Buyer. All accounts not yet paid and delinquent 30 days or less as of the Closing Date (“Recent AR”) shall be considered paid for pro-ration calculations. All accounts not yet paid and delinquent 31 days or more as of the Closing Date (“Aged AR” and, collectively with Recent AR, “Past Due”) shall become the property of Buyer with no pro-ration. After the Closing Date Buyer shall use good faith efforts to collect Past Due rental payments and (i) after Buyer collects payment for Past Due accounts covering periods from and after the Closing Date, Buyer shall remit to Seller any collected Recent AR rent dating to the term of Seller’s ownership and (ii) after Buyer collects payment of rent from tenant Jeff Witt/Integrity, Inc. covering periods from and after the Closing Date, Buyer shall remit to Seller any collected Aged AR rent from tenant Jeff Witt/Integrity, Inc. dating to the term of Seller’s ownership. The parties acknowledge and agree that on or before that date which is two (2) years after the Closing Date (the “Post-Closing Settlement Date”), the parties shall have calculated all such prorations set forth in this Section 9 and made any applicable payments to the other party.

(f) Payment of all utility company charges, for periods through the Closing Date (including, without limitation, electricity, water and sewer) shall be made by Seller. Adjustments for utilities respecting periods during which Closing occurs shall be based upon the next bill received and such adjustment shall occur after the Closing Date. Seller shall retain the right to the refund of all utility deposits. With respect to any utility adjustment, Seller shall obtain meter (or other measuring device) readings of the utility consumption as of the Closing Date and, wherever possible, Seller shall pay directly to the utility company the amount determined to be due as of the Closing Date.

At Closing, Seller shall credit Buyer \$890.16 for the replacement of Project sign panels damaged during Seller’s term of ownership.

This Paragraph 9 shall survive Closing.

10. Other Costs.

Each party shall pay its own legal fees. Seller shall pay the cost of a base owner's title policy and the cost of title endorsements necessitated by Title Defects, and Buyer shall pay the cost of any additional title endorsements selected by Buyer. Buyer shall pay all survey update costs. Buyer shall pay all Deed recording costs, and Buyer and Seller shall each pay one half of all applicable closing fees (including, without limitation, such fees imposed by the Title Company). Seller shall (a) pay all sales and use taxes, employer withholding taxes and all taxes respecting the Property or the Seller incurred or imposed in connection with any period on or prior to the Closing Date, except as otherwise provided for in Paragraph 9(b); and (b) indemnify, hold harmless and defend (using counsel selected by Buyer) Buyer against all claims, losses, costs, demands and liabilities in connection with the foregoing Paragraph 10(a). This Paragraph 10 shall survive Closing.

11. Title Company as Deposit Holder

(a) Title Company shall hold the Deposit in an interest-bearing account and shall disburse the Deposit in accordance with the terms of this Agreement. Upon such disbursement, Title Company shall be released and discharged from all obligations hereunder.

(b) Title Company, in its sole discretion, may at any time deposit the Deposit, with a court of competent jurisdiction selected by it and, in such event, Title Company shall be fully released and discharged from all obligations hereunder with respect to the Deposit. Alternatively, Title Company may hold the Deposit pending receipt of joint instructions from Seller and Buyer.

(c) The duties of Title Company hereunder are only as herein specifically provided and are purely ministerial in nature. Title Company shall incur no liability whatever, as long as Escrow Agent acts in good faith. Title Company may refuse to take any action respecting the Deposit or this Agreement, unless indemnified to its satisfaction by Buyer and/or Seller.

(d) Seller and Buyer agree to sign an escrow agreement if requested by the Title Company.

12. Insurance

Seller shall maintain in effect until the Closing Date its current insurance policies with respect to the Property. In the event of damage to the Property by fire or any other casualty, Seller shall promptly notify Buyer and this Agreement shall not be affected thereby, provided the cost of repairing such damage shall not exceed the sum of \$50,000.00, and provided all such costs are covered by such policies or Seller shall agree to pay any deficiency, to be specified in Seller's notice. If, however, damage caused by fire or other casualty insured under such policies shall exceed \$50,000.00, or if the damage is not fully covered by such policies and Seller does not agree to pay Buyer at Closing the cost of repairing the uncovered damage, Buyer shall have the right and option to cancel and terminate this Agreement by giving notice to Seller within fifteen (15) days after Buyer receives Seller's notification of such damage. Thereupon, Buyer

shall be entitled to promptly receive back the Deposit, whereupon this Agreement shall be null and void and Seller's election to not pay the deficiency shall not be deemed a default under this Agreement. If, in the event of a casualty, this Agreement shall not be terminated as in this Paragraph 12 provided, Seller shall pay or assign to Buyer at Closing all monies received or receivable from the insurance companies which wrote such policies, all claims against such insurance companies as a result of the losses covered by such policies and any deficiency amount agreed upon by Seller as described above in this Paragraph 12, less documented amounts previously expended by Seller for repair of the casualty damage.

13. Condemnation

In the event that all or part of the Property is taken by condemnation or eminent domain proceeding between the date of this Agreement and the Closing Date, Buyer may (a) cancel this Agreement, if the part of the Property so taken is material to the use or value of the Property, or (b) take title subject to such condemnation or taking and receive the proceeds thereof, and Seller shall assign all of Seller's rights to unpaid proceeds to Buyer at Closing. Buyer shall notify Seller of its election not more than fifteen (15) days after notice from Seller of the occurrence of the condemnation or taking and the extent thereof. If Buyer shall elect to cancel this Agreement pursuant to (a) above, then Buyer shall be entitled to receive back the Deposit, whereupon this Agreement shall be null and void.

14. Brokers

Seller and Buyer each represent and warrant to the other that it has neither engaged nor dealt with any broker or finder in connection with this Agreement, other than Seller's broker MJ Partners (which includes A.M. Macy Co.) (the "Broker"). Seller and Buyer each agree to indemnify, save harmless and defend the other from and against all claims, losses, liabilities and expenses, including reasonable attorneys' fees, through any and all appeals, arising out of any claim made by any other broker, finder or other intermediary who claims to have been engaged by such party in connection with the transactions contemplated by this Agreement. Seller shall be responsible for paying the Broker a commission respecting the sale of the Property upon Closing of this transaction. The provisions of this Paragraph 14 shall survive Closing or any prior termination of this Agreement.

15. Notices

All notices and other communications hereunder ("Notices") shall be in writing and be (a) mailed first class, certified mail, return receipt requested, postage pre-paid, (b) sent via recognized overnight delivery service (i.e., Federal Express), or (c) sent by email, with an original to follow via (a) or (b) above and addressed:

IF TO SELLER:	Richard Braun Gray Eagle Development, LLP 6054 E. 10th St. Indianapolis, IN 46219 Email: <a href="mailto:rbraun@braunsullivan.com">rbraun@braunsullivan.com</a>
WITH A COPY TO:	Alexandra S. Sylvia Plews Shadley Racher & Braun LLO 1346 N. Delaware St. Indianapolis, IN 46202 Email: <a href="mailto:asylvia@psrb.com">asylvia@psrb.com</a>
IF TO BUYER:	Mark C. Winmill Global Self Storage, Inc. 3814 Route 44 Millbrook, NY 12545 Email: <a href="mailto:mwinmill@globalselfstorageinc.com">mwinmill@globalselfstorageinc.com</a>
WITH A COPY TO:	Andrew Maguire McCausland Keen & Buckman 80 W. Lancaster Avenue, 4th Floor Devon, PA 19333 Email: <a href="mailto:amaguire@mkbattorneys.com">amaguire@mkbattorneys.com</a>

Notices shall be deemed received: three (3) business days after mailed in conformity with (a) above; one (1) business day after sent via delivery service in conformity with (b) above; or on the day sent by email in conformity with (c) above. Notices may be given by a party's attorney on its behalf.

16. Successors and Assigns

This Agreement shall inure to the benefit of and be binding upon the parties and their respective legal representatives, successors and assignees, as the case may be. Without need for Seller consent, Buyer shall have the right to assign all or any of its interest and rights under this Agreement to any entity controlled by, controlling or under common control with Buyer. Otherwise, Seller's consent shall be required for any assignment of rights under this Agreement.



17. Binding Effect; Amendments

This Agreement contains the final and entire agreement between the parties with respect to the subject matter hereof. The parties shall not be bound by any terms, conditions, statements, warranties or representations, oral or written, not herein contained. This Agreement may not be changed orally but only by an instrument in writing and signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

18. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Electronically transmitted copies of counterpart signature pages of this Agreement shall have the same force and effect as originals.

19. Litigation

In connection with any litigation arising out of this Agreement, the prevailing party shall be entitled to recover all costs incurred, including reasonable attorney's fees. The parties each waive trial by jury in any legal action between the parties arising out of this Agreement.

20. Governing Law; Time of the Essence

This Agreement shall be construed and interpreted in accordance with the laws of the State of Indiana. The parties agree that all time is of the essence.

21. Paragraph Headings

The paragraph headings in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof, and shall not constitute a part of this Agreement.

22. Seller Cooperation Post-Closing

After Closing, Seller shall sign and deliver to Buyer all reasonable documents and materials reasonably requested by Buyer. Seller shall promptly make payments to Buyer in the amount of all Project rental payments erroneously delivered to Seller and/or erroneously made payable to Seller after Closing for any monies due to Buyer as provided for in Paragraph 9. This Paragraph 22 shall survive Closing.

23. Non-Competition

For a period of two (2) years following the Closing Date, the following parties shall not develop, purchase or invest in any self storage facility or mini storage facility within a five (5) mile radius of the Project: Seller, Seller's principals, Richard Braun and Christopher Sullivan and Seller's affiliates excluding any affiliates of Alan Small (collectively, the "Seller Parties"). The Seller Parties acknowledge that the restrictions set forth in this Paragraph 23 are reasonable and necessary for the protection of Buyer's purchase of, and interest in, the Property. This Paragraph 23 shall survive Closing.

24. 1031 Exchange

Either party may effect a like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, each party agrees that it will cooperate with the other to effect a tax-free exchange in accordance with the provisions of Section 1031 of the Code and the regulations promulgated with respect thereto, provided same shall not delay the Closing, unless agreed to by the other party in its sole discretion. The exchanging party shall be solely responsible for any additional fees, costs or expenses incurred in connection with the like-kind exchange contemplated by it pursuant to this Paragraph 24, and neither party shall be required to incur any debt, obligation or expense in accommodating the other hereunder. In no event shall either party's ability or inability to effect a like-kind exchange, as contemplated hereby, in any way delay the Closing or relieve the other from its obligations and liabilities under this Agreement. Each party hereby agrees to indemnify and hold harmless the other from any liability, losses or damages incurred by the other in connection with or arising out of the Section 1031 like-kind exchange of the exchanging party, including but not limited to any tax liability. This Paragraph 24 shall survive Closing.

25. Confidentiality

Buyer, Seller and their respective representatives shall hold in strict confidence all data and information obtained with respect to the opposite party, its business, the Property or the transaction contemplated by this Agreement (including the existence and terms of this Agreement), whether obtained before or after the execution and delivery of this Agreement, and shall not disclose the same to others, other than to counsel, accountants or agents or independent contractors associated with the Property, who must agree to maintain the information in strict confidence, or in a judicially or administratively ordered proceeding where the disclosure is required by-law, or in connection with reporting requirements related to securities laws. In the event this Agreement is terminated for any reason or the transaction does not close in accordance with the terms hereof, each party shall promptly return to the other any statements, documents, schedules, exhibits or other written information obtained in connection with this Agreement or the transaction contemplated herein (including all materials provided under Paragraph 5). Notwithstanding anything herein to the contrary, Buyer representatives shall have the right to contact any officials representing The Town of McCordsville (and any political subdivisions or departments thereof), The City of Fishers (and any political subdivisions or departments thereof), Hamilton County (and any political subdivisions or departments thereof) or Hancock County (and any political subdivisions or departments thereof) in connection with the Property or the transaction contemplated under this Agreement.

The provisions of this Paragraph 25 shall survive termination or Closing.

26. Effective Date

The Effective Date shall be the later of (a) the date that Seller executes this Agreement and provides proof of same to Buyer, or (b) the date that Buyer executes this Agreement and provides proof of same to Seller. The Effective Date shall be inserted in the preamble at the top of page one of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates below written.

SELLER:

GRAY EAGLE DEVELOPMENT, LLP  
[dba 96<sup>th</sup> & Olio Road Self Storage]

Date of Execution: \_\_\_\_\_, 2016

By: \_\_\_\_\_  
Name:  
Title:

BUYER:

SSG MCCORDSVILLE LLC

Date of Execution: \_\_\_\_\_, 2016

By: \_\_\_\_\_  
Name:  
Title:

**SSG MCCORDSVILLE LLC**  
**12<sup>th</sup> FLOOR**  
**11 HANOVER SQUARE**  
**NEW YORK, NEW YORK 10005**

June 22, 2016

Richard Braun  
Gray Eagle Development, LLP  
6054 E. 10<sup>th</sup> Street  
Indianapolis, IN 46219

Re: Agreement for Sale and Purchase by and between GRAY EAGLE DEVELOPMENT, LLP (“Seller”) and SSG MCCORDSVILLE LLC (“Buyer”), dated May 9, 2016 (the “Agreement”) for real property located in the City of Fishers, Hamilton County, Indiana

Dear Mr. Braun:

This letter (the “Amendment”) shall confirm the agreement of Seller and Buyer to establish July 25, 2016 as the Feasibility Study Period Termination Date under the Agreement.

Except as provided above, the Agreement shall remain unaltered and in full force. This Amendment constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior agreements or undertakings. Capitalized terms used in this Amendment and not defined herein shall have the meanings ascribed thereto in the Agreement. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original against any party whose signature appears thereon, and all of which when taken together shall constitute one and the same instrument. Executed copies of this Amendment delivered by facsimile or electronic mail may be relied upon by the parties as originals.

Best regards,

SSG MCCORDSVILLE LLC

By: \_\_\_\_\_  
Mark C. Winmill, President

Agreed to, Accepted and Intending to be Bound Hereby:

GRAY EAGLE DEVELOPMENT, LLP

By: \_\_\_\_\_  
Richard Braun, Authorized Signatory

Dated: June \_\_, 2016

AGREEMENT FOR SALE AND PURCHASE

THIS AGREEMENT FOR SALE AND PURCHASE (“Agreement”), made this 27th day of June, 2016 (the “Effective Date”), by and between West Robb Ave., LLC, an Ohio limited liability company (“West Robb”), Wall & Ceiling Systems, Inc., an Ohio corporation [dba Lima Self Storage] (“W&C”) and Victoria L. Strickland (“Strickland”) (collectively, the “Seller”) and SSG LIMA LLC, a Delaware limited liability company (“Buyer”),

WITNESSETH:

WHEREAS, Seller is collectively the owner of the fee simple estate of all those certain tracts or parcels of land situate in Allen County, Ohio, commonly known as: (a) 2000 Elida Road, Lima OH 45805, being tax parcel no. 36-2311-01-020.001, owned by West Robb (“Parcel A”); (b) 1996 W. Robb Avenue, Lima OH 45805, being tax parcel no. 36-2311-01-021.000, owned by West Robb (“Parcel B”); (c) 1910, 1950 & 1980 W. Robb Avenue, Lima OH 45805, being tax parcel no. 36-2311-01-022.000, owned by West Robb (“Parcel C”); and, (d) 1900 W. Robb Avenue, Lima OH 45805, being tax parcel no. 36-2312-02-022.000, owned by Victoria Strickland (“Parcel D”) and more particularly described in Exhibit A (Parcel A, Parcel B, Parcel C and Parcel D, each a “Parcel” and collectively, the “Land”), together with all improvements situate thereon (including without limitation: an approximately 85,768 rentable square foot self-storage facility containing 739 storage units and a two-story manager’s office with upstairs resident manager apartment; two-story multi-tenant office buildings; a free standing single-tenant retail building; a 19 unit “student housing” building; and a single family residence) (together with the Land, the “Project”); a current plan of the Project is attached hereto as Exhibit B and made a part hereof and all personalty thereon is owned by W&C;

WHEREAS, Seller desires to sell and Buyer desires to buy, inter alia, the Project and all personalty thereon at the price and on the other terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements and covenants herein contained, and intending to be legally bound hereby, the parties covenant and agree as follows:

1. Agreement to Sell and Purchase

Seller shall sell and convey, and Buyer shall purchase, the Project; together with the easements, rights, privileges and appurtenances belonging thereto, and any abutting strips or gores; together with Seller’s right, title and interest, if any, in and to any land lying in the bed of any street, road or avenue, open or proposed, in front of or adjoining the Land to the center line thereof; together with all sign posts and signage used by Seller in connection with the Project; together with all appurtenant easements for ingress and egress and utilities; together with all fixtures and equipment now located in, upon, attached or appurtenant to or used in the operation of the Project; together with all leases, licenses and rental agreements of the Project (the “Leases”) and the lighting fixtures, air-conditioning units, window screens and other appliances, furniture, equipment, customer lists, rights to facility telephone and fax numbers, email addresses, yellow pages ads and other local ads, inventories (including all boxes, cash registers,

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packaging materials, locks and all other contents of the retail store located on the Project) and other personal property and supplies owned by Seller and used or acquired for use at the Project (the “Personalty”, and all of the foregoing property, real, personal and mixed, being collectively called the “Property”). The purchase of the Property shall not include: (i) the use of any name or logo belonging to Seller, except that Buyer, at no additional cost to Buyer, may use the Seller’s name and logo on the existing Property signage for a period not to exceed 120 days following the Closing; or (ii) personal property used by Seller solely in connection with Seller’s “Little Squirt Sports Park” business, including without limitation all go-karts, bumper-boats, bumper-cars, laser tag equipment, and mini-golf equipment (collectively, “Sports Park Equipment”).

## 2. Purchase Price

Buyer shall pay Seller for the Property the sum of FIVE MILLION THREE HUNDRED THOUSAND AND 00/100 DOLLARS (\$5,300,000.00) (the “Purchase Price”) as follows:

(a) FIFTY THOUSAND AND 00/100 DOLLARS (\$50,000.00) no later than three (3) business days after the Effective Date and, unless Buyer earlier terminates (or is deemed to have terminated) this Agreement as herein provided, FIFTY THOUSAND AND 00/100 DOLLARS (\$50,000.00) within three (3) business days after the date of the Feasibility Study Clearance Letter, as hereinafter defined (all such monies, together with any additional deposit required hereunder, and together with interest which shall accrue thereon, being collectively called the “Deposit”), all to be held in escrow by Land Services USA, Inc. (“Title Company” and “Escrow Agent”), with an address at 602 E. Baltimore Pike, Media, PA 19063, Attn: Karen Lee, National Title Officer; telephone: 484-448-2117; email: klee@lsutitle.com, as agent for First American Title Insurance Company, and disbursed in accordance herewith; and

(b) The balance of the Purchase Price at Closing (hereinafter defined) by wire transfer of immediately available Federal funds, subject to the prorations set forth herein.

(c) Prior to Closing, Seller and Buyer shall use commercially reasonable, good faith efforts to allocate the Purchase Price among the Parcels (including the improvements located on such Parcels) and the Personalty.

## 3. Representations and Warranties of Seller

Seller represents, warrants and covenants to Buyer (which representations and warranties shall be true as of the Effective Date of this Agreement and as of the Closing Date, as hereinafter defined, and shall survive Closing) that:

(a) Seller has full power and authority to enter into, and to perform its obligations under, this Agreement. This Agreement has been duly authorized by all necessary action of Seller, and all entities which currently own all or any part of the Property.

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(b) There is no claim, action, suit or proceeding pending or, to the best of Seller's knowledge, threatened against, by or otherwise affecting Seller or the Property or any portion thereof or relating to or arising out of ownership, management or operation of the Property in any court or before or by any federal, state, county, township or municipal department, commission, board, bureau or agency.

(c) All of the obligations of Seller under any contracts affecting the Property which ought to be fulfilled prior to the Closing Date or arising from conditions existing prior thereto will be timely performed by Seller.

(d) Seller has no employees other than Victoria Strickland, Thomas J. Klausning, Alex Regal and Dawn Kessinger and Buyer shall not be assuming any employment-related liabilities of Seller under this Agreement.

(e) The Leases described in Exhibit C (the "Lease Schedule"), true, correct and complete copies of which will be furnished to Buyer in electronic format within two (2) days after the Effective Date, are all of the leases, licenses and rental agreements affecting the Property on the date hereof and the Lease Schedule accurately sets forth, as of the date hereof, with respect to each Lease: (i) the names, and unit numbers or leased premises, of the lessees; (ii) the monthly rents, which might be in excess of the rates described in the Leases due to increased rental rates; (iii) lessee security deposits (or, if there are none, shall so provide); and (iv) the expiration dates. Seller further represents and warrants that:

(i) the Leases are in full force and effect;

(ii) the information relating to the Leases as set forth in the Lease Schedule is true, correct and complete;

(iii) no amendments, oral or written, have been made with respect to the Leases, other than those listed in the Lease Schedule or made in accordance with Paragraph 5(c);

(iv) none of the lessees under the Leases have made any security deposits thereunder, other than as set forth in the Lease Schedule or made in accordance with Paragraph 5(c); and

(v) there are no rights of use for any portions of the Property now in effect or hereafter to come into effect, except the rights under the Leases or made in accordance with Paragraph 5(c), and no lessee has any option, agreement of sale, extension or renewal, or any other right, title or interest in the Property acquired directly through Seller, other than its rights of use as aforesaid.

(f) Attached hereto as Exhibit D (the "Contract Schedule") is a true, correct and complete list of all service contracts and other contracts (other than the Leases) respecting the operation of the Property (the "Contracts"), true, correct and complete copies of which will be furnished to Buyer in electronic format within two (2) days after the Effective Date. The Contracts are currently in full force and effect and Seller has performed or, if performance is not currently required, will perform all its obligations thereunder.

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(g) Seller is not a “foreign person” within the meaning of Section 1445 of the United States Internal Revenue Code, as amended, or its regulations.

(h) To the best of Seller’s knowledge, no part of the Property is in violation of applicable laws, codes, or regulations, including (without limitation) those related to health, safety, access, and/or the environment.

(i) To the best of Seller’s knowledge, there are no “hazardous substances” (as defined in any applicable law) located on the Project.

(j) The current uses of the Project are permissible under the Project’s current zoning classifications.

(k) W&C manages and operates the Project.

(l) To the best of Seller’s knowledge, there are no structural or other defects in or upon the Project, including (without limitation) HVAC or other mechanical systems, and all such systems are in good working order.

(m) There are no existing or pending contracts of sale, options to purchase or rights of first refusal (or the like) with respect to all or any part of the Property.

(n) The Property has direct access to and from a public right-of-way.

(o) There is currently no pending or threatened litigation involving the Seller, the Property or any part thereof.

(p) Strickland is the sole member of West Robb and the sole shareholder of W&C.

As used herein, “the best of Seller’s knowledge” shall mean the actual and constructive knowledge of any one or more of: Strickland, Seller’s principal Victoria Strickland and Seller’s employees Thomas J. Klausning, Alex Regal and Dawn Kessinger.

Buyer represents and warrants to Seller (which representations and warranties shall be true as of the date of this Agreement and as of the Closing Date, as hereinafter defined, and shall survive Closing) that Buyer has full power and authority to enter into, and to perform its obligations under, this Agreement. This Agreement has been duly authorized by all necessary limited liability company action of Buyer.

#### 4. Conditions Precedent to Closing; Default

(a) Buyer’s obligation to close hereunder shall be expressly conditioned upon the occurrence or fulfillment of each of the following conditions on or prior to the Closing Date or such earlier date as may be provided in this Paragraph 4(a):

(i) All of the representations and warranties by Seller set forth in this Agreement shall be true and correct in all material respects as if made on the Closing Date.

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(ii) Seller shall have performed (in all material respects) all covenants and agreements required by this Agreement to be performed by Seller at or prior to the Closing Date.

(iii) Seller shall have caused all required governmental inspections and requirements concerning the Project to be completed, and each related governmental authority shall have delivered to Buyer a writing evidencing satisfactory completion of such inspection and requirement.

(iv) There shall have been no material and adverse change to the condition of the Project since the Feasibility Study Termination Date.

If any of the conditions set forth above in Paragraph 4(a)(i)-(iii) are not satisfied, Buyer, in addition to its other remedies set forth herein, shall be entitled to (A) terminate this Agreement and receive back the Deposit, and this Agreement shall be deemed null and void, (B) pursue specific performance and/or (C) pursue any other remedies at law or in equity. If any of the conditions set forth above in Paragraph 4(a)(iv) are not satisfied, Buyer shall have the right to terminate this Agreement and receive back the Deposit, and this Agreement shall be null and void.

(b) Seller's obligation to close hereunder shall be expressly conditioned upon Buyer's performance (in all material respects) of all covenants and agreements required by this Agreement to be performed by Buyer at or prior to the Closing Date. Upon Buyer's failure to perform (in all material respects) all such covenants and agreements, Seller shall be entitled to receive the Deposit from Escrow Agent, as liquidated damages and not as a penalty, and such receipt shall be Seller's sole remedy. In no event shall Seller bring action, sue or seek damages or recourse against any principal, member, affiliate or parent company of Buyer (including, without limitation, Global Self Storage, Inc.).

5. Feasibility Study; Termination; Seller's Operations Prior to Closing; Signage

(a) Within two (2) days after the Effective Date or within such other time as hereinafter set forth, Seller shall:

(i) deliver to Buyer copies of all materials respecting the Property including, without limitation: copies of all existing surveys, title policies, environmental reports, permits and approvals, building plans, appraisals, engineering reports, site plans, franchise agreements and related documentation, agency agreements and related documentation, licenses, zoning materials, tax bills and any other records affecting all or any part of the Property.

(ii) deliver to Buyer copies of all materials respecting the Property including, without limitation, the following:

- (a) Original plans and specifications for the Project;
  - (b) 2014 & 2015 Income and expense statements;
  - (c) The Leases, as set forth in Paragraph 3(e), and a report listing all tenants, unit #s and a sample copy of the form of lease used by Seller;
  - (d) List of personal property to be transferred to Buyer;
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- (e) Copies of all service Contracts and other contracts relating to the Property;
- (f) Copies of last three years tax returns for the Property;
- (g) Copies of the last twelve months of operating statements and utility bills for the Property;
- (h) Copies of the last twenty-four months of property taxes, valuation and tax-related documents, insurance policies and invoices, marketing and advertising expenses with invoices affecting the Property;
- (i) Copies of all correspondence sent to or received from all Property tenants (and the representatives of such tenants) within the three (3) year period preceding the Effective Date (and Seller shall promptly forward to Buyer any such correspondence sent or received during the term of this Agreement);
- (j) The Property management contract with amendments (if applicable), any employment contracts, and any documents relating to employee annual reviews;
- (k) A summary of pending insurance claims and pending litigation (including, without limitation, all eviction and auction actions), if any;
- (l) Bank statements for all accounts relating to the Property for the last 12 months;
- (m) Copies of all guaranties or warranties with respect to the roof or other portions of the Property, if any;
- (n) Copies of all certificates of occupancy and/or other permits and approvals affecting the Property;
- (o) A complete list of the Sports Park Equipment; and
- (p) All materials, documents, notices, amendments, assignments and correspondence respecting that certain Land Contract Agreement, by and between Norman E. Greber and Shirleen M. Greber, as seller, and Victoria Lynn Strickland, as buyer, dated as of October 16, 2006 and recorded by the Allen County Recorder's Office on October 17, 2006 as Instrument Number 200610170010364, as assigned and amended (as assigned and amended, the "Land Contract") and deeds from the collective seller under the Land Contract effectively terminating the Land Contract (the "Land Contract Termination").

Electronic versions of all items referenced in this Paragraph 5(a) shall be sent by Seller to Buyer at the following email address: [mwinmill@globalselfstorage.us](mailto:mwinmill@globalselfstorage.us); provided, however, that Seller shall email electronic versions of the most recent Project survey and title policy to Buyer's counsel at [amaguire@mkbattorneys.com](mailto:amaguire@mkbattorneys.com). Hard copies of all items referenced in this Paragraph 5(a) shall be sent by Seller to Buyer at the physical address referenced in Paragraph 15.

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(iii) During the term of this Agreement, Seller will afford Buyer, its agents and representatives, upon reasonable prior notice and at reasonable times, with full access to the Property, for Buyer's inspection, testing and review. Without limiting the foregoing, Seller shall make available to Buyer at the Project all Leases (with all Lease guarantees, tenant correspondence and related materials). Buyer shall restore any portion of the Property disturbed by Buyer's testing activities on the Property to its condition as existed prior to such disturbance. Buyer shall provide Seller with a certificate of insurance evidencing liability insurance against property loss and personal injury in connection with such activities in an amount of not less than \$1,000,000 combined single limit and naming Seller as an additional insured. Buyer shall promptly notify Seller in the event the policy of insurance evidenced by the certificate of insurance is cancelled by the insurance company or notice of cancellation is given by the insurance company.

(b) The "Feasibility Study Termination Date" shall be that date which is forty-five (45) days after the Effective Date. On or before the Feasibility Study Termination Date, Buyer shall have the right to terminate this Agreement (for any reason or for no reason) by delivery of notice to Seller, and this Agreement shall be deemed terminated (and the Deposit shall be returned to Buyer) upon Buyer's delivery of such termination notice. If Buyer elects to proceed to Closing hereunder, Buyer shall provide Seller with notice of same ("Feasibility Study Clearance Letter") within two (2) business days after the Feasibility Study Termination Date. In the event that Buyer fails to timely provide a Feasibility Study Clearance Letter to Seller, this Agreement shall be deemed terminated (and the Deposit shall be promptly returned to Buyer) if, within five (5) business days after Buyer's receipt of notice from Seller referencing Buyer's failure to timely provide a Feasibility Study Clearance Letter, Buyer fails to provide a Feasibility Study Clearance Letter to Seller.

(c) During the term of this Agreement, Seller shall not, without Buyer's consent, enter into or extend:

(i) any Lease or other possessory arrangement regarding the Property (A) for a term (including any renewals) of more than one (1) year, (B) which calls for rental and other payments which are less than those currently payable for the space being rented, or (C) which grants the lessee any concessions which will not be fully performed by Seller prior to Closing; or

(ii) any service or other contract regarding the Property for a term which will extend past the Closing Date.

(d) During the term of this Agreement and extending beyond the Closing Date, Seller shall cooperate with Buyer's efforts to obtain permits and approvals respecting Buyer's Project signage. Without limiting the generality of the foregoing, Seller shall sign and submit applications for permits respecting Buyer's sign panels upon Buyer's request.

(e) Seller shall use commercially reasonable efforts to obtain from each tenant a signed estoppel certificate, in a form pre-approved by Buyer, on or before the Feasibility Study Termination Date; provided, however, Seller shall not be required to pursue an estoppel from any self-storage or student housing tenant.

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(f) On or before the Feasibility Study Termination Date, Buyer shall provide written notice to Seller indicating which Contracts (if any) Buyer elects to assume at Closing.

6. Closing

Closing of the transaction contemplated herein (“Closing”) shall take place via remote Closing by escrow, on a date (the “Closing Date”) selected by Buyer which is not later than fifteen (15) days after the date of the Feasibility Study Clearance Letter.

7. Evidence and Condition of Title

(a) At Closing, Seller shall cause title to the Property (other than the Personalty) to be fee simple and: (i) good and marketable and free and clear of all tenancies, liens, encumbrances and title objections, other than the Leases; and (ii) insurable as such, at regular rates, by Title Company. Title to the Personalty shall be good and marketable and free and clear of all liens, security interests and other encumbrances.

(b) After the execution of this Agreement, Buyer shall apply for a commitment for title insurance from Title Company (the “Title Commitment”). Seller agrees to cooperate with Buyer and Title Company in connection therewith, including (without limitation) delivering to Buyer copies of any requested deeds, plans, surveys and title policies in Seller’s possession or control. Buyer shall have the right to deliver a notice to Seller of the existence of any requirements, conditions or exceptions noted in the Title Commitment or a current survey of the Project which are unsatisfactory to Buyer (such exceptions being called “Title Defects”), with which Buyer shall include a copy of the Title Commitment, copies of recorded exceptions specified therein and, at Buyer’s option, a current survey of the Project.

(c) (i) If Buyer notifies Seller of the existence of any Title Defects, Seller shall have ten (10) days from the date of such notice to notify Buyer whether Seller intends to cure such Title Defects, except that in all cases Seller must discharge at or prior to Closing all monetary liens affecting the Property. Seller’s failure to notify Buyer within such 10-day period shall be conclusively deemed to be Seller’s notice to Buyer of Seller’s decision not to cure the Title Defects, except such monetary liens.

(ii) If Seller notifies, or is deemed to have notified, Buyer of its intention not to cure all Title Defects, Buyer shall have ten (10) days thereafter to notify Seller of its decision whether to take such title as Seller may give or of terminating this Agreement, and in the latter event, the Deposit shall be promptly returned to Buyer and this Agreement shall terminate.

(d) If Seller agrees to cure any Title Defects and such Title Defects remain uncured at Closing, or if additional Title Defects created after the issuance of the Title Commitment exist at the time of Closing, then Buyer may, at Buyer’s option: (i) take such title as Seller can give, with a credit against the Purchase Price in an amount necessary to cure or correct any Title Defects which constitute monetary liens in an ascertainable amount (as reasonably determined by Buyer); or (ii) elect to receive a return of the Deposit, whereupon this Agreement shall terminate.

(e) Subject to Paragraph 5(c)(i), Seller shall not allow the Property or any part thereof to be transferred or encumbered during the term of this Agreement.

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8. Delivery of Documents and Other Items: Employees

(a) At Closing, Seller shall deliver to Buyer:

(i) A general warranty deed (each, a “Deed”), each duly executed and acknowledged by Seller and in proper form for recording, with accompanying DTE-100 form and any other forms required by applicable governmental agencies (including, without limitation, the Allen County Auditor or Tax Map office), properly completed and signed by Seller.

(ii) A Bill of Sale to the Personalty duly executed by Seller.

(iii) A valid assignment of the Leases and all security deposits required to be held by Seller pursuant to the Leases, duly executed by West Robb and W&C and acknowledged, assigning to Buyer all of Seller’s interest in the Leases and such security deposits, together with the original executed Leases and an updated, true, correct and complete version of the Lease Schedule (the “Assignment of Leases”).

(iv) A credit to Buyer in the amount of all security deposits in connection with the Leases, including any required interest thereon, as of the Closing Date.

(v) An executed assignment to Buyer of all of the interest of Seller under the Contracts that are assignable, but only to the extent Buyer desires to assume any thereof, together with originals of such Contracts.

(vi) An executed general assignment of all governmental plans and approvals, utility rights, and the other intangible property rights respecting the ownership and operation of the Property.

(vii) Such documents, affidavits, disclosure forms and indemnities as Title Company or Buyer shall require, including (without limitation) (A) documents or affidavits in connection with seller gain withholdings required under applicable law and (B) a gap affidavit or any other indemnity requested by the Title Company to insure the period between the Closing Date and the date of Deed recordation.

(viii) Such other individual or organizational documents as Buyer or Title Company shall reasonably require to evidence Seller’s formation, existence and authority to consummate the sale of the Property and delivery of the Deed, the incumbency of officers and the like.

(ix) An executed version of the final closing statement prepared by the Title Company.

(x) A certificate in the form of Exhibit E, executed and acknowledged by Seller, in accordance with Section 1445 of the Internal Revenue Code, as amended.

(xi) A non-competition agreement signed by Strickland, W&C and West Robb, in a form acceptable to Buyer, in connection with Paragraph 23.

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(xii) A termination, in recordable form satisfactory to Buyer, of that certain Lease between West Robb and W&C, dated August 8, 2007, and recorded in the Allen County Recorder's Office as Instrument No. 200708080012245, which termination shall (by its terms) be effective immediately after the transfer of Leases and security deposits under the Assignment of Leases.

(xiii) A license, in a form satisfactory to Buyer, signed by Strickland for the short-term occupation of the apartment as set forth under Section 22(b) (the "Strickland License").

(xiv) All keys, passcards and passcodes (for doors, security systems, management kiosks or otherwise) used in connection with the Property.

(b) At Closing, Buyer shall deliver to Seller the balance of the Purchase Price due, and Buyer's signed version of the Strickland License.

(c) Effective as of the Closing Date, Seller shall (i) cause the termination of all Project employees and (ii) pay all such employees all amounts due through the Closing Date (including accrued wages and benefits). At such time, Buyer shall have the right, in its discretion, to enter into a separate employment agreement with any such employees. If requested by Buyer, Seller agrees to cooperate with Buyer's efforts to retain certain employees identified by Buyer (including, without limitation, delivering a jointly-signed letter to any such employee explaining this transaction and Buyer's willingness to hire them).

#### 9. Apportionment

The following items are to be computed and apportioned between Buyer and Seller as of the Closing Date on a per diem and on a 365 day year basis:

(a) Water and sewer rents.

(b) Seller shall pay all Property real estate taxes covering all periods through the Closing Date. Real estate taxes and assessments shall be prorated based on the current year. If Closing occurs on a date when the current year's tax millage is not fixed, and the current year's assessment is available, taxes will be estimated and prorated based upon such assessment, and the prior year's millage. If the current assessment or tax bill is not available, then taxes will be estimated and prorated based on the prior year's tax. However, any tax proration based on an estimate may, at the request of either party to the transaction, be subsequently readjusted upon receipt of the tax bill. Notwithstanding anything herein to the contrary, Seller shall pay, at Seller's sole expense (i) any applicable agricultural taxes (including, without limitation, rollback taxes) and (ii) all Property real estate taxes through the Closing Date.

(c) Any amounts payable under the Contracts to be assumed by Buyer; provided, that if Buyer receives a bill for any such amount after the Closing Date which bill covers a period prior to the Closing Date, Seller shall pay to Buyer that part of such amount properly allocable to the period prior to the Closing Date.

(d) The rents and charges due under all Leases, hot and cooled water charges, electricity and other utility charges and all other additional rent, sundry charges paid by lessees

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under the Leases and other income to Seller, including income received or receivable by Seller for vending machines, to the extent collected by Seller prior to the Closing Date and which, as of the Closing Date, represent payments thereof to Seller which are applicable in whole or in part to a period of time subsequent to the Closing Date.

(e) All of the items referenced in Paragraph 9(d) which are due and payable prior to the Closing Date, but which have not been collected by Seller, shall be pro-rated as follows at settlement: Current rental income shall be pro-rated as of the Closing Date. Income received on the Closing Date shall be credited to Buyer. All prepaid rents shall be transferred to Buyer. All deposits shall be transferred to Buyer. All accounts not yet paid and delinquent 30 days or less shall be considered paid for pro-ration calculations. All accounts not yet paid and delinquent 31 days or more (“Past Due”) shall become the property of Buyer with no pro-ration. After the Closing Date Buyer shall use good faith efforts to collect Past Due rental payments and, after Buyer collects payment for Past Due accounts covering periods from and after Closing, Buyer shall remit to Seller collected Past Due rent dating to the term of Seller’s ownership.

(f) Payment of all utility company charges, for periods through the Closing Date (including, without limitation, electricity, water and sewer) shall be made by Seller. Adjustments for utilities respecting periods during which Closing occurs shall be based upon the next bill received and such adjustment shall occur after the Closing Date. Seller shall retain the right to the refund of all utility deposits. With respect to any utility adjustment, Seller shall obtain meter (or other measuring device) readings of the utility consumption as of the Closing Date and, wherever possible, Seller shall pay directly to the utility company the amount determined to be due as of the Closing Date.

This Paragraph 9 shall survive Closing.

10. Transfer Taxes And Other Costs.

The payment of all state, local and municipal transfer taxes, conveyance fees and documentary stamp charges arising from the sale of the Property shall be paid by Seller. The payment of all state, local and municipal transfer taxes and documentary stamp charges and other costs arising from, or in connection with, the Land Contract and/or the Land Contract Termination shall be paid by Seller. Each party shall pay its own legal fees. Buyer shall pay the cost of a base owner’s title policy. Seller shall pay the cost of any title endorsements necessitated by Title Defects or in connection with the Land Contract, and Buyer shall pay the cost of any additional title endorsements selected by Buyer. Buyer shall pay all survey update costs. Buyer shall pay the cost of recording the Deed from Seller to Buyer, and Buyer and Seller shall each pay one half of all applicable closing fees (including, without limitation, such fees imposed by the Title Company). Seller shall (a) pay all sales and use taxes, employer withholding taxes and all taxes respecting the Property or the Seller incurred or imposed in connection with any period on or prior to the Closing Date; and (b) indemnify, hold harmless and defend (using counsel selected by Buyer) Buyer against all claims, losses, costs, demands and liabilities in connection with the foregoing Paragraph 10(a). This Paragraph 10 shall survive Closing.

11. Title Company as Deposit Holder

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(a) Title Company shall hold the Deposit in an interest-bearing account and shall disburse the Deposit in accordance with the terms of this Agreement. Upon such disbursement, Title Company shall be released and discharged from all obligations hereunder.

(b) Title Company, in its sole discretion, may at any time deposit the Deposit, with a court of competent jurisdiction selected by it and, in such event, Title Company shall be fully released and discharged from all obligations hereunder with respect to the Deposit. Alternatively, Title Company may hold the Deposit pending receipt of joint instructions from Seller and Buyer.

(c) The duties of Title Company hereunder are only as herein specifically provided and are purely ministerial in nature. Title Company shall incur no liability whatever, as long as Escrow Agent acts in good faith. Title Company may refuse to take any action respecting the Deposit or this Agreement, unless indemnified to its satisfaction by Buyer and/or Seller.

(d) Seller and Buyer agree to sign an escrow agreement if requested by the Title Company.

## 12. Insurance

Seller shall maintain in effect until the Closing Date insurance policies with respect to the Property for the full insurable value thereof. In the event of damage to the Property by fire or any other casualty, Seller shall promptly notify Buyer and this Agreement shall not be affected thereby, provided the cost of repairing such damage shall not exceed the sum of \$50,000.00, and provided all such costs are covered by such policies or Seller shall agree to pay any deficiency, to be specified in Seller's notice. If, however, damage caused by fire or other casualty insured under such policies shall exceed \$50,000.00, or if the damage is not fully covered by such policies and Seller does not agree to pay Buyer at Closing the cost of repairing the uncovered damage, Buyer shall have the right and option to cancel and terminate this Agreement by giving notice to Seller within fifteen (15) days after Buyer receives Seller's notification of such damage. Thereupon, Buyer shall be entitled to promptly receive back the Deposit, whereupon this Agreement shall be null and void. If, in the event of a casualty, this Agreement shall not be terminated as in this Paragraph 12 provided, Seller shall pay or assign to Buyer at Closing all monies received or receivable from the insurance companies which wrote such policies, all claims against such insurance companies as a result of the losses covered by such policies and any deficiency amount as described above in this Paragraph 12, less documented amounts previously expended by Seller for repair of the casualty damage.

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13. Condemnation

In the event that all or part of the Property is taken by condemnation or eminent domain proceeding between the date of this Agreement and the Closing Date, Buyer may (a) cancel this Agreement, if the part of the Property so taken is material to the use or value of the Property, or (b) take title subject to such condemnation or taking and receive the proceeds thereof, and Seller shall assign all of Seller's rights to unpaid proceeds to Buyer at Closing. Buyer shall notify Seller of its election not more than fifteen (15) days after notice from Seller of the occurrence of the condemnation or taking and the extent thereof. If Buyer shall elect to cancel this Agreement pursuant to (a) above, then this Agreement shall be null and void and Buyer shall be entitled to receive back the Deposit, whereupon this Agreement shall be null and void.

14. Brokers

Seller and Buyer each represent and warrant to the other that it has neither engaged nor dealt with any broker or finder in connection with this Agreement, other than SVN Wilson Commercial Group, LLC ("Broker"). Seller and Buyer each agree to indemnify, save harmless and defend the other from and against all claims, losses, liabilities and expenses, including reasonable attorneys' fees, through any and all appeals, arising out of any claim made by any other broker, finder or other intermediary who claims to have been engaged by such party in connection with the transactions contemplated by this Agreement. Seller shall be responsible for paying the Broker a commission respecting the sale of the Property, and Seller further agrees to indemnify, save harmless and defend Buyer from and against all claims, losses, liabilities and expenses, including reasonable attorneys' fees through any and all appeals, arising out of any claim made by Broker in connection herewith. The provisions of this Paragraph 14 shall survive Closing or any prior termination of this Agreement.

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15. Notices

All notices and other communications hereunder (“Notices”) shall be in writing and be (a) mailed first class, certified mail, return receipt requested, postage pre-paid, (b) sent via recognized overnight delivery service (i.e., Federal Express), or (c) sent by email, with an original to follow via (a) or (b) above and addressed:

IF TO SELLER:

Victoria Strickland  
West Robb Ave., LLC  
1910 W. Robb Avenue  
Lima, OH 45805  
Email: [squirty@woh.rr.com](mailto:squirty@woh.rr.com)

WITH A COPY TO:

Michael J. Zaino  
Zaino Law Group, LPA  
5775 Perimeter Dr. Suite 275  
Dublin, OH 43017  
Email: [mzaino@zainolawgroup.com](mailto:mzaino@zainolawgroup.com)

IF TO BUYER:

Mark C. Winmill  
Global Self Storage, Inc.  
3814 Route 44  
Millbrook, NY 12545  
Email: [mwinmill@globalselfstorage.us](mailto:mwinmill@globalselfstorage.us)

WITH A COPY TO:

Andrew Maguire  
McCausland Keen + Buckman  
80 W. Lancaster Avenue, 4<sup>th</sup> Floor  
Devon, PA 19333  
Email: [amaguire@mkbattorneys.com](mailto:amaguire@mkbattorneys.com)

Notices shall be deemed received: three (3) business days after mailed in conformity with (a) above; one (1) business day after sent via delivery service in conformity with (b) above; or on the day sent by email in conformity with (c) above. Notices may be given by a party’s attorney on its behalf.

16. Successors and Assigns

This Agreement shall inure to the benefit of and be binding upon the parties and their respective legal representatives, successors and assignees, as the case may be. Without need for Seller consent, Buyer shall have the right to assign all or any of its interest and rights under this Agreement to any entity controlled by, controlling or under common control with Buyer.

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17. Binding Effect; Amendments

This Agreement contains the final and entire agreement between the parties with respect to the subject matter hereof. The parties shall not be bound by any terms, conditions, statements, warranties or representations, oral or written, not herein contained. This Agreement may not be changed orally but only by an instrument in writing and signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

18. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Electronically transmitted copies of counterpart signature pages of this Agreement shall have the same force and effect as originals.

19. Litigation

In connection with any litigation arising out of this Agreement, the prevailing party shall be entitled to recover all costs incurred, including reasonable attorney's fees. The parties each waive trial by jury in any legal action between the parties arising out of this Agreement.

20. Governing Law; Time of the Essence

This Agreement shall be construed and interpreted in accordance with the laws of the State of Ohio. The parties agree that all time is of the essence.

21. Paragraph Headings

The paragraph headings in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof, and shall not constitute a part of this Agreement.

22. Post-Closing Cooperation

(a) After Closing, Seller shall sign and deliver to Buyer all documents and materials reasonably requested by Buyer. Seller shall promptly make payments to Buyer in the amount of all Project rental payments erroneously delivered to Seller and/or erroneously made payable to Seller after Closing.

(b) Buyer shall permit Strickland to remain in occupancy of her current apartment located on Parcel C rent-free for a maximum of 90 days following Closing. During the 45 days following Closing, Seller shall have the right to enter upon the Property and remove all Sports Park Equipment which is not included in this transaction; provided, however, Seller's removal of Sports Park Equipment shall not materially interfere with Buyer's use and operation of the Property and such removal shall be at Seller's sole risk, without cost or liability to Buyer or Buyer's affiliates.

This Paragraph 22 shall survive Closing.

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23. Non-Competition

For a period of five (5) years following the Closing Date, the following parties shall not develop, purchase or invest in any self storage facility, mini storage facility or truck leasing operation within a five (5) mile radius of the Project: Strickland, and any other Seller-related entity, Seller's principals, Seller's affiliates or Seller's members (collectively, the "Seller Parties"). The Seller Parties acknowledge that the restrictions set forth in this Paragraph 23 are reasonable and necessary for the protection of Buyer's purchase of, and interest in, the Property. This Paragraph 23 shall survive Closing.

24. 1031 Exchange

Either party may effect a like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, each party agrees that it will cooperate with the other to effect a tax-free exchange in accordance with the provisions of Section 1031 of the Code and the regulations promulgated with respect thereto, provided same shall not delay the Closing, unless agreed to by the other party in its sole discretion. The exchanging party shall be solely responsible for any additional fees, costs or expenses incurred in connection with the like-kind exchange contemplated by it pursuant to this Paragraph 24, and neither party shall be required to incur any debt, obligation or expense in accommodating the other hereunder. In no event shall either party's ability or inability to effect a like-kind exchange, as contemplated hereby, in any way delay the Closing or relieve the other from its obligations and liabilities under this Agreement. Each party hereby agrees to indemnify and hold harmless the other from any liability, losses or damages incurred by the other in connection with or arising out of the Section 1031 like-kind exchange of the exchanging party, including but not limited to any tax liability. This Paragraph 24 shall survive Closing.

25. Indivisible Economic Package

Notwithstanding anything herein to the contrary, Buyer has no obligation to purchase less than all of the Property, it being the express agreement and understanding of Buyer and Seller that, as a material inducement to Buyer to enter into this Agreement, Buyer has agreed to purchase, and Seller has agreed to sell, all of the Property, subject to and in accordance with the terms and conditions hereof. Accordingly, the parties acknowledge that this Agreement is intended to effect the transfer of title to all properties which, in the aggregate, constitute the Property, and notwithstanding any reference in this Agreement to any singular property, building or parcel or any other similar reference implying that this Agreement relates to only one property, this Agreement shall be construed to effect the transfer of title to all properties constituting the Property (so that, provisions relating to the delivery of the Deed, Bill of Sale, and so forth, shall be construed to require a separate deed for each such property rather than a single deed, as well as separate bills of sale and the like), and the representations and warranties provided by Seller shall be construed to be given by each individual Seller as to it and the property that it owns.

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26. Confidentiality

Buyer, Seller and their respective representatives shall hold in confidence all data and information obtained with respect to the transaction contemplated by this Agreement (including the existence and terms of this Agreement), and shall not disclose the same to others, other than to counsel, accountants or agents or independent contractors associated with any such party. Notwithstanding anything herein to the contrary, Buyer representatives shall have the right to (a) disclose any data or information in connection with any judicially or administratively ordered proceeding, (b) disclose any data or information in connection with reporting requirements related to securities laws and (c) contact any officials representing The City of Lima (and any political subdivisions or departments thereof) and/or Allen County (and any political subdivisions or departments thereof) in connection with the Property or the transaction contemplated under this Agreement.

27. Effective Date

The Effective Date shall be the later of (a) the date that Seller executes this Agreement and provides proof of same to Buyer, or (b) the date that Buyer executes this Agreement and provides proof of same to Seller. The Effective Date shall be inserted in the preamble at the top of page one of this Agreement.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates below written.

SELLER:  
West Robb Ave., LLC

Date of Execution: \_\_\_\_\_, 2016

By: \_\_\_\_\_  
Name:  
Title:

Wall & Ceiling Systems, Inc.  
[dba Lima Self Storage]

Date of Execution: \_\_\_\_\_, 2016

By: \_\_\_\_\_  
Name:  
Title:

Date of Execution: \_\_\_\_\_, 2016

By: Victoria L. Strickland

BUYER:

SSG LIMA LLC

Date of Execution: \_\_\_\_\_, 2016

By: \_\_\_\_\_  
Name:  
Title:

**SSG MCCORDSVILLE LLC**  
**12<sup>th</sup> FLOOR**  
**11 HANOVER SQUARE**  
**NEW YORK, NEW YORK 10005**

July 21, 2016

Richard Braun  
Gray Eagle Development, LLP  
6054 E. 10<sup>th</sup> Street  
Indianapolis, IN 46219

Re: Agreement for Sale and Purchase by and between GRAY EAGLE DEVELOPMENT, LLP ("Seller") and SSG MCCORDSVILLE LLC ("Buyer"), dated May 9, 2016, as amended by that letter amendment dated June 22, 2016 (as amended, the "Agreement") for real property located in the City of Fishers, Hamilton County, Indiana

Dear Mr. Braun:

This letter (the "Amendment") shall confirm the agreement of Seller and Buyer to establish August 10, 2016 as the Feasibility Study Period Termination Date under the Agreement.

Except as provided above, the Agreement shall remain unaltered and in full force. This Amendment constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior agreements or undertakings. Capitalized terms used in this Amendment and not defined herein shall have the meanings ascribed thereto in the Agreement. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original against any party whose signature appears thereon, and all of which when taken together shall constitute one and the same instrument. Executed copies of this Amendment delivered by facsimile or electronic mail may be relied upon by the parties as originals.

Best regards,

SSG MCCORDSVILLE LLC

By: \_\_\_\_\_  
Mark C. Winmill, President

Agreed to, Accepted and Intending to be Bound Hereby:

GRAY EAGLE DEVELOPMENT, LLP

By: \_\_\_\_\_  
Richard Braun, Authorized Signatory

Dated: July \_\_\_, 2016



**SSG MCCORDSVILLE LLC**  
**12<sup>th</sup> FLOOR**  
**11 HANOVER SQUARE**  
**NEW YORK, NEW YORK 10005**

August 10, 2016

Richard Braun  
Gray Eagle Development, LLP  
6054 E. 10<sup>th</sup> Street  
Indianapolis, IN 46219

Re: Agreement for Sale and Purchase by and between GRAY EAGLE DEVELOPMENT, LLP ("Seller") and SSG MCCORDSVILLE LLC ("Buyer"), dated May 9, 2016, as amended by that letter amendment dated June 22, 2016, and as further amended by that letter amendment dated July 21, 2016 (as amended, the "Agreement") for real property located in the City of Fishers, Hamilton County, Indiana

Dear Mr. Braun:

This letter (the "Amendment") shall confirm the agreement of Seller and Buyer to establish August 25, 2016 as the Feasibility Study Period Termination Date under the Agreement.

Except as provided above, the Agreement shall remain unaltered and in full force. This Amendment constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior agreements or undertakings. Capitalized terms used in this Amendment and not defined herein shall have the meanings ascribed thereto in the Agreement. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original against any party whose signature appears thereon, and all of which when taken together shall constitute one and the same instrument. Executed copies of this Amendment delivered by facsimile or electronic mail may be relied upon by the parties as originals.

Best regards,

SSG MCCORDSVILLE LLC

By: \_\_\_\_\_  
Mark C. Winmill, President

Agreed to, Accepted and Intending to be Bound Hereby:

GRAY EAGLE DEVELOPMENT, LLP

By: \_\_\_\_\_  
Richard Braun, Authorized Signatory

Dated: August 10, 2016

**CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES OXLEY ACT OF 2002**

I, Mark C. Winmill, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Self Storage, Inc.;
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 control 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) 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
  - c) 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 registrant's board of directors (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: August 15, 2016

/s/ Mark C. Winmill

Mark C. Winmill

President and Chief Executive Officer

**CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES OXLEY ACT OF 2002**

I, Thomas O'Malley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Self Storage, Inc.;
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 control 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) 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
  - c) 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 registrant's board of directors (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: August 15, 2016

/s/ Thomas O'Malley

Thomas O'Malley  
Chief Financial Officer, Treasurer and Vice President  
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE  
SARBANES-OXLEY ACT OF 2002**

I, Mark C. Winmill, Chief Executive Officer of Global Self Storage, Inc., certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the knowledge of the undersigned:

1. The Quarterly Report on Form 10-Q for the period ended June 30, 2016 (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations on Global Self Storage, Inc.

Date: August 15, 2016

/s/ Mark C. Winmill

Mark C. Winmill

President and Chief Executive Officer

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed as filed by Global Self Storage, Inc. for purposes of Securities Exchange Act of 1934.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE  
SARBANES-OXLEY ACT OF 2002**

I, Thomas O'Malley, Chief Financial Officer, Treasurer and Vice President of Global Self Storage, Inc., certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the knowledge of the undersigned:

1. The Quarterly Report on Form 10-Q for the period ended June 30, 2016 (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations on Global Self Storage, Inc.

Date: August 15, 2016

/s/ Thomas O'Malley  
Thomas O'Malley  
Chief Financial Officer, Treasurer and Vice President  
(Principal Financial Officer)

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed as filed by Global Self Storage, Inc. for purposes of Securities Exchange Act of 1934.