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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2008
Commission File Number: 1-13820

SOVRAN SELF STORAGE, INC.

(Exact name of Registrant as specified in its charter)

Maryland	16-1194043
(State of incorporation or organization)	(I.R.S. Employer Identification No.)

6467 Main Street
Williamsville, NY 14221
(Address of principal executive offices) (Zip code)

(716) 633-1850
(Registrant's telephone number including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Securities	Exchanges on which Registered
Common Stock, $.01 Par Value	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☑

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

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 ☑	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

As of June 30, 2008, 21,890,727 shares of Common Stock, $.01 par value per share, were outstanding, and the aggregate market value of the Common Stock held by non-affiliates was approximately $882,013,334 (based on the closing price of the Common Stock on the New York Stock Exchange on June 30, 2008).

As of February 15, 2009, 22,040,654 shares of Common Stock, $.01 par value per share, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Definitive Proxy Statement for the Annual Meeting of Shareholders of the Registrant to be held on May 21, 2009 (Part III).

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Part I

When used in this discussion and elsewhere in this document, the words "intends," "believes," "expects," "anticipates," and similar expressions are intended to identify "forward-looking statements" within the meaning of that term in Section 27A of the Securities Exchange Act of 1933 and in Section 21E of the Securities Act of 1934. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the effect of competition from new self-storage facilities, which would cause rents and occupancy rates to decline; the Company's ability to evaluate, finance and integrate acquired businesses into the Company's existing business and operations; the Company's ability to effectively compete in the industry in which it does business; the Company's existing indebtedness may mature in an unfavorable credit environment, preventing refinancing or forcing refinancing of the indebtedness on terms that are not as favorable as the existing terms; interest rates may fluctuate, impacting costs associated with the Company's outstanding floating rate debt; the Company's reliance on its call center; the Company's cash flow may be insufficient to meet required payments of principal, interest and dividends; and tax law changes that may change the taxability of future income.

Item 1. Business

Sovran Self Storage, Inc. together with its direct and indirect subsidiaries and the consolidated joint ventures, to the extent appropriate in the applicable context, (the "Company," "We," "Our," or "Sovran") is a self-administered and self-managed real estate investment trust ("REIT") that acquires, owns and manages self-storage properties. We refer to the self-storage properties in which we have an ownership interest and are managed by us as "Properties." We began operations on June 26, 1995. We were formed to continue the business of our predecessor company, which had engaged in the self-storage business since 1985. At February 15, 2009, we held ownership interests in and managed 385 Properties consisting of approximately 25.0 million net rentable square feet, situated in 24 states. Among our 385 self-storage facilities are 27 properties that we manage for a consolidated joint venture of which we are a majority owner and 25 properties that we manage for a joint venture of which we are a 20% owner. We believe we are the fifth largest operator of self-storage properties in the United States based on facilities owned and managed. Our Properties conduct business under the user-friendly name Uncle Bob's Self-Storage ®.

We own an indirect interest in each of the Properties through a limited partnership (the "Partnership"). In total, we own a 98.1% economic interest in the Partnership and unaffiliated third parties own collectively a 1.9% limited partnership interest at December 31, 2008. We believe that this structure, commonly known as an umbrella partnership real estate investment trust ("UPREIT"), facilitates our ability to acquire properties by using units of the Partnership as currency. By utilizing interests in the Partnership as currency in facility acquisitions, we may partially defer the seller's income tax liability which in turn may allow us to obtain more favorable pricing.

We were incorporated on April 19, 1995 under Maryland law. Our principal executive offices are located at 6467 Main Street, Williamsville, New York 14221, our telephone number is (716) 633-1850 and our web site is www.sovranss.com.

We seek to enhance shareholder value through internal growth and acquisition of additional storage properties. Internal growth is achieved through aggressive property management: increasing rents, increasing occupancy levels, controlling costs, maximizing collections and strategically expanding and improving the Properties. Should economic conditions warrant, we may develop new properties. We believe that there continue to be opportunities for growth through acquisitions, and constantly seek to acquire self-storage properties that are susceptible to realization of increased economies of scale and enhanced performance through application of our expertise.

Industry Overview

We believe that self-storage facilities offer inexpensive storage space to residential and commercial users. In addition to fully enclosed and secure storage space, many facilities also offer outside storage for automobiles, recreational vehicles and boats. Better facilities are usually fenced and well lighted with gates that are either manually operated or automated and have a full-time manager. Our customers rent space on a month-to-month basis

and have access to their storage area during business hours and in certain circumstances are provided with 24-hour access. Individual storage units are secured by the customer's lock, and the customer has sole control of access to the unit.

According to the 2009 Self-Storage Almanac, of the approximately 47,500 facilities in the United States, less than 11% are managed by the ten largest operators. The remainder of the industry is characterized by numerous small, local operators. The shortage of skilled operators, the scarcity of capital available to small operators for acquisitions and expansions, and the potential for savings through economies of scale are factors that are leading to consolidation in the industry. We believe that, as a result of this trend, significant growth opportunities exist for operators with proven management systems and sufficient capital resources.

Property Management

We believe that we have developed substantial expertise in managing self-storage facilities. Key elements of our management system include the following:

Personnel:

Property managers attend a thorough orientation program and undergo continuous training that emphasizes closing techniques, identification of selected marketing opportunities, networking with possible referral sources, and familiarization with our customized management information system. In addition to frequent contact with Area Managers and other Company personnel, property managers receive periodic newsletters via our intranet regarding a variety of operational issues, and from time to time attend "roundtable" seminars with other property managers.

Marketing and Sales:

Responding to the increased customer demand for services, we have implemented several programs expected to increase profitability. These programs include:

- A Customer Care Center (call center) that services new and existing customers' inquiries and facilitates the capture of sales leads that were previously lost;
- Internet marketing, which provides customers information about all of our stores via numerous portals and e-mail;
- A rate management system, that matches product availability with market demand for each type of storage unit at each store, and determines appropriate pricing. The Company credits this program in achieving higher yields and controlling discounting;
- Dri-guard, that provides humidity-controlled spaces. We became the first self-storage operator to utilize this humidity protection technology. These environmental control systems are a premium storage feature intended to protect metal, electronics, furniture, fabrics and paper from moisture; and
- Uncle Bob's trucks, that provide customers with convenient, affordable access to vehicles to help move-in their goods, and which also serve as moving billboards to help advertise our storage facilities.

Ancillary Income:

Our stores are essentially retail operations and we have in excess of 160,000 customers. As a convenience to those customers, we sell items such as locks, boxes, tarps, etc. to make their storage experience easier. We also make available renters insurance through a third party carrier, on which we earn a commission. Income from incidental truck rentals, billboards and cell towers is also earned by our Company.

Information Systems:

Our customized computer system performs billing, collections and reservation functions for each Property. It also tracks information used in developing marketing plans based on occupancy levels and tenant demographics and histories. The system generates daily, weekly and monthly financial reports for each Property that are transmitted to our principal office each night. The system also requires a property manager to input a descriptive explanation for all debit and credit transactions, paid-to-date changes, and all other discretionary activities, which allows the accounting staff at our principal office to promptly review all such transactions. Late charges are automatically imposed. More sensitive activities, such as rental rate changes and unit size or number changes, are completed only by Area Managers. Our customized management information system permits us to add new

facilities to our portfolio with minimal additional overhead expense.

Property Maintenance:

All of our Properties are subject to regular and routine maintenance procedures, which are designed to maintain the structure and appearance of our buildings and grounds. A staff headquartered in our principal office is responsible for the upkeep of the Properties, and all maintenance service is contracted through local providers, such as lawn service, snowplowing, pest control, gate maintenance, HVAC repairs, paving, painting, roofing, etc. A codified set of specifications has been designed and is applied to all work performed on our Uncle Bob's stores. As with many other aspects of our Company, our size has allowed us to enjoy relatively low maintenance costs because we have the benefit of economies of scale in purchasing, travel and overhead absorption.

Environmental and Other Regulations

We are subject to federal, state, and local environmental regulations that apply generally to the ownership of real property. We have not received notice from any governmental authority or private party of any material environmental noncompliance, claim, or liability in connection with any of the Properties, and are not aware of any environmental condition with respect to any of the Properties that could have a material adverse effect on our financial condition or results of operations.

The Properties are also generally subject to the same types of local regulations governing other real property, including zoning ordinances. We believe that the Properties are in substantial compliance with all such regulations.

Insurance

Each of the Properties is covered by fire and property insurance (including comprehensive liability), and all-risk property insurance policies, which are provided by reputable companies and on commercially reasonable terms. In addition, we maintain a policy insuring against environmental liabilities resulting from tenant storage on terms customary for the industry, and title insurance insuring fee title to the Company-owned Properties in an amount that we believe to be adequate.

Federal Income Tax

We operate, and intend to continue to operate, in such a manner as to continue to qualify as a REIT under the Internal Revenue Code of 1986 (the "Code"), but no assurance can be given that we will at all times so qualify. To the extent that we continue to qualify as a REIT, we will not be taxed, with certain limited exceptions, on the taxable income that is distributed to our shareholders. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — REIT Qualification and Distribution Requirements."

Competition

The primary factors upon which competition in the self-storage industry is based are location, rental rates, suitability of the property's design to prospective customers' needs, and the manner in which the property is operated and marketed. We believe we compete successfully on these bases. The extent of competition depends significantly on local market conditions. We seek to locate facilities so as not to cause our Properties to compete with one another for customers, but the number of self-storage facilities in a particular area could have a material adverse effect on the performance of any of the Properties.

Several of our competitors, including Public Storage, U-Haul, and Extra Space Storage, are larger and have substantially greater financial resources than we do. These larger operators may, among other possible advantages, be capable of greater leverage and the payment of higher prices for acquisitions.

Investment Policy

While we emphasize equity real estate investments, we may, at our discretion, invest in mortgage and other real estate interests related to self-storage properties in a manner consistent with our qualification as a REIT. We may also retain a purchase money mortgage for a portion of the sale price in connection with the disposition of Properties from time to time. Should investment opportunities become available, we may look to acquire self-storage properties via a joint-venture partnership or similar entity. We may or may not elect to have a significant investment in such a venture, but would use such an opportunity to expand our portfolio of branded and managed properties.

Subject to the percentage of ownership limitations and gross income tests necessary for REIT qualification, we also may invest in securities of entities engaged in real estate activities or securities of other issuers, including for the purpose of exercising control over such entities.

Disposition Policy

We periodically review our Properties. Any disposition decision will be based on a variety of factors, including, but not limited to, the (i) potential to continue to increase cash flow and value, (ii) sale price, (iii) strategic fit with the rest of our portfolio, (iv) potential for, or existence of, environmental or regulatory issues, (v) alternative uses of capital, and (vi) maintaining qualification as a REIT.

During 2008 we sold one non-strategic storage facility located in Michigan for net cash proceeds of $7.0 million resulting in a gain of $0.7 million. No storage facilities were sold in 2007 or 2006.

Distribution Policy

We intend to pay regular quarterly distributions to our shareholders. However, future distributions by us will be at the discretion of the Board of Directors and will depend on the actual cash available for distribution, our financial condition and capital requirements, the annual distribution requirements under the REIT provisions of the Code and such other factors as the Board of Directors deems relevant. In order to maintain our qualification as a REIT, we must make annual distributions to shareholders of at least 90% of our REIT taxable income (which does not include capital gains). Under certain circumstances, we may be required to make distributions in excess of cash available for distribution in order to meet this requirement.

Borrowing Policy

Our Board of Directors currently limits the amount of debt that may be incurred by us to less than 50% of the sum of the market value of our issued and outstanding Common and Preferred Stock plus our debt. We, however, may from time to time re-evaluate and modify our borrowing policy in light of then current economic conditions, relative costs of debt and equity capital, market values of properties, growth and acquisition opportunities and other factors.

On June 25, 2008, we entered into agreements relating to new unsecured credit arrangements, and received funds under those arrangements. As part of the agreements, we entered into a $250 million unsecured term note maturing in June 2012 bearing interest at LIBOR plus 1.625%. The proceeds from this term note were used to repay the Company's previous line of credit that was to mature in September 2008, the Company's term note that was to mature in September 2009, the term note maturing in July 2008, and to provide for working capital. The new agreements also provide for a $125 million (expandable to $150 million) revolving line of credit maturing June 2011 bearing interest at a variable rate equal to LIBOR plus 1.375%, and requires a 0.25% facility fee. At December 31, 2008, there was $111 million available on the unsecured line of credit.

We also maintain an $80 million term note maturing September 2013 bearing interest at a fixed rate of 6.26%, a $20 million term note maturing September 2013 bearing interest at a variable rate equal to LIBOR plus 1.50%, and a $150 million unsecured term note maturing in April 2016 bearing interest at 6.38%.

To the extent that we desire to obtain additional capital to pay distributions, to provide working capital, to pay existing indebtedness or to finance acquisitions, expansions or development of new properties, we may utilize amounts available under the expanded line of credit, common or preferred stock offerings, floating or fixed rate debt financing, retention of cash flow (subject to satisfying our distribution requirements under the REIT rules) or a combination of these methods. Additional debt financing may also be obtained through mortgages on our Properties, which may be recourse, non-recourse, or cross-collateralized and may contain cross-default provisions. We have not established any limit on the number or amount of mortgages that may be placed on any single Property or on our portfolio as a whole, although certain of our existing term loans contain limits on overall mortgage indebtedness. For additional information regarding borrowings, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" and Note 7 to the Consolidated Financial Statements filed herewith.

Employees

We currently employ a total of 1,069 employees, including 385 property managers, 23 area managers, and 531 assistant managers and part-time employees. At our headquarters, in addition to our three senior executive officers, we employ 127 people engaged in various support activities, including accounting, customer care, and management information systems. None of our employees are covered by a collective bargaining agreement. We consider our employee relations to be excellent.

Available Information

We file with the U.S. Securities and Exchange Commission quarterly and annual reports on Forms 10-Q and 10-K, respectively, current reports on Form 8-K, and proxy statements pursuant to the Securities Exchange Act of 1934, in addition to other information as required. The public may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1 (800) SEC-0330. We file this information with the SEC electronically, and the SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports are available free of charge on our web site at http://www.sovranss.com as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. In addition, our codes of ethics and Charters of our Governance, Audit Committee, and Compensation Committee are available free of charge on our website at http://www.sovranss.com.

Also, copies of our annual report and Charters of our Governance, Audit Committee, and Compensation Committee will be made available, free of charge, upon written request to Sovran Self Storage, Inc., Attn: Investor Relations, 6467 Main Street, Williamsville, NY 14221.

Item 1A. Risk Factors

You should carefully consider the risks described below, together with all of the other information included in or incorporated by reference into our Form 10-K, as part of your evaluation of the Company. If any of the following risks actually occur, our business could be harmed. In such case, the trading price of our securities could decline, and you may lose all or part of your investment.

Our Acquisitions May Not Perform as Anticipated

We have completed many acquisitions of self-storage facilities since our initial public offering of common stock in June 1995. Our strategy is to continue to grow by acquiring additional self-storage facilities. Acquisitions entail risks that investments will fail to perform in accordance with our expectations and that our judgments with respect to the prices paid for acquired self-storage facilities and the costs of any improvements required to bring an acquired property up to standards established for the market position intended for that property will prove inaccurate. Acquisitions also involve general investment risks associated with any new real estate investment.

We May Incur Problems with Our Real Estate Financing

Unsecured Credit Facility. We have a line of credit with a syndicate of financial institutions. This unsecured credit facility is recourse to us and the required payments are not reduced if the economic performance of any of the properties declines. The unsecured credit facility limits our ability to make distributions to our shareholders, except in limited circumstances. If there is an event of default, our lenders may seek to exercise their rights under the unsecured credit facility, which could have a material adverse effect on us and our ability to make expected distributions to shareholders and distributions required by the real estate investment trust provisions of the Internal Revenue Code of 1986.

Rising Interest Rates. Indebtedness that we incur under the unsecured credit facility and bank term note bears interest at a variable rate. Accordingly, increases in interest rates could increase our interest expense, which would reduce our cash available for distribution and our ability to pay expected distributions to our shareholders. We manage our exposure to rising interest rates using interest rate swaps and other available mechanisms. If the amount of our indebtedness bearing interest at a variable rate increases, our unsecured credit facility may require us to use those arrangements.

Refinancing May Not Be Available. It may be necessary for us to refinance our unsecured credit facility through additional debt financing or equity offerings. If we were unable to refinance this indebtedness on acceptable terms, we might be forced to dispose of some of our self-storage facilities upon disadvantageous terms, which might result in losses to us and might adversely affect the cash available for distribution. If prevailing interest rates or other factors at the time of refinancing result in higher interest rates on refinancings, our interest expense would increase, which would adversely affect our cash available for distribution and our ability to pay expected distributions to shareholders.

Recent turmoil in the credit markets could affect our ability to obtain debt financing on reasonable terms and have other adverse effects on us. The United States credit markets have recently experienced significant dislocations and liquidity disruptions which have caused the spreads on available debt financings to widen considerably. These circumstances have materially impacted liquidity in the debt markets, making financing terms for borrowers less attractive. A prolonged downturn in the credit markets could cause us to seek alternative sources of potentially less attractive financing, and may require us to adjust our business plan accordingly. Continued uncertainty in the credit markets may negatively impact our ability to make acquisitions.

Our Debt Levels May Increase

Our Board of Directors currently has a policy of limiting the amount of our debt at the time of incurrence to less than 50% of the sum of the market value of our issued and outstanding common stock and preferred stock plus the amount of our debt at the time that debt is incurred. However, our organizational documents do not contain any limitation on the amount of indebtedness we might incur. Accordingly, our Board of Directors could alter or eliminate the current policy limitation on borrowing without a vote of our shareholders. We could become highly leveraged if this policy were changed. However, our ability to incur debt is limited by covenants in our bank credit arrangements.

We Are Subject to the Risks Posed by Fluctuating Demand and Significant Competition in the Self-Storage Industry

Our self-storage facilities are subject to all operating risks common to the self-storage industry. These risks include but are not limited to the following:

- Decreases in demand for rental spaces in a particular locale;
- Changes in supply of similar or competing self-storage facilities in an area;
- Changes in market rental rates; and
- Inability to collect rents from customers.

Our current strategy is to acquire interests only in self-storage facilities. Consequently, we are subject to risks inherent in investments in a single industry. Our self-storage facilities compete with other self-storage facilities in their geographic markets. As a result of competition, the self-storage facilities could experience a decrease in occupancy levels and rental rates, which would decrease our cash available for distribution. We compete in operations and for acquisition opportunities with companies that have substantial financial resources. Competition may reduce the number of suitable acquisition opportunities offered to us and increase the bargaining power of property owners seeking to sell. The self-storage industry has at times experienced overbuilding in response to perceived increases in demand. A recurrence of overbuilding might cause us to experience a decrease in occupancy levels, limit our ability to increase rents and compel us to offer discounted rents.

Our Real Estate Investments Are Illiquid and Are Subject to Uninsurable Risks and Government Regulation

General Risks. Our investments are subject to varying degrees of risk generally related to the ownership of real property. The underlying value of our real estate investments and our income and ability to make distributions to our shareholders are dependent upon our ability to operate the self-storage facilities in a manner sufficient to maintain or increase cash available for distribution. Income from our self-storage facilities may be adversely affected by the following factors:

- Changes in national economic conditions;
- Changes in general or local economic conditions and neighborhood characteristics;
- Competition from other self-storage facilities;
- Changes in interest rates and in the availability, cost and terms of financing;
- The impact of present or future environmental legislation and compliance with environmental laws;
- The ongoing need for capital improvements, particularly in older facilities;
- Changes in real estate tax rates and other operating expenses;
- Adverse changes in governmental rules and fiscal policies;
- Uninsured losses resulting from casualties associated with civil unrest, acts of God, including natural disasters, and acts of war;
- Adverse changes in zoning laws; and
- Other factors that are beyond our control.

Illiquidity of Real Estate May Limit its Value. Real estate investments are relatively illiquid. Our ability to vary our portfolio of self-storage facilities in response to changes in economic and other conditions is limited. In addition, provisions of the Code may limit our ability to profit on the sale of self-storage facilities held for fewer than four years. We may be unable to dispose of a facility when we find disposition advantageous or necessary and the sale price of any disposition may not equal or exceed the amount of our investment.

Uninsured and Underinsured Losses Could Reduce the Value of our Self Storage Facilities. Some losses, generally of a catastrophic nature, that we potentially face with respect to our self-storage facilities may be uninsurable or not insurable at an acceptable cost. Our management uses its discretion in determining amounts, coverage limits and deductibility provisions of insurance, with a view to acquiring appropriate insurance on our investments at a reasonable cost and on suitable terms. These decisions may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full current market value or current replacement cost of our lost investment. Inflation, changes in building codes and ordinances, environmental considerations, and other

factors also might make it infeasible to use insurance proceeds to replace a property after it has been damaged or destroyed. Under those circumstances, the insurance proceeds received by us might not be adequate to restore our economic position with respect to a particular property.

Possible Liability Relating to Environmental Matters. Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in that property. Those laws often impose liability even if the owner or operator did not cause or know of the presence of hazardous or toxic substances and even if the storage of those substances was in violation of a tenant's lease. In addition, the presence of hazardous or toxic substances, or the failure of the owner to address their presence on the property, may adversely affect the owner's ability to borrow using that real property as collateral. In connection with the ownership of the self-storage facilities, we may be potentially liable for any of those costs.

Americans with Disabilities Act. The Americans with Disabilities Act of 1990, or ADA, generally requires that buildings be made accessible to persons with disabilities. A determination that we are not in compliance with the ADA could result in imposition of fines or an award of damages to private litigants. If we were required to make modifications to comply with the ADA, our results of operations and ability to make expected distributions to our shareholders could be adversely affected.

There Are Limitations on the Ability to Change Control of Sovran

Limitation on Ownership and Transfer of Shares. To maintain our qualification as a REIT, not more than 50% in value of our outstanding shares of stock may be owned, directly or indirectly, by five or fewer individuals, as defined in the Code. To limit the possibility that we will fail to qualify as a REIT under this test, our Amended and Restated Articles of Incorporation include ownership limits and transfer restrictions on shares of our stock. Our Articles of Incorporation limit ownership of our issued and outstanding stock by any single shareholder to 9.8% of the aggregate value of our outstanding stock, except that the ownership by some of our shareholders is limited to 15%.

These ownership limits may:

- Have the effect of precluding an acquisition of control of Sovran by a third party without consent of our Board of Directors even if the change in control would be in the interest of shareholders; and
- Limit the opportunity for shareholders to receive a premium for shares of our common stock they hold that might otherwise exist if an investor were attempting to assemble a block of common stock in excess of 9.8% or 15%, as the case may be, of the outstanding shares of our stock or to otherwise effect a change in control of Sovran.

Our Board of Directors may waive the ownership limits if it is satisfied that ownership by those shareholders in excess of those limits will not jeopardize our status as a REIT under the Code or in the event it determines that it is no longer in our best interests to be a REIT. Waivers have been granted to the former holders of our Series C preferred stock, FMR Corporation and Cohen & Steers, Inc. A transfer of our common stock and/or preferred stock to a person who, as a result of the transfer, violates the ownership limits may not be effective under some circumstances.

Other Limitations. Other limitations could have the effect of discouraging a takeover or other transaction in which holders of some, or a majority, of our outstanding common stock might receive a premium for their shares of our common stock that exceeds the then prevailing market price or that those holders might believe to be otherwise in their best interest. The issuance of additional shares of preferred stock could have the effect of delaying or preventing a change in control of Sovran even if a change in control were in the shareholders' interest. In addition, the Maryland General Corporation Law, or MGCL, imposes restrictions and requires that specified procedures with respect to the acquisition of stated levels of share ownership and business combinations, including combinations with interested shareholders. These provisions of the MGCL could have the effect of delaying or preventing a change in control of Sovran even if a change in control were in the shareholders' interest. Waivers and exemptions have been granted to the initial purchasers of our former Series C preferred stock in connection with

these provisions of the MGCL. In addition, under the Partnership's agreement of limited partnership, in general, we may not merge, consolidate or engage in any combination with another person or sell all or substantially all of our assets unless that transaction includes the merger or sale of all or substantially all of the assets of the Partnership, which requires the approval of the holders of 75% of the limited partnership interests thereof. If we were to own less than 75% of the limited partnership interests in the Partnership, this provision of the limited partnership agreement could have the effect of delaying or preventing us from engaging in some change of control transactions.

Our Failure to Qualify as a REIT Would Have Adverse Consequences

We intend to operate in a manner that will permit us to qualify as a REIT under the Code. Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. Continued qualification as a REIT depends upon our continuing ability to meet various requirements concerning, among other things, the ownership of our outstanding stock, the nature of our assets, the sources of our income and the amount of our distributions to our shareholders.

In addition, a REIT is limited with respect to the services it can provide for its tenants. We have provided certain conveniences for our tenants, including property insurance underwritten by a third party insurance company that pays us commissions. We believe the insurance provided by the insurance company would not constitute a prohibited service to our tenants. No assurances can be given, however, that the IRS will not challenge our position. If the IRS successfully challenged our position, our qualification as a REIT could be adversely affected.

If we were to fail to qualify as a REIT in any taxable year, we would not be allowed a deduction for distributions to shareholders in computing our taxable income and would be subject to federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates. Unless entitled to relief under certain Code provisions, we also would be ineligible for qualification as a REIT for the four taxable years following the year during which our qualification was lost. As a result, distributions to the shareholders would be reduced for each of the years involved. Although we currently intend to operate in a manner designed to qualify as a REIT, it is possible that future economic, market, legal, tax or other considerations may cause our Board of Directors to revoke our REIT election.

Market Interest Rates May Influence the Price of Our Common Stock

One of the factors that may influence the price of our common stock in public trading markets or in private transactions is the annual yield on our common stock as compared to yields on other financial instruments. An increase in market interest rates will result in higher yields on other financial instruments, which could adversely affect the price of our common stock.

Regional Concentration of Our Business May Subject Us to Economic Downturns in the States of Texas and Florida.

As of December 31, 2008, 147 of our 385 self-storage facilities are located in the states of Texas and Florida. For the year ended December 31, 2008, these facilities accounted for approximately 40.9% of store revenues. This concentration of business in Texas and Florida exposes us to potential losses resulting from a downturn in the economies of those states. If economic conditions in those states continue to deteriorate, we will experience a reduction in existing and new business, which may have an adverse effect on our business, financial condition and results of operations.

Changes in Taxation of Corporate Dividends May Adversely Affect the Value of Our Common Stock

The maximum marginal rate of tax payable by domestic noncorporate taxpayers on dividends received from a regular "C" corporation under current law is 15% through 2010, as opposed to higher ordinary income rates. The reduced tax rate, however, does not apply to distributions paid to domestic noncorporate taxpayers by a REIT on its stock, except for certain limited amounts. Although the earnings of a REIT that are distributed to its stockholders generally remain subject to less federal income taxation than earnings of a non-REIT "C" corporation that are distributed to its stockholders net of corporate-level income tax, legislation that extends the application of the 15% rate to dividends paid after 2010 by "C" corporations could cause domestic noncorporate investors to view

the stock of regular “C” corporations as more attractive relative to the stock of a REIT, because the dividends from regular “C” corporations would continue to be taxed at a lower rate while distributions from REITs (other than distributions designated as capital gain dividends) are generally taxed at the same rate as the individual’s other ordinary income.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

At December 31, 2008, we held ownership interests in and managed a total of 385 Properties situated in twenty-four states. Among the 385 self-storage facilities are 27 properties that we manage for a consolidated joint venture of which we are a majority owner and 25 properties that we manage for a joint venture of which we are a 20% owner.

Our self-storage facilities offer inexpensive, easily accessible, enclosed storage space to residential and commercial users on a month-to-month basis. Most of our Properties are fenced with computerized gates and are well lighted. A majority of the Properties are single-story, thereby providing customers with the convenience of direct vehicle access to their storage spaces. Our stores range in size from 21,000 to 187,000 net rentable square feet, with an average of approximately 65,000 net rentable square feet. The Properties generally are constructed of masonry or steel walls resting on concrete slabs and have standing seam metal, shingle, or tar and gravel roofs. All Properties have a property manager on-site during business hours. Customers have access to their storage areas during business hours, and some commercial customers are provided 24-hour access. Individual storage spaces are secured by a lock furnished by the customer to provide the customer with control of access to the space.

All of the Properties conduct business under the user-friendly name Uncle Bob's Self-Storage ®.

The following table provides certain information regarding the Properties in which we have an ownership interest and manage as of December 31, 2008:

	Number of Stores at December 31, 2008	Square Feet	Number of Spaces	Percentage of Store Revenue
Alabama	22	1,602,986	11,885	5.1%
Arizona	9	506,034	4,474	2.4%
Connecticut	5	304,859	2,866	2.1%
Colorado	4	276,827	2,376	0.5%
Florida	57	3,652,019	33,327	15.6%
Georgia	27	1,717,646	13,937	6.3%
Kentucky	2	145,708	1,322	0.3%
Louisiana	14	867,593	7,744	3.7%
Maine	2	114,145	1,004	0.5%
Maryland	4	173,181	2,040	0.9%
Massachusetts	14	790,282	7,178	3.8%
Michigan	6	348,843	3,010	1.2%
Mississippi	12	925,621	7,079	3.5%
Missouri	7	436,069	3,786	2.1%
New Hampshire	4	260,503	2,330	1.0%
New York	28	1,598,164	14,501	8.6%
North Carolina	15	796,123	6,959	3.2%
Ohio	23	1,576,639	12,900	4.4%
Pennsylvania	6	365,520	2,919	1.4%
Rhode Island	4	167,901	1,567	0.9%
South Carolina	8	445,528	3,770	1.8%
Tennessee	4	295,122	2,430	1.0%
Texas	90	6,571,320	53,847	25.3%
Virginia	18	1,065,013	9,896	4.4%
Total	385	25,003,646	213,147	100.0%

At December 31, 2008, the Properties had an average occupancy of 80.5% and an annualized rent per occupied square foot of $10.54.

Item 3. Legal Proceedings

In the normal course of business, we are subject to various claims and litigation. While the outcome of any litigation is inherently unpredictable, we do not believe that any matters currently pending against the Company will have a material adverse impact on our financial condition, results of operations or cash flows.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our Common Stock is traded on the New York Stock Exchange under the symbol "SSS." Set forth below are the high and low sales prices for our Common Stock for each full quarterly period within the two most recent fiscal years.

Quarter 2007	High	Low
1st	$63.93	$54.98
2nd	56.56	47.18
3rd	50.25	40.40
4th	50.43	39.75

Quarter 2008	High	Low
1st	$44.62	$33.56
2nd	46.50	41.37
3rd	46.15	35.77
4th	44.16	19.18

As of February 15, 2009, there were approximately 1,316 holders of record of our Common Stock.

We have paid quarterly dividends to our shareholders since our inception. Reflected in the table below are the dividends paid in the last two years.

For federal income tax purposes, distributions to shareholders are treated as ordinary income, capital gain, return of capital or a combination thereof. Distributions to shareholders for 2008 represent 76.5% ordinary income, 1.5% section 1250 capital gain, and 22% return of capital.

History of Dividends Declared on Common Stock

1st Quarter, 2007	$0.620 per share
2nd Quarter, 2007	$0.620 per share
3rd Quarter, 2007	$0.630 per share
4th Quarter, 2007	$0.630 per share
1st Quarter, 2008	$0.630 per share
2nd Quarter, 2008	$0.630 per share
3rd Quarter, 2008	$0.640 per share
4th Quarter, 2008	$0.640 per share

EQUITY COMPENSATION PLAN INFORMATION

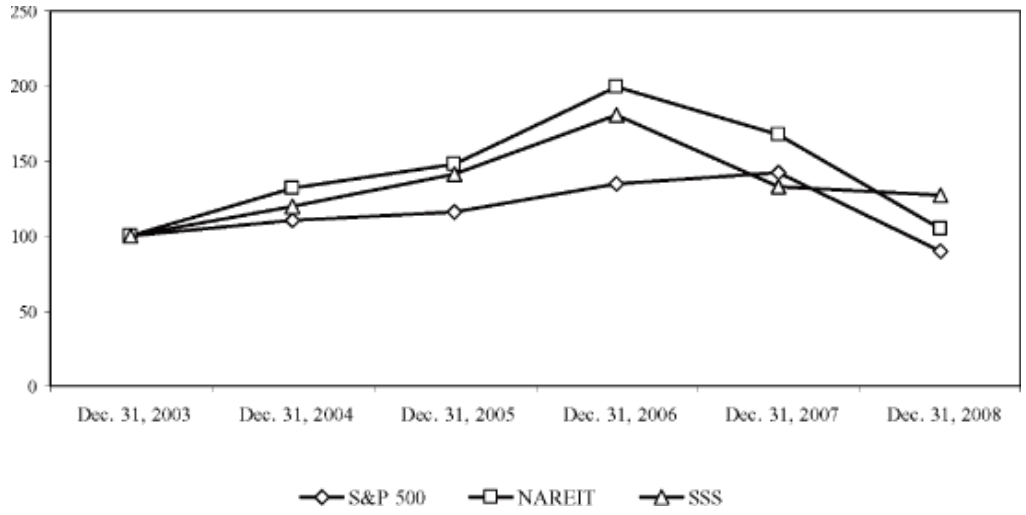
The following table sets forth certain information as of December 31, 2008, with respect to equity compensation plans under which shares of the Company's Common Stock may be issued.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted average exercise price of outstanding options, warrants and rights ($)	Number of securities remaining available for future issuance (#)
Equity compensation plans approved by shareholders:			
2005 Award and Option Plan	274,163	$ 45.72	1,096,464
1995 Award and Option Plan	50,525	$ 26.74	0
1995 Outside Directors' Stock Option Plan	36,000	$ 45.74	0
Deferred Compensation Plan for Directors (1)	33,512	N/A	35,347
Equity compensation plans not approved by shareholders:	N/A	N/A	N/A

(1) Under the Deferred Compensation Plan for Directors, non-employee Directors may defer all or part of their Directors' fees that are otherwise payable in cash. Directors' fees that are deferred under the Plan will be credited to each Directors' account under the Plan in the form of Units. The number of Units credited is determined by dividing the amount of Directors' fees deferred by the closing price of the Company's Common Stock on the New York Stock Exchange on the day immediately preceding the day upon which Directors' fees otherwise would be paid by the Company. A Director is credited with additional Units for dividends on the shares of Common Stock represented by Units in such Directors' Account. A Director may elect to receive the shares in a lump sum on a date specified by the Director or in quarterly or annual installments over a specified period and commencing on a specified date.

CORPORATE PERFORMANCE GRAPH

The following chart and line-graph presentation compares (i) the Company's shareholder return on an indexed basis since December 31, 2003 with (ii) the S&P Stock Index and (iii) the National Association of Real Estate Investment Trusts Equity Index.



CUMULATIVE TOTAL SHAREHOLDER RETURN
SOVRAN SELF STORAGE, INC.
DECEMBER 31, 2003 - DECEMBER 31, 2008

	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2008
S&P	100.00	110.87	116.32	134.69	142.09	89.52
NAREIT	100.00	131.58	147.59	199.33	168.05	104.65
SSS	100.00	119.93	141.39	180.83	132.79	126.89

The foregoing item assumes $100.00 invested on December 31, 2003, with dividends reinvested.

Item 6. Selected Financial Data

The following selected financial and operating information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the financial statements and related notes included elsewhere in this Annual Report on Form 10-K:

(dollars in thousands, except per share data)	At or For Year Ended December 31,				
	2008	2007	2006	2005	2004
Operating Data					
Operating revenues	$ 203,003	$ 192,857	$ 165,369	$137,373	$122,381
Income from continuing operations	36,605	38,780	36,163	34,318	30,232
Income from discontinued operations (1)	794	434	447	472	1,772
Net income	37,399	39,214	36,610	34,790	32,004
Income from continuing operations per common share — diluted	1.68	1.79	1.87	1.81	1.41
Net income per common share — basic	1.72	1.81	1.90	1.86	1.54
Net income per common share — diluted	1.72	1.81	1.89	1.84	1.53
Dividends declared per common share	2.54	2.50	2.47	2.44	2.42
Balance Sheet Data					
Investment in storage facilities at cost	$1,389,201	$1,322,708	$1,136,052	$886,191	$804,106
Total assets	1,212,626	1,164,588	1,053,159	784,319	719,514
Total debt	623,261	566,517	462,027	339,144	289,075
Total liabilities	692,479	610,757	495,301	364,980	315,049
Series C preferred stock	—	—	26,613	26,613	53,227
Other Data					
Net cash provided by operating activities	$ 77,132	$ 85,175	$ 64,656	$ 60,724	$ 54,803
Net cash used in investing activities	(82,711)	(190,267)	(176,567)	(79,156)	(71,034)
Net cash provided by (used in) financing activities	6,055	61,372	154,730	20,238	(765)

(1) In 2008 we sold one store and in 2004 we sold five stores whose operations and gain are classified as discontinued operations for all previous years presented.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the consolidated financial condition and results of operations should be read in conjunction with the financial statements and notes thereto included elsewhere in this report.

Disclosure Regarding Forward-Looking Statements

When used in this discussion and elsewhere in this document, the words "intends," "believes," "expects," "anticipates," and similar expressions are intended to identify "forward-looking statements" within the meaning of that term in Section 27A of the Securities Exchange Act of 1933 and in Section 21E of the Securities Act of 1934. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the effect of competition from new self-storage facilities, which would cause rents and occupancy rates to decline; our ability to evaluate, finance and integrate acquired businesses into our existing business and operations; our ability to effectively compete in the industry in which we do business; our existing indebtedness may mature in an unfavorable credit environment, preventing refinancing or forcing refinancing of the indebtedness on terms that are not as favorable as the existing terms; interest rates may fluctuate, impacting costs associated with our outstanding floating rate debt; our reliance on our call center; our cash flow may be insufficient to meet required payments of principal, interest and dividends; and tax law changes that may change the taxability of future income.

Business and Overview

We believe we are the fifth largest operator of self-storage properties in the United States based on facilities owned and managed. All of our stores are operated under the user-friendly name "Uncle Bob's Self-Storage" ®.

Operating Strategy

Our operating strategy is designed to generate growth and enhance value by:

A. Increasing operating performance and cash flow through aggressive management of our stores:

- Revenues continue to improve as a result of drivers implemented by us, including:
  - Our Customer Care Center, which answers sales inquiries and makes reservations for all of our properties on a centralized basis,
  - The Uncle Bob's truck move-in program, under which, at present, 259 of our stores offer a free Uncle Bob's truck to assist our customers in moving into their spaces, and
  - An increase in internet marketing and sales.
- In addition to increasing revenue, we have worked to improve services and amenities at our stores. While this has caused operating expenses to increase over the past five years, it has resulted in a superior storage experience for our customers. Our managers are better qualified and receive a significantly higher level of training than they did five years ago, customer access and security are greatly enhanced as a result of advances in technology, and property appearance and functionality have been improved.
- Our customized property management systems enable us to improve our ability to track trends, set optimal pricing levels, enjoy considerable economies of scale in vendor and supply pricing, and control collections and accounts receivable.

B. Acquiring additional stores:

- In conjunction with the joint venture agreement entered in late May 2008, potential acquisition opportunities over the first nine months of the agreement will be offered to the joint venture. The Company's acquisitions over this period will therefore be limited to facilities that do not fit the joint venture's investment objectives, but do meet ours.

- Our objective is to acquire new stores one or two at a time in markets we currently operate in. By so doing, we can add to our existing base, which should improve market penetration in those areas, and contribute to the benefits achieved from economies of scale.

- We may also enter new markets if we can do so by acquiring a group of stores in those markets. We feel that our marketing efforts and control systems would enhance even those portfolios that have been managed efficiently by independent operators, and that attractive returns can be generated by such acquisitions.

C. Expanding our management business:

- We see our management business as a source of future acquisitions. We may develop additional joint ventures in which we are minority owners and managers of the self-storage facilities acquired by these joint ventures. The joint venture agreements will give us first right of refusal to purchase the managed properties in the event they are offered for sale.

D. Expanding and enhancing our existing stores:

- Over the past four years, we have undertaken an announced program of expanding and enhancing our properties. Primarily, we have worked to add premium storage (i.e., air-conditioned and/or humidity controlled) space to our portfolio. In 2007, we expended approximately $25 million to add some 444,000 square feet of such space to our properties; in 2008, we spent approximately $26 million to add 403,000 square feet and to convert 95,000 square feet to premium storage. The program entailed construction of new buildings, acquisition of parcels of land contiguous to stores deemed suitable for expansion, and demolition of certain structures to make room for more optimally configured spaces. In 2009, we expect to curtail our expansion program with new expenditures of approximately $15 million on projects that began in 2008.

Supply and Demand

We believe the supply and demand model in the self-storage industry is micro market specific in that a majority of our business comes from within a five mile radius of our stores. The current turmoil in the credit markets has resulted in a decrease in new supply on a national basis. With the decrease of debt and equity capital brought about by the credit market tightening in the past year, we have seen capitalization rates on acquisitions (expected annual return on investment) increase to approximately 7.5% and expect continued increases in 2009. From 2003 to 2007 the historically low interest rates available to developers resulted in increased supply on a national basis. We experienced some of this excess supply in certain markets in Texas and Florida from 2003 to 2007, but because of the demand model, we did not see a widespread effect on our stores in those years. In 2008, the Florida market was negatively effected by the current economic downturn and we expect many markets will be effected in 2009 as consumers continue to pull back spending.

Operating Trends

In 2008 and 2007, our industry experienced some softness in demand. This was due to the economic slowdown that began in late 2007, and in part to regional issues, such as the reduction of hurricane driven demand in Florida and the Gulf Coast states, and to an overall slowdown in the housing sector. We believe the housing slowdown has impacted our industry in two ways: 1.) a reduction in lease-up activity resulting from fewer residential real estate transactions (both buyers and sellers of residences use our product in times of transition) and 2.) a contraction of housing construction activity which has reduced the number of people working in the

construction trades (trades people are a measurable part of our usual tenant base.)

While we enjoyed same store revenue growth of approximately 3% to 5% in each of the prior five years, we were only able to achieve 0.5% same store revenue growth in 2008, primarily because of the aforementioned issues. We expect conditions in most of our markets to remain challenging and are forecasting -1% to -2% revenue growth on a same store basis in 2009.

Expenses related to operating a self-storage facility have increased substantially over the last five years as a result of expanded hours, increased health care costs, property insurance costs, and the costs of amenities (such as Uncle Bob's trucks). While we do not foresee further expansion of our cost base, we do expect the trend of increasing expenses to continue at a pace commensurate with CPI growth. Because almost all of our costs are fixed, should revenue growth fall significantly, operating margins will be reduced.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the amounts reported in our financial statements and the accompanying notes. On an on-going basis, we evaluate our estimates and judgments, including those related to carrying values of storage facilities, bad debts, and contingencies and litigation. We base these estimates on experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Carrying value of storage facilities: We believe our judgment regarding the impairment of the carrying value of our storage facilities is a critical accounting policy. Our policy is to assess any impairment of value whenever events or circumstances indicate that the carrying value of a storage facility may not be recoverable. Such events or circumstances would include negative operating cash flow or significant declining revenue per storage facility. Impairment is evaluated based upon comparing the sum of the expected undiscounted future cash flows to the carrying value of the storage facility, on a property by property basis. If the sum of the undiscounted cash flow is less than the carrying amount, an impairment loss is recognized for the amount by which the carrying amount exceeds the fair value of the asset. If cash flow projections are inaccurate and in the future it is determined that storage facility carrying values are not recoverable, impairment charges may be required at that time and could materially affect our operating results and financial position. At December 31, 2008 and 2007, no assets had been determined to be impaired under this policy.

Estimated useful lives of long-lived assets: We believe that the estimated lives used for our depreciable, long-lived assets is a critical accounting policy. Changes in estimated useful lives of these assets could have a material adverse impact on our financial condition or results of operations.

Qualification as a REIT: We operate, and intend to continue to operate, as a REIT under the Internal Revenue Code of 1986 (the Code), but no assurance can be given that we will at all times so qualify. To the extent that we continue to qualify as a REIT, we will not be taxed, with certain limited exceptions, on the taxable income that is distributed to our shareholders. If we fail to qualify as a REIT, any requirement to pay federal income taxes could have a material adverse impact on our financial conditions and results of operations.

YEAR ENDED DECEMBER 31, 2008 COMPARED TO YEAR ENDED DECEMBER 31, 2007

We recorded rental revenues of $195.2 million for the year ended December 31, 2008, an increase of $8.6 million or 4.6% when compared to 2007 rental revenues of $186.6 million. Of the increase in rental revenue, $1.2 million resulted from a 0.7% increase in rental revenues at the 326 core properties considered in same store sales (those properties included in the consolidated results of operations since January 1, 2007). The increase in same store rental revenues was achieved primarily through rate increases on select units averaging 1.9%, offset by a decrease in square foot occupancy of 150 basis points, which we believe resulted from general economic conditions,

in particular the housing sector. The remaining $7.4 million increase in rental revenues resulted from the acquisition of three stores during 2008 and from having the 31 stores acquired in 2007 included for a full year of operations. Other income, which includes merchandise sales, insurance commissions, truck rentals, management fees and acquisition fees, increased in 2008 primarily as a result of $1.1 million of management and acquisition fees generated from our unconsolidated joint venture, Sovran HHF Storage Holdings LLC.

Property operating and real estate tax expense increased $5.1 million, or 7.3%, in 2008 compared to 2007. Of this increase, $2.7 million were expenses incurred by the facilities acquired in 2008 and from having expenses from the 2007 acquisitions included for a full year of operations. $2.4 million of the increase was due to increased payroll, property taxes, utilities, and maintenance expenses at the 326 core properties considered same stores. We expect same-store operating costs to increase only moderately in 2009 with increases primarily attributable to utilities and property taxes.

General and administrative expenses increased $2.0 million or 13.4% from 2007 to 2008. The increase primarily resulted from the costs associated with operating the properties acquired in 2008 and 2007, and from managing the 25 properties acquired by our joint venture in 2008.

Depreciation and amortization expense increased to $34.4 million in 2008 from $33.9 million in 2007, primarily as a result of additional depreciation taken on real estate assets acquired in 2008, and a full year of depreciation on 2007 acquisitions, offset by a decrease in amortization of in-place customers leases relating to these acquisitions.

Interest expense increased from $33.9 million in 2007 to $38.1 million in 2008 as a result of additional borrowings under our line of credit and term notes to purchase three stores in 2008, as well as an increase in interest rates as a result of our debt refinancing in June 2008.

As described in Note 5 to the financial statements, in 2008, the Company sold one non-strategic storage facility located in Michigan for net cash proceeds of $7.0 million resulting in a gain of $0.7 million. The 2007 operations of this facility are reported as discontinued operations.

The decrease in preferred stock dividends from 2007 to 2008 was a result of the conversion of all remaining 1,200,000 shares of our Series C Preferred Stock into 920,244 shares of common stock in July 2007.

YEAR ENDED DECEMBER 31, 2007 COMPARED TO YEAR ENDED DECEMBER 31, 2006

We recorded rental revenues of $186.6 million for the year ended December 31, 2007, an increase of $26.6 million or 16.6% when compared to 2006 rental revenues of $160.0 million. Of the increase in rental revenue, $4.8 million resulted from a 3.2% increase in rental revenues at the 284 core properties considered in same store sales (those properties included in the consolidated results of operations since January 1, 2006). The increase in same store rental revenues was achieved primarily through rate increases on select units averaging 4.4%, offset by a decrease in square foot occupancy of 175 basis points, which we believe resulted from general economic conditions, in particular the housing sector, and the return to normalcy in Florida after the hurricanes. As of April 1, 2006, the consolidated income statement includes the results of a previously unconsolidated joint venture (Locke Sovran I, LLC) that has been consolidated as a result of an additional investment in that entity by us. The rental income related to Locke Sovran I that was included in our results for the year ended December 31, 2007 was $1.7 million higher than that included in 2006 as a result of the consolidation in April 2006. The remaining $20.1 million increase in rental revenues resulted from the acquisition of 31 stores during 2007 and from having the 42 stores acquired in 2006 included for a full year of operations. Other income increased $0.9 million due to increased merchandise and insurance sales and the additional incidental revenue generated by truck rentals.

Property operating and real estate tax expense increased $10.7 million, or 18.1%, in 2007 compared to 2006. Of this increase, $8.2 million were expenses incurred by the facilities acquired in 2007 and from having expenses from the 2006 acquisitions included for a full year of operations. $1.9 million of the increase was due to increased property insurance, utilities, maintenance expenses, and increased property taxes at the 284 core properties

considered same stores. The property operating and real estate tax expense related to Locke Sovran I that was included in our results for the year ended December 31, 2007, was $0.6 million higher than that included in 2006 as a result of the consolidation in April 2006.

General and administrative expenses increased $1.1 million or 8.1% from 2006 to 2007. The increase primarily resulted from the costs associated with operating the properties acquired in 2007 and 2006.

Depreciation and amortization expense increased to $33.9 million in 2007 from $25.2 million in 2006, primarily as a result of additional depreciation taken on real estate assets acquired in 2007, a full year of depreciation on 2006 acquisitions, and the amortization of in-place customers leases relating to these acquisitions.

Interest expense increased from $29.5 million in 2006 to $33.9 million in 2007 as a result of higher interest rates, additional borrowings under our line of credit and term notes to purchase 31 stores in 2007, and the consolidation of Locke Sovran I, LLC as of April 1, 2006.

The casualty gain recorded in 2007 relates to insurance proceeds received in excess of the carrying value of a building damaged by a fire at one of our facilities.

The decrease in preferred stock dividends from 2006 to 2007 was a result of the conversion of all remaining 1,200,000 shares of our Series C Preferred Stock into 920,244 shares of common stock in July 2007.

FUNDS FROM OPERATIONS

We believe that Funds from Operations ("FFO") provides relevant and meaningful information about our operating performance that is necessary, along with net earnings and cash flows, for an understanding of our operating results. FFO adds back historical cost depreciation, which assumes the value of real estate assets diminishes predictably in the future. In fact, real estate asset values increase or decrease with market conditions. Consequently, we believe FFO is a useful supplemental measure in evaluating our operating performance by disregarding (or adding back) historical cost depreciation.

FFO is defined by the National Association of Real Estate Investment Trusts, Inc. ("NAREIT") as net income computed in accordance with generally accepted accounting principles ("GAAP"), excluding gains or losses on sales of properties, plus depreciation and amortization and after adjustments to record unconsolidated partnerships and joint ventures on the same basis. We believe that to further understand our performance, FFO should be compared with our reported net income and cash flows in accordance with GAAP, as presented in our consolidated financial statements.

Our computation of FFO may not be comparable to FFO reported by other REITs or real estate companies that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently. FFO does not represent cash generated from operating activities determined in accordance with GAAP, and should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, as an alternative to net cash flows from operating activities (determined in accordance with GAAP) as a measure of our liquidity, or as an indicator of our ability to make cash distributions.

Reconciliation of Net Income to Funds From Operations

(dollars in thousands)	For Year Ended December 31, 2008	2007	2006	2005	2004
Net income	$37,399	$39,214	$36,610	$34,790	$32,004
Minority interest in income	2,284	2,631	2,434	1,529	1,542
Depreciation of real estate and amortization of intangible assets exclusive of deferred financing fees	34,421	33,851	25,121	21,040	19,002
Depreciation of real estate included in discontinued operations	46	185	184	182	263
Depreciation and amortization from unconsolidated joint ventures	333	59	168	484	473
Casualty gain	—	(114)	—	—	—
Gain on sale of real estate	(716)	—	—	—	(1,137)
Preferred stock dividends	—	(1,256)	(2,512)	(4,123)	(7,168)
Redemption amount in excess of carrying value of Series B Preferred Stock	—	—	—	—	(1,415)
Funds from operations allocable to minority interest in Operating Partnership	(1,366)	(1,425)	(1,450)	(1,519)	(1,333)
Funds from operations allocable to minority interest in Locke Sovran I and Locke Sovran II	(1,564)	(1,848)	(1,785)	(1,499)	(1,475)
Funds from operations available to common shareholders	$70,837	$71,297	$58,770	$50,884	$40,756

LIQUIDITY AND CAPITAL RESOURCES

Our ability to retain cash flow is limited because we operate as a REIT. In order to maintain our REIT status, a substantial portion of our operating cash flow must be used to pay dividends to our shareholders. We believe that our internally generated net cash provided by operating activities and our availability on our line of credit will continue to be sufficient to fund ongoing operations, capital improvements, dividends and debt service requirements through June 2011, at which time our revolving line of credit matures.

Cash flows from operating activities were $77.1 million, $85.2 million and $64.7 million for the years ended December 31, 2008, 2007, and 2006, respectively. The decrease in operating cash flows from 2007 to 2008 was primarily due to a decrease in net income and accounts payable remaining consistent from year to year. The increase in operating cash from 2006 to 2007 was primarily attributable to increased net income, increased non-cash charges for depreciation and amortization, an increase in accounts payable related to property taxes, and a decrease in prepaid insurance.

Cash used in investing activities was $82.7 million, $190.3 million, and $176.6 million for the years ended December 31, 2008, 2007, and 2006 respectively. The decrease in cash used from 2007 to 2008 was attributable to reduced acquisition activity in 2008 as many of the properties acquired were acquired through a joint venture of which we are a 20% owner. The increase from 2006 to 2007 was due to increased acquisition activity, an increase in improvements to existing facilities, and additional investment in our consolidated joint ventures.

Cash provided by financing activities was $6.0 million in 2008 compared to $61.4 million in 2007 and $154.7 million in 2006, respectively. Our reduced acquisition activity in 2008 was the driver behind the decrease in cash provided from financing activities from 2007 to 2008. The decrease in cash provided from financing activities from 2006 to 2007 was a result of the proceeds received from our common stock offering in December of 2006 noted below.

On June 25, 2008, we entered into agreements relating to new unsecured credit arrangements, and received

funds under those arrangements. As part of the agreements, we entered into a $250 million unsecured term note maturing in June 2012 bearing interest at LIBOR plus 1.625%. The proceeds from this term note were used to repay the Company's previous line of credit that was to mature in September 2008, the Company's term note that was to mature in September 2009, the term note maturing in July 2008, and to provide for working capital. The new agreements also provide for a $125 million (expandable to $150 million) revolving line of credit maturing June 2011 bearing interest at a variable rate equal to LIBOR plus 1.375%, and requires a 0.25% facility fee. The revolving line of credit maturity can be extended at our option until June 2012. At December 31, 2008, there was $111 million available on the unsecured line of credit.

We also maintain a $80 million term note maturing September 2013 bearing interest at a fixed rate of 6.26%, a $20 million term note maturing September 2013 bearing interest at a variable rate equal to LIBOR plus 1.50%, and a $150 million unsecured term note maturing in April 2016 bearing interest at 6.38%.

In April 2006, the Company entered into a $150 million unsecured term note maturing in April 2016 bearing interest at 6.38%. The proceeds from this term note were used to pay down the outstanding balance on the Company's line of credit, to repay a $25 million term note entered in January 2006 and a $15 million term note entered in April 2006, and to make an additional investment into Locke Sovran I, LLC and Locke Sovran II, LLC (consolidated joint ventures). In December 2006, we issued 2.3 million shares of our common stock and realized net proceeds of $122.4 million. A portion of the proceeds were used to repay the entire outstanding balance on our line of credit that had been drawn on to finance acquisitions subsequent to April 2006. The remaining proceeds from the 2006 common stock offering were used along with 2007 borrowings under our line of credit to fund 2007 acquisitions.

The line of credit facility and term notes currently have investment grade ratings from Standard and Poor's (BBB-) and Fitch (BBB-).

Our line of credit and term notes require us to meet certain financial covenants, including prescribed leverage, fixed charge coverage, minimum net worth, limitations on additional indebtedness and limitations on dividend payouts. As of December 31, 2008, we were in compliance with all covenants.

In addition to the unsecured financing mentioned above, our consolidated financial statements also include $109.3 million of mortgages payable as detailed below:

* 7.80% mortgage note due December 2011, secured by 11 self-storage facilities (Locke Sovran I) with an aggregate net book value of $43.8 million, principal and interest paid monthly. The outstanding balance at December 31, 2008 on this mortgage was $29.0 million.

* 7.19% mortgage note due March 2012, secured by 27 self-storage facilities (Locke Sovran II) with an aggregate net book value of $81.2 million, principal and interest paid monthly. The outstanding balance at December 31, 2008 on this mortgage was $42.6 million.

* 7.25% mortgage note due December 2011, secured by 1 self-storage facility with an aggregate net book value of $5.8 million, principal and interest paid monthly. Estimated market rate at time of acquisition 5.40%. The outstanding balance at December 31, 2008 on this mortgage was $3.5 million.

* 6.76% mortgage note due September 2013, secured by 1 self-storage facility with an aggregate net book value of $2.0 million, principal and interest paid monthly. The outstanding balance at December 31, 2008 on this mortgage was $1.0 million.

* 6.35% mortgage note due March 2014, secured by 1 self-storage facility with an aggregate net book value of $3.8 million, principal and interest paid monthly. The outstanding balance at December 31, 2008 on this mortgage was $1.1 million.

* 5.55% mortgage notes due November 2009, secured by 8 self-storage facilities with an aggregate net book value of $34.9 million, interest only paid monthly. Estimated market rate at time of acquisition 6.44%. The outstanding balance at December 31, 2008 on this mortgage was $25.9 million.

* 7.50% mortgage notes due August 2011, secured by 3 self-storage facilities with an aggregate net book value of $14.3 million, principal and interest paid monthly. Estimated market rate at time of acquisition 6.42%. The outstanding balance at December 31, 2008 on this mortgage was $6.1 million.

The 7.80% and 7.19% mortgages were incurred in 2001 and 2002 respectively as part of the financing of the consolidated joint ventures. The Company assumed the 7.25%, 6.76%, 6.35%, 5.55% and 7.50% mortgage notes in connection with the acquisitions of storage facilities in 2005 and 2006.

On July 7, 2007, we issued 920,244 shares of our common stock to the holder of our 8.375% Series C Preferred Stock upon the holder's election to convert the remaining 1,200,000 shares of Series C Preferred Stock into common stock. As a result of the 2007 conversion, $26.6 million recorded in shareholders' equity as 8.375% Series C Convertible Cumulative Preferred Stock was reclassified to additional paid-in capital in July 2007.

During 2008, we issued approximately 285,000 shares via our Dividend Reinvestment and Stock Purchase Plan and Employee Stock Option Plan. We received $10.7 million from the sale of such shares. We expect to issue shares when our share price and capital needs warrant such issuance.

During 2008 and 2007, we did not acquire any shares of our common stock via the Share Repurchase Program authorized by the Board of Directors. From the inception of the Share Repurchase Program through December 31, 2008, we have reacquired a total of 1,171,886 shares pursuant to this program. From time to time, subject to market price and certain loan covenants, we may reacquire additional shares.

Future acquisitions, our expansion and enhancement program, and share repurchases are expected to be funded with draws on our line of credit, sale of properties and private placement solicitation of joint venture equity. Current capital market conditions may prevent us from accessing other traditional sources of capital including the issuance of common and preferred stock and the issuance of unsecured term notes. Should these capital market conditions persist, we may have to curtail acquisitions, our expansion and enhancement program, and share repurchases as we approach June 2011, when our line of credit matures.

CONTRACTUAL OBLIGATIONS

The following table summarizes our future contractual obligations:

Contractual obligations	Payments due by period				
	Total	2009	2010-2011	2012-2013	2014 and thereafter
Line of credit	$14.0 million	—	$14.0 million	—	—
Term notes	$500.0 million	—	—	$350.0 million	$150.0 million
Mortgages payable	$109.3 million	$28.0 million	$40.3 million	$40.0 million	$1.0 million
Interest payments	$136.2 million	$28.8 million	$53.3 million	$32.6 million	$21.5 million
Land lease	$1.1 million	$0.1 million	$0.1 million	$0.1 million	$0.8 million
Building leases	$3.9 million	$0.6 million	$0.3 million	$0.1 million	$2.9 million
Total	$764.5 million	$57.5 million	$108.0 million	$422.8 million	$176.2 million

Interest payments includes actual interest on fixed rate debt and estimated interest for floating-rate debt based on December 31, 2008 rates.

ACQUISITION OF PROPERTIES

During 2008, we used operating cash flow, borrowings pursuant to the line of credit, borrowings under the bank term note, and proceeds from our Dividend Reinvestment and Stock Purchase Plan to acquire three Properties in Mississippi and Ohio comprising 0.2 million square feet from unaffiliated storage operators. During 2007, we used operating cash flow, borrowings pursuant to the line of credit, borrowings under the bank term note, proceeds from our Dividend Reinvestment and Stock Purchase Plan, and proceeds from the December 2006 common stock offering to acquire 31 Properties in Alabama, Florida, Mississippi, New York, and Texas comprising 2.3 million square feet from unaffiliated storage operators. During 2006, we used operating cash flow, borrowings pursuant to the line of credit, borrowings under the $150 million 10 year term note, and proceeds from our Dividend Reinvestment and Stock Purchase Plan to acquire 42 Properties in Alabama, Georgia, Florida, Louisiana, Missouri,

New Hampshire, New York, Tennessee, and Texas comprising 2.6 million square feet from unaffiliated storage operators.

FUTURE ACQUISITION AND DEVELOPMENT PLANS

Our external growth strategy is to increase the number of facilities we own by acquiring suitable facilities in markets in which we already have operations, or to expand in new markets by acquiring several facilities at once in those new markets. In conjunction with the joint venture agreement entered in May 2008 (see Note 13 to the financial statements), potential acquisition opportunities over the first nine months of the agreement will be offered to the joint venture. The Company's acquisitions over this period will therefore be limited to facilities that do not fit the joint venture's investment objectives, but do meet ours. In 2008, the Company's joint venture (Sovran HHF Storage Holdings LLC) acquired 25 properties for approximately $171.5 million. The Company's equity contribution to the joint venture for these purchases was approximately $18.6 million, which was financed through draws on our line of credit.

In 2008 we continued our program of expanding and enhancing our existing properties. During 2008 we spent approximately $25.6 million on such revenue enhancing improvements. In 2009 we expect to curtail our expansion of current properties with total new expenditures less than $15 million on projects started in 2008. Funding of the expansions are expected to be provided primarily from borrowings under our line of credit and issuance of common shares through our Dividend Reinvestment and Stock Purchase Plan.

DISPOSITION OF PROPERTIES

During 2008, we sold one non-strategic storage facility located in Michigan for net cash proceeds of $7.0 million resulting in a gain of $0.7 million. In 2004, as part of an asset management program, we sold five non-strategic storage facilities located in Pennsylvania, Tennessee, Ohio, and South Carolina to unaffiliated parties for $11.7 million resulting in a net gain of $1.1 million. No sales took place in 2005 through 2007.

We may seek to sell additional Properties to joint venture programs or third parties in 2009.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has a 20% ownership interest in Sovran HHF Storage Holdings LLC ("Sovran HHF"), a joint venture that was formed in May 2008 to acquire self-storage properties that will be managed by the Company. The carrying value of the Company's investment at December 31, 2008 was $20.1 million. Twenty five properties were acquired by Sovran HHF as of December 31, 2008 for approximately $171.5 million. The Company contributed $18.6 million to the joint venture as its share of capital required to fund the acquisitions.

As manager of Sovran HHF, the Company earns a management and call center fee of 7% of gross revenues which totaled $0.5 million for 2008. The Company also received an acquisition fee of 0.5% of purchase price for securing purchases for the joint venture. During 2008, the Company recorded $0.6 million in acquisition fees. The Company's share of Sovran HHF's income for 2008 was $0.1 million. At December 31, 2008, Sovran HHF owed the Company $0.3 million for payments made by the Company on behalf of the joint venture for normal operating expenses of the joint venture.

The Company also has a 49% ownership interest in Iskalo Office Holdings, LLC, which owns the building that houses the Company's headquarters and other tenants. The Company's investment includes a capital contribution of $49. The carrying value of the Company's investment is a liability of $0.5 million at December 31, 2008 and $0.4 million at December 31, 2007, and is included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets. For the years ended December 31, 2008, 2007 and 2006, the Company's share of Iskalo Office Holdings, LLC's (loss) income was ($6,000), $80,000, and $80,000, respectively. The Company paid rent to Iskalo Office Holdings, LLC of $600,000, $561,000 and $583,000 in 2008, 2007, and 2006, respectively. Future minimum lease payments under the lease are $0.6 million per year through 2010.

In April 2006, the Company made an additional investment of $2.8 million in a former off-balance sheet arrangement known as Locke Sovran I, LLC that increased the Company's ownership to over 70%. As a result of

this transaction the Company has consolidated the results of operations of Locke Sovran I, LLC in its financial statements since April 1, 2006, the date that it acquired its controlling interest. In June 2008, the Company made an additional investment of $6.1 million in Locke Sovran I, LLC that increased the Company's ownership from approximately 70% to 100%. Locke Sovran I, LLC, owns 11 self-storage facilities throughout the United States.

A summary of the unconsolidated joint venture's financial statements as of and for the year ended December 31, 2008 is as follows:

(dollars in thousands)	Sovran HHF Storage Holdings LLC	Iskalo Office Holdings, LLC
Balance Sheet Data:		
Investment in storage facilities, net	$ 170,176	$ —
Investment in office building	—	5,507
Other assets	3,912	568
Total Assets	$ 174,088	$ 6,075
Due to the Company	$ 336	$ —
Mortgages payable	79,937	7,169
Other liabilities	1,942	168
Total Liabilities	82,215	7,337
Unaffiliated partners' equity (deficiency)	73,499	(718)
Company equity (deficiency)	18,374	(544)
Total Liabilities and Partners' Equity (deficiency)	$ 174,088	$ 6,075
Income Statement Data:		
Total revenues	$ 6,652	$ 1,127
Total expenses	6,301	1,139
Net income (loss)	$ 351	$ (12)

We do not expect to have material future cash outlays relating to these joint ventures outside our share of capital for future acquisitions of properties by Sovran HHF. We do not guarantee the debt of Sovran HHF or Iskalo Office Holdings, LLC. A summary of our cash flows arising from the off-balance sheet arrangements with Sovran HHF and Iskalo Office Holdings, LLC for the three years ended December 31, 2008, and with Locke Sovran I, LLC for the three months ended March 31, 2006 (the date prior to which it began to be included in our consolidated results of operations) are as follows:

	Year ended December 31,		
(dollars in thousands)	2008	2007	2006
Statement of Operations			
Other income (management fees and acquisition fee income)	$ 1,135	$ —	$ 85
General and administrative expenses (corporate office rent)	600	561	583
Equity in income of joint ventures	104	119	172
Distributions from unconsolidated joint ventures	345	98	123
Investing activities			
Investment in joint ventures	(20,287)	—	—
(Advances to) reimbursement of advances to joint ventures	(336)	—	17

REIT QUALIFICATION AND DISTRIBUTION REQUIREMENTS

As a REIT, we are not required to pay federal income tax on income that we distribute to our shareholders, provided that the amount distributed is equal to at least 90% of our taxable income. These distributions must be made in the year to which they relate, or in the following year if declared before we file our federal income tax return, and if it is paid before the first regular dividend of the following year. The first distribution of 2008 may be applied toward our 2007 distribution requirement.

As a REIT, we must derive at least 95% of our total gross income from income related to real property, interest and dividends. In 2008, our percentage of revenue from such sources was approximately 98%, thereby passing the 95% test, and no special measures are expected to be required to enable us to maintain our REIT designation. Although we currently intend to operate in a manner designed to qualify as a REIT, it is possible that future economic, market, legal, tax or other considerations may cause our Board of Directors to revoke our REIT election.

INTEREST RATE RISK

We have entered into interest rate swap agreements in order to mitigate the effects of fluctuations in interest rates on our variable rate debt. At December 31, 2008, we have seven outstanding interest rate swap agreements as summarized below:

Notional Amount	Effective Date	Expiration Date	Fixed Rate Paid	Floating Rate Received
$50 Million	11/14/05	9/1/09	4.3900%	1 month LIBOR
$20 Million	9/4/05	9/4/13	4.4350%	6 month LIBOR
$50 Million	10/10/06	9/1/09	4.4800%	1 month LIBOR
$50 Million	7/1/08	6/25/12	4.2825%	1 month LIBOR
$100 Million	7/1/08	6/22/12	4.2965%	1 month LIBOR
$75 Million	9/1/09	6/22/12	4.7100%	1 month LIBOR
$25 Million	9/1/09	6/22/12	4.2875%	1 month LIBOR

Upon renewal or replacement of the credit facility, our total interest may change dependent on the terms we negotiate with the lenders; however, the LIBOR base rates have been contractually fixed on $270 million of our debt through the interest rate swap termination dates.

Through June 2012, $500 million of our $514 million of unsecured debt is on a fixed rate basis after taking into account the interest rate swaps noted above. Based on our outstanding unsecured debt of $514 million at December 31, 2008, a 100 basis point increase in interest rates would increase our interest expense $0.1 million annually.

The table below summarizes our debt obligations and interest rate derivatives at December 31, 2008. The estimated fair value of financial instruments is subjective in nature and is dependent on a number of important assumptions, including discount rates and relevant comparable market information associated with each financial instrument. The use of different market assumptions and estimation methodologies may have a material effect on the reported estimated fair value amounts. Accordingly, the estimates presented below are not necessarily indicative of the amounts we would realize in a current market exchange.

(dollars in thousands)	Expected Maturity Date Including Discount							Fair
	2009	2010	2011	2012	2013	Thereafter	Total	Value
Line of credit — variable rate LIBOR + 1.375	—	—	$14,000	—	—	—	$ 14,000	$ 14,000
Notes Payable:								
Term note — variable rate LIBOR+1.625%	—	—	—	$250,000	—	—	$250,000	$250,000
Term note — variable rate LIBOR+1.50%	—	—	—	—	$20,000	—	$ 20,000	$ 20,000
Term note — fixed rate 6.26%	—	—	—	—	$80,000	—	$ 80,000	$ 78,865
Term note — fixed rate 6.38%	—	—	—	—	—	$150,000	$150,000	$147,899
Mortgage note — fixed rate 7.80%	$ 587	$ 630	$27,816	—	—	—	$ 29,033	$ 30,031
Mortgage note — fixed rate 7.19%	$ 1,128	$1,211	$ 1,301	$ 38,963	—	—	$ 42,603	$ 44,205
Mortgage note — fixed rate 7.25%	$ 141	$ 149	$ 3,220	—	—	—	$ 3,510	$ 3,478
Mortgage note — fixed rate 6.76%	$ 23	$ 25	$ 27	$ 29	$ 896	—	$ 1,000	$ 1,018
Mortgage note — fixed rate 6.35%	$ 26	$ 28	$ 30	$ 31	$ 34	$ 949	$ 1,098	$ 1,100
Mortgage notes — fixed rate 5.55%	$25,930	—	—	—	—	—	$ 25,930	$ 26,422
Mortgage notes — fixed rate 7.50%	$ 208	$ 222	$ 5,657	—	—	—	$ 6,087	$ 6,188
Interest rate derivatives — liability	—	—	—	—	—	—	—	$ 25,490

INFLATION

We do not believe that inflation has had or will have a direct effect on our operations. Substantially all of the leases at the facilities are on a month-to-month basis which provides us with the opportunity to increase rental rates as each lease matures.

SEASONALITY

Our revenues typically have been higher in the third and fourth quarters, primarily because we increase rental rates on most of our storage units at the beginning of May and because self-storage facilities tend to experience greater occupancy during the late spring, summer and early fall months due to the greater incidence of residential moves during these periods. However, we believe that our customer mix, diverse geographic locations, rental structure and expense structure provide adequate protection against undue fluctuations in cash flows and net revenues during off-peak seasons. Thus, we do not expect seasonality to affect materially distributions to shareholders.

RECENT ACCOUNTING PRONOUNCEMENTS

In September 2006, FASB Statement 157, “Fair Value Measurements” (“SFAS 157”) was issued. SFAS 157 establishes a framework for measuring fair value by providing a standard definition of fair value as it applies to assets and liabilities. SFAS 157, which does not require any new fair value measurements, clarifies the application of other accounting pronouncements that require or permit fair value measurements. The effective date for the Company is January 1, 2008 for all financial instruments — see Note 10 to our Consolidated Financial Statements. However, the FASB has delayed the effective date of Statement 157 for all nonfinancial assets and nonfinancial liabilities until fiscal years beginning after November 15, 2008. The Company is evaluating the impact of adopting SFAS 157 on its consolidated financial statements for nonfinancial assets and nonfinancial liabilities.

In February 2007, the FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities” (“SFAS 159”). SFAS 159 allows entities to voluntarily choose, at specified election dates, to measure many financial assets and liabilities at fair value. The effective date for the Company is January 1, 2008. The adoption of SFAS 159 did not impact the Company’s consolidated financial statements.

In December 2007, FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements" (SFAS No. 160), which amends Accounting Research Bulletin No. 51, "Consolidated Financial Statements", to improve the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements. SFAS No. 160 establishes accounting and reporting standards that require the ownership interests in subsidiaries not held by the parent to be clearly identified, labeled and presented in the consolidated statement of financial position within equity, but separate from the parent's equity. This statement also requires the amount of consolidated net income attributable to the parent and to the non-controlling interest to be clearly identified and presented on the face of the consolidated statement of income. This Statement applies prospectively to all entities that prepare consolidated financial statements and applies prospectively for fiscal years, and interim periods within those fiscal years, beginning January 1, 2009 for the Company. The Company is evaluating the impact of SFAS 160 on its consolidated financial statements.

In December 2007, the FASB Statement 141R, "Business Combinations" ("SFAS 141R") was issued. SFAS 141R replaces SFAS 141. SFAS 141R requires the acquirer of a business to recognize and measure the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at fair value. SFAS 141R also requires transactions costs related to the business combination to be expensed as incurred. SFAS 141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The effective date for the Company will be January 1, 2009. We have not yet determined the impact of SFAS 141R related to future acquisitions, if any, on our consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures About Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133" ("SFAS No. 161"). SFAS No. 161 expands quarterly disclosure requirements in SFAS No. 133 about an entity's derivative instruments and hedging activities. SFAS No. 161 is effective for the Company as of January 1, 2009. The Company is currently assessing the impact of SFAS No. 161 on our consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The information required is incorporated by reference to the information appearing under the caption "Interest Rate Risk" in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" above.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Sovran Self Storage, Inc.

We have audited the accompanying consolidated balance sheets of Sovran Self Storage, Inc. as of December 31, 2008 and 2007, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2008. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sovran Self Storage, Inc. at December 31, 2008 and 2007, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2008, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Sovran Self Storage, Inc.'s internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2009 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Buffalo, New York
February 25, 2009

SOVRAN SELF STORAGE, INC.
CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except share data)	December 31, 2008	December 31, 2007
Assets		
Investment in storage facilities:		
Land	$ 240,525	$ 236,349
Building, equipment, and construction in progress	1,148,676	1,086,359
	1,389,201	1,322,708
Less: accumulated depreciation	(216,644)	(183,679)
Investment in storage facilities, net	1,172,557	1,139,029
Cash and cash equivalents	4,486	4,010
Accounts receivable	2,971	2,794
Receivable from related parties	14	27
Receivable from unconsolidated joint venture	336	—
Investment in unconsolidated joint venture	20,111	—
Prepaid expenses	4,691	4,771
Other assets	7,460	7,574
Net assets of discontinued operations	—	6,383
Total Assets	$1,212,626	$1,164,588
Liabilities		
Line of credit	$ 14,000	$ 100,000
Term notes	500,000	356,000
Accounts payable and accrued liabilities	23,979	23,752
Deferred revenue	5,659	5,602
Fair value of interest rate swap agreements	25,490	1,230
Accrued dividends	14,090	13,656
Mortgages payable	109,261	110,517
Total Liabilities	692,479	610,757
Minority interest — Operating Partnership	9,265	9,659
Minority interest — consolidated joint venture	13,082	16,783
Shareholders' Equity		
Common stock $.01 par value, 100,000,000 shares authorized, 22,016,348 shares outstanding (21,676,586 at December 31, 2007)	232	228
Additional paid-in capital	666,633	654,141
Dividends in excess of net income	(116,728)	(98,437)
Accumulated other comprehensive income	(25,162)	(1,368)
Treasury stock at cost, 1,171,886 shares	(27,175)	(27,175)
Total Shareholders' Equity	497,800	527,389
Total Liabilities and Shareholders' Equity	$1,212,626	$1,164,588

See notes to financial statements.

SOVRAN SELF STORAGE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(dollars in thousands, except per share data)	Year Ended December 31, 2008	2007	2006
Revenues			
Rental income	$195,220	$186,581	$160,011
Other operating income	7,783	6,276	5,358
Total operating revenues	203,003	192,857	165,369
Expenses			
Property operations and maintenance	55,739	52,317	43,833
Real estate taxes	19,004	17,370	15,166
General and administrative	17,279	15,234	14,095
Depreciation and amortization	34,421	33,851	25,163
Total operating expenses	126,443	118,772	98,257
Income from operations	76,560	74,085	67,112
Other income (expenses)			
Interest expense	(38,097)	(33,861)	(29,494)
Interest income	322	954	807
Casualty gain	—	114	—
Minority interest — Operating Partnership	(721)	(783)	(905)
Minority interest — consolidated joint ventures	(1,563)	(1,848)	(1,529)
Equity in income of joint ventures	104	119	172
Income from continuing operations	36,605	38,780	36,163
Income from discontinued operations (including gain on disposal of $716 in 2008)	794	434	447
Net income	37,399	39,214	36,610
Preferred stock dividends	—	(1,256)	(2,512)
Net income available to common shareholders	$ 37,399	$ 37,958	$ 34,098
Earnings per common share — basic			
Continuing operations	$ 1.68	$ 1.79	$ 1.87
Discontinued operations	0.04	0.02	0.03
Earning per share — basic	$ 1.72	$ 1.81	$ 1.90
Earnings per common share — diluted			
Continuing operations	$ 1.68	$ 1.79	$ 1.86
Discontinued operations	0.04	0.02	0.03
Earning per share — diluted	$ 1.72	$ 1.81	$ 1.89
Dividends declared per common share	$ 2.54	$ 2.50	$ 2.47

See notes to financial statements.

SOVRAN SELF STORAGE, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(dollars in thousands, except share data)	8.375% Series C Preferred Stock Shares	8.375% Series C Preferred Stock	Common Stock Shares	Common Stock
Balance January 1, 2006	1,200,000	$ 26,613	17,563,046	$ 187
Net proceeds from the issuance of common stock	—	—	2,300,000	23
Net proceeds from issuance of stock through Dividend Reinvestment and Stock Purchase Plan	—	—	501,089	5
Exercise of stock options	—	—	37,675	—
Reclass of unearned non-vested stock to additional paid in capital	—	—	—	—
Issuance of non-vested stock	—	—	41,719	1
Earned portion of non-vested stock	—	—	—	—
Stock option expense	—	—	—	—
Deferred compensation outside directors	—	—	—	—
Carrying value less than redemption value on redeemed partnership units	—	—	—	—
Net income	—	—	—	—
Change in fair value of derivatives	—	—	—	—
Total comprehensive income	—	—	—	—
Dividends	—	—	—	—
Balance December 31, 2006	1,200,000	26,613	20,443,529	216
Net proceeds from issuance of stock through Dividend Reinvestment and Stock Purchase Plan	—	—	252,816	3
Exercise of stock options	—	—	13,100	—
Issuance of non-vested stock	—	—	43,989	—
Earned portion of non-vested stock	—	—	—	—
Stock option expense	—	—	—	—
Deferred compensation outside directors	—	—	—	—
Conversion of Series C Preferred Stock to common stock and exercise of related stock warrants	(1,200,000)	(26,613)	920,244	9
Conversion of operating partnership units to common stock	—	—	2,908	—
Carrying value less than redemption value on redeemed partnership units	—	—	—	—
Net income	—	—	—	—
Change in fair value of derivatives	—	—	—	—
Total comprehensive income	—	—	—	—
Dividends	—	—	—	—
Balance December 31, 2007	—	—	21,676,586	228
Net proceeds from issuance of stock through Dividend Reinvestment and Stock Purchase Plan	—	—	285,308	3
Exercise of stock options	—	—	2,600	—
Issuance of non-vested stock	—	—	45,713	1
Earned portion of non-vested stock	—	—	—	—
Stock option expense	—	—	—	—
Deferred compensation outside directors	—	—	6,141	—
Carrying value less than redemption value on redeemed partnership units	—	—	—	—
Net income	—	—	—	—
Change in fair value of derivatives	—	—	—	—
Total comprehensive income	—	—	—	—
Dividends	—	—	—	—
Balance December 31, 2008	—	$ —	22,016,348	$ 232

See notes to financial statements

SOVRAN SELF STORAGE, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Additional Paid-in Capital	Non-vested Stock	Dividends in Excess of Net Income	Accumulated Other Comprehensive Income (loss)	Treasury Stock	Total Equity
$ 466,839	$ (1,838)	$ (71,995)	$ 1,454	$ (27,175)	$ 394,085
122,388	—	—	—	—	122,411
24,862	—	—	—	—	24,867
1,142	—	—	—	—	1,142
(1,838)	1,838	—	—	—	—
(1)	—	—	—	—	—
876	—	—	—	—	876
119	—	—	—	—	119
181	—	—	—	—	181
(1,830)	—	—	—	—	(1,830)
—	—	36,610	—	—	36,610
—	—	—	674	—	674
—	—	—	—	—	37,284
—	—	(48,224)	—	—	(48,224)
612,738	—	(83,609)	2,128	(27,175)	530,911
12,756	—	—	—	—	12,759
425	—	—	—	—	425
—	—	—	—	—	—
1,224	—	—	—	—	1,224
183	—	—	—	—	183
161	—	—	—	—	161
26,604	—	—	—	—	—
167	—	—	—	—	167
(117)	—	—	—	—	(117)
—	—	39,214	—	—	39,214
—	—	—	(3,496)	—	(3,496)
—	—	—	—	—	35,718
—	—	(54,042)	—	—	(54,042)
654,141	—	(98,437)	(1,368)	(27,175)	527,389
10,654	—	—	—	—	10,657
72	—	—	—	—	72
—	—	—	—	—	1
1,444	—	—	—	—	1,444
279	—	—	—	—	279
112	—	—	—	—	112
(69)	—	—	—	—	(69)
—	—	37,399	—	—	37,399
—	—	—	(23,794)	—	(23,794)
—	—	—	—	—	13,605
—	—	(55,690)	—	—	(55,690)
$ 666,633	$ —	$ (116,728)	$ (25,162)	$ (27,175)	$ 497,800

SOVRAN SELF STORAGE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(dollars in thousands)	Year Ended December 31, 2008	2007	2006
Operating Activities			
Net income	$ 37,399	$ 39,214	$ 36,610
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	35,659	34,999	26,340
Gain on sale	(716)	—	—
Casualty gain	—	(114)	—
Equity in income of joint ventures	(104)	(119)	(172)
Distributions from unconsolidated joint venture	345	98	123
Minority interest	2,284	2,631	2,434
Non-vested stock earned	1,444	1,224	876
Stock option expense	279	183	119
Changes in assets and liabilities:			
Accounts receivable	(171)	(599)	(407)
Prepaid expenses	118	822	(2,029)
Accounts payable and other liabilities	619	7,082	1,011
Deferred revenue	(24)	(246)	(249)
Net cash provided by operating activities	77,132	85,175	64,656
Investing Activities			
Acquisition of storage facilities	(18,547)	(138,059)	(130,251)
Improvements, equipment additions, and construction in progress	(45,709)	(52,441)	(37,021)
Net proceeds from the sale of storage facility	7,002	—	—
Casualty insurance proceeds received	—	1,692	—
Investment in unconsolidated joint venture	(20,287)	—	—
Additional investment in consolidated joint ventures net of cash acquired	(6,106)	—	(8,181)
(Advances to) reimbursement of advances to joint ventures	(336)	—	17
Reimbursement of (payment of) property deposits	1,259	(1,469)	(1,169)
Receipts from related parties	13	10	38
Net cash used in investing activities	(82,711)	(190,267)	(176,567)
Financing Activities			
Net proceeds from sale of common stock	10,842	13,345	148,601
Proceeds from line of credit	14,000	112,000	94,000
Repayment of line of credit and term note	(206,000)	(12,000)	(184,000)
Proceeds from term notes	250,000	6,000	150,000
Financing costs	(3,085)	(316)	(632)
Dividends paid — common stock	(55,256)	(51,805)	(43,837)
Dividends paid — preferred stock	—	(1,256)	(2,513)
Minority interest distributions	(2,633)	(2,912)	(2,815)
Redemption of operating partnership units	(114)	(174)	(2,788)
Mortgage principal and capital lease payments	(1,699)	(1,510)	(1,286)
Net cash provided by financing activities	6,055	61,372	154,730
Net increase (decrease) in cash	476	(43,720)	42,819
Cash at beginning of period	4,010	47,730	4,911
Cash at end of period	$ 4,486	$ 4,010	$ 47,730
Supplemental cash flow information			
Cash paid for interest, net of interest capitalized	$ 37,970	$ 32,313	$ 26,647
Fair value of net liabilities assumed on the acquisition of storage facilities	107	1,580	65,650

Dividends declared but unpaid at December 31, 2008, 2007 and 2006 were $14,090, $13,656, and $12,675, respectively.

See notes to financial statements.

SOVRAN SELF STORAGE, INC. — DECEMBER 31, 2008
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION

Sovran Self Storage, Inc. (the "Company," "We," "Our," or "Sovran"), a self-administered and self-managed real estate investment trust (a "REIT"), was formed on April 19, 1995 to own and operate self-storage facilities throughout the United States. On June 26, 1995, the Company commenced operations effective with the completion of its initial public offering. At December 31, 2008, we had an ownership interest in and managed 385 self-storage properties in 24 states under the name Uncle Bob's Self Storage ®. Among our 385 self-storage properties are 27 properties that we manage for a consolidated joint venture of which we are a majority owner and 25 properties that we manage for an unconsolidated joint venture of which we are a 20% owner. Over 40% of the Company's revenue is derived from stores in the states of Texas and Florida.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: All of the Company's assets are owned by, and all its operations are conducted through, Sovran Acquisition Limited Partnership (the "Operating Partnership"). Sovran Holdings, Inc., a wholly-owned subsidiary of the Company (the "Subsidiary"), is the sole general partner of the Operating Partnership; the Company is a limited partner of the Operating Partnership, and through its ownership of the Subsidiary and its limited partnership interest controls the operations of the Operating Partnership, holding a 98.1% ownership interest therein as of December 31, 2008. The remaining ownership interests in the Operating Partnership (the "Units") are held by certain former owners of assets acquired by the Operating Partnership subsequent to its formation.

We consolidate all wholly owned subsidiaries. Partially owned subsidiaries and joint ventures are consolidated when we control the entity. Our consolidated financial statements include the accounts of the Company, the Operating Partnership, Locke Sovran I, LLC, and Locke Sovran II, LLC, which is a majority owned joint venture. All intercompany transactions and balances have been eliminated. Investments in joint ventures that we do not control but for which we have significant influence over are reported using the equity method.

In April 2006, the Company made additional investments of $8,475,000 in Locke Sovran I, LLC and Locke Sovran II, LLC that increased the Company's ownership from approximately 45% to over 70% in each of these joint ventures. As a result of this transaction, from the date that its controlling interest was acquired, the Company has consolidated the accounts of Locke Sovran I, LLC in its financial statements. The accounts of Locke Sovran II, LLC were already being included in the Company's financial statements as it has been a majority controlled joint venture since 2001. In June 2008, the Company made an additional investment of $6.1 million in Locke Sovran I, LLC that increased the Company's ownership from approximately 70% to 100%.

Cash and Cash Equivalents: The Company considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents. The cash balance includes $3.8 million and $3.2 million, respectively, held in escrow for encumbered properties at December 31, 2008 and 2007.

Revenue and Expense Recognition: Rental income is recognized when earned pursuant to month-to-month leases for storage space. Promotional discounts are recognized as a reduction to rental income over the promotional period, which is generally during the first month of occupancy. Rental income received prior to the start of the rental period is included in deferred revenue. Equity in earnings of real estate joint ventures that we have significant influence over is recognized based on our ownership interest in the earnings of these entities.

Cost of operations, general and administrative expense, interest expense and advertising costs are expensed as incurred. For the years ended December 31, 2008, 2007, and 2006, advertising costs were $1.4 million, $1.4 million, and $1.0 million, respectively. The Company accrues property taxes based on estimates and historical trends. If these estimates are incorrect, the timing and amount of expense recognition would be affected.

Other Income: Consists primarily of sales of storage-related merchandise (locks and packing supplies), insurance commissions, incidental truck rentals, and management fees from unconsolidated joint ventures.

Investment in Storage Facilities: Storage facilities are recorded at cost. The purchase price of acquired facilities is allocated to land, building, equipment, and in-place customer leases based on the fair value of each component. Depreciation is computed using the straight-line method over estimated useful lives of forty years for buildings and improvements, and five to twenty years for furniture, fixtures and equipment. Expenditures for significant renovations or improvements that extend the useful life of assets are capitalized. Interest and other costs incurred during the construction period of major expansions are capitalized. Capitalized interest during the years ended December 31, 2008 and 2007 was $0.4 million. No interest was capitalized during 2006. Repair and maintenance costs are expensed as incurred.

Whenever events or changes in circumstances indicate that the basis of the Company's property may not be recoverable, the Company's policy is to assess any impairment of value. Impairment is evaluated based upon comparing the sum of the expected undiscounted future cash flows to the carrying value of the property, on a property by property basis. If the sum of the undiscounted cash flow is less than the carrying amount, an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. At December 31, 2008 and 2007, no assets had been determined to be impaired under this policy and, accordingly, this policy had no impact on the Company's financial position or results of operations.

Other Assets: Included in other assets are net loan acquisition costs, a note receivable, property deposits, and the value placed on in-place customer leases at the time of acquisition. The loan acquisition costs were $6.8 million and $6.2 million at December 31, 2008, and 2007, respectively. Accumulated amortization on the loan acquisition costs was approximately $2.5 million and $3.8 million at December 31, 2008, and 2007, respectively. Loan acquisition costs are amortized over the terms of the related debt. The note receivable of $2.8 million represents a note from certain investors of Locke Sovran II, LLC. The note bears interest at LIBOR plus 2.4% and matures upon the dissolution of Locke Sovran II, LLC. Property deposits were $0.1 million and $1.5 million at December 31, 2008 and 2007, respectively.

The Company allocates a portion of the purchase price of acquisitions to in-place customer leases. The value of in-place customer leases is based on the Company's experience with customer turnover. The Company amortizes in-place customer leases on a straight-line basis over 12 months (the estimated future benefit period). At December 31, 2008, the gross carrying amount of in-place customer leases was $5.4 million and the accumulated amortization was $5.2 million

Amortization expense, including amortization of in-place customer leases, was $1.3 million, $4.8 million and $1.0 million for the periods ended December 31, 2008, 2007 and 2006, respectively.

Accounts Payable and Accrued Liabilities: Accounts payable and accrued liabilities consists primarily of trade payables, accrued interest, and property tax accruals. The Company accrues property tax expense based on estimates and historical trends. Actual expense could differ from these estimates.

Minority Interest: The minority interest reflects the outside ownership interest of the limited partners of the Operating Partnership and the joint venture partner's interest in Locke Sovran II, LLC. Amounts allocated to these interests are reflected as an expense in the income statement and increase the minority interest in the balance sheet. Distributions to these partners reduce this balance. At December 31, 2008, Operating Partnership minority interest ownership was 419,952 Units, or 1.9% (at December 31, 2007 422,727 Units, or 1.9%). The redemption value of the Units at December 31, 2008 and 2007 was $15.1 million and $17.0 million, respectively. The Operating Partnership is obligated to redeem each Unit at the request of the holder thereof for cash equal to the fair market value of a share of the Company's common stock, at the time of such redemption, provided that the Company at its option may elect to acquire any such Unit presented for redemption for one common share or cash.

Income Taxes: The Company qualifies as a REIT under the Internal Revenue Code of 1986, as amended, and will generally not be subject to corporate income taxes to the extent it distributes at least 90% of its taxable income to its shareholders and complies with certain other requirements. Accordingly, no provision has been made for federal income taxes in the accompanying financial statements. On an aggregate basis, the Company's reported amounts of net assets exceeds the tax basis by approximately $74 million and $72 million at December 31, 2008 and 2007, respectively.

Comprehensive Income: Comprehensive income consists of net income and the change in value of derivatives used for hedging purposes and is reported in the consolidated statements of shareholders' equity. Comprehensive income was $13.6 million, $35.7 million and $37.3 million for the years ended December 31, 2008, 2007, and 2006, respectively.

Derivative Financial Instruments: The Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, which requires companies to carry all derivatives on the balance sheet at fair value. The Company determines the fair value of derivatives by reference to quoted market prices. The accounting for changes in the fair value of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, if so, the reason for holding it. The Company's use of derivative instruments is limited to cash flow hedges, as defined in SFAS No. 133, of certain interest rate risks.

Recent Accounting Pronouncements: In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159"). SFAS 159 allows entities to voluntarily choose, at specified election dates, to measure many financial assets and liabilities at fair value. The effective date for the Company is January 1, 2008. The adoption of SFAS 159 did not impact the Company's consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements" ("SFAS No. 160"), which amends Accounting Research Bulletin No. 51, "Consolidated Financial Statements", to improve the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements. SFAS No. 160 establishes accounting and reporting standards that require the ownership interests in subsidiaries not held by the parent to be clearly identified, labeled and presented in the consolidated statement of financial position within equity, but separate from the parent's equity. This statement also requires the amount of consolidated net income attributable to the parent and to the non-controlling interest to be clearly identified and presented on the face of the consolidated statement of income. The effective date for the Company will be January 1, 2009. The Company has not yet determined the impact of SFAS 160 on our consolidated financial statements

In December 2007, the FASB Statement 141R, "Business Combinations" ("SFAS 141R") was issued. SFAS 141R replaces SFAS 141. SFAS 141R requires the acquirer of a business to recognize and measure the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at fair value. SFAS 141R also requires transaction costs related to the business combination to be expensed as incurred. SFAS 141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The effective date for the Company will be January 1, 2009. The Company has not yet determined the impact of SFAS 141R related to future acquisitions, if any, on our consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures About Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133" ("SFAS No. 161"). SFAS No. 161 expands quarterly disclosure requirements in SFAS No. 133 about an entity's derivative instruments and hedging activities. The effective date for the Company will be January 1, 2009. The Company is currently assessing the impact of SFAS No. 161 on our consolidated financial statements.

Stock-Based Compensation: Effective January 1, 2006, the Company adopted Statement 123(R) and uses the modified-prospective method. Under the modified-prospective method, the Company recognizes compensation cost in the financial statements issued subsequent to January 1, 2006 for all share based payments granted, modified, or settled after the date of adoption as well as for any awards that were granted prior to the adoption date for which the requisite service period has not been completed as of the adoption date.

The Company recorded compensation expense (included in general and administrative expense) of $279,000, $183,000 and $119,000 related to stock options under Statement 123(R) and $1.4 million, $1.2 million and $876,000 related to amortization of non-vested stock grants for the years ended December 31, 2008, 2007 and 2006, respectively. The Company uses the Black-Scholes Merton option pricing model to estimate the fair value of stock options granted subsequent to the adoption of FAS 123(R). The application of this pricing model involves assumptions that are judgmental and sensitive in the determination of compensation expense. The weighted average

for key assumptions used in determining the fair value of options granted during 2008 follows:

	Weighted Average	Range
Expected life (years)	6.53	4.50 - 7.00
Risk free interest rate	3.78%	2.65 - 3.94%
Expected volatility	22.61%	22.40% - 24.30%
Expected dividend yield	6.1%	6.00% - 7.00%
Fair value	$ 4.79	$ 3.21 - $5.10

To determine expected volatility, the Company uses historical volatility based on daily closing prices of its Common Stock over periods that correlate with the expected terms of the options granted. The risk-free rate is based on the United States Treasury yield curve at the time of grant for the expected life of the options granted. Expected dividends are based on the Company's history and expectation of dividend payouts. The expected life of stock options is based on the midpoint between the vesting date and the end of the contractual term.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. EARNINGS PER SHARE

The Company reports earnings per share data in accordance with Statement of Financial Accounting Standards No. 128, "Earnings Per Share." In computing earnings per share, the Company excludes preferred stock dividends from net income to arrive at net income available to common shareholders. The following table sets forth the computation of basic and diluted earnings per common share.

(Amounts in thousands, except per share data)	Year Ended December 31, 2008	2007	2006
Numerator:			
Net income from continuing operations available to common shareholders	$ 36,605	$37,524	$33,651
Denominator:			
Denominator for basic earnings per share - weighted average shares	21,762	20,955	17,951
Effect of Dilutive Securities:			
Stock options and warrants and non-vested stock	21	49	70
Denominator for diluted earnings per share - adjusted weighted average shares and assumed conversion	21,783	21,004	18,021
Basic Earnings per Common Share from continuing operations	$ 1.68	$ 1.79	$ 1.87
Basic Earnings per Common Share	$ 1.72	$ 1.81	$ 1.90
Diluted Earnings per Common Share from continuing operations	$ 1.68	$ 1.79	$ 1.86
Diluted Earnings per Common Share	$ 1.72	$ 1.81	$ 1.89

4. INVESTMENT IN STORAGE FACILITIES

The following summarizes activity in storage facilities during the years ended December 31, 2008 and December 31, 2007.

(Dollars in thousands)	2008	2007
Cost:		
Beginning balance	$1,322,708	$1,136,052
Acquisition of storage facilities	18,454	136,653
Additional investment in consolidated joint ventures	2,473	—
Improvements and equipment additions	44,998	45,806
Increase in construction in progress	761	6,621
Dispositions	(193)	(2,424)
Ending balance	$1,389,201	$1,322,708
Accumulated Depreciation:		
Beginning balance	$ 183,679	$ 154,449
Additions during the year	33,100	30,011
Dispositions	(135)	(781)
Ending balance	$ 216,644	$ 183,679

The Company allocates purchase price to the tangible and intangible assets and liabilities acquired based on their estimated fair values. The value of land and buildings are determined at replacement cost. Intangible assets, which represent the value of existing customer leases, are recorded at their estimated fair values. During 2008, the Company acquired three storage facilities for $18.9 million. Substantially all of the purchase price of these facilities was allocated to land ($3.7 million), building ($14.7 million), equipment ($0.1 million) and in-place customer leases ($0.4 million) and the operating results of the acquired facilities have been included in the Company's operations since the respective acquisition dates. During 2007, the Company acquired 31 storage facilities for $141.3 million. Substantially all of the purchase price of these facilities was allocated to land ($27.7 million), building ($110.0 million), equipment ($1.5 million) and in-place customer leases ($2.1 million) and the operating results of the acquired facilities have been included in the Company's operations since the respective acquisition dates.

5. DISCONTINUED OPERATIONS

In April 2008, the Company sold one non-strategic storage facility located in Michigan for net cash proceeds of $7.0 million resulting in a gain of $0.7 million. The operations of this facility and the gain on sale are reported as discontinued operations. The amounts in the 2007 and 2006 financial statements related to the operations and the net assets of this property have been reclassified and are presented as discontinued operations and net assets from discontinued operations, respectively. Cash flows of discontinued operations have not been segregated from the cash flows of continuing operations on the accompanying consolidated statement of cash flows for the years ended December 31, 2008, 2007 and 2006. The following is a summary of the amounts reported as discontinued operations:

	Year Ended December 31,		
(dollars in thousands)	2008	2007	2006
Total revenue	$ 233	$ 912	$ 927
Property operations and maintenance expense	(76)	(196)	(202)
Real estate tax expense	(33)	(97)	(94)
Depreciation and amortization expense	(46)	(185)	(184)
Net realized gain on sale of property	716	—	—
Total income from discontinued operations	$ 794	$ 434	$ 447

6. PRO FORMA FINANCIAL INFORMATION (UNAUDITED)

The following unaudited pro forma Condensed Statement of Operations is presented as if (i) the 31 storage facilities purchased during 2007, (ii) the 42 storage facilities purchased during 2006, (iii) the additional investment in Locke Sovran I, LLC and Locke Sovran II, LLC in April 2006, and (iv) the related indebtedness incurred and assumed on these transactions had all occurred at January 1, 2006. Such unaudited pro forma information is based upon the historical statements of operations of the Company. It should be read in conjunction with the financial statements of the Company. In management's opinion, all adjustments necessary to reflect the effects of these transactions have been made. This unaudited pro forma information does not purport to represent what the actual results of operations of the Company would have been assuming such transactions had been completed as set forth above nor does it purport to represent the results of operations for future periods.

	Year Ended December 31,	
(dollars in thousands, except share data)	2007	2006
Pro forma total operating revenues	$ 199,569	$ 191,505
Pro forma net income	$ 41,749	$ 33,985
Pro forma earnings per common share — diluted	$ 1.92	$ 1.54

7. UNSECURED LINE OF CREDIT AND TERM NOTES

On June 25, 2008, the Company entered into agreements relating to new unsecured credit arrangements, and received funds under those arrangements. As part of the agreements, the Company entered into a $250 million unsecured term note maturing in June 2012 bearing interest at LIBOR plus 1.625%. The proceeds from this term note were used to repay the Company's previous line of credit that was to mature in September 2008, the Company's term note that was to mature in September 2009, the term note maturing in July 2008, and to provide for working capital. The new agreements also provide for a $125 million (expandable to $150 million) revolving line of credit maturing June 2011 bearing interest at a variable rate equal to LIBOR plus 1.375%, and requires a 0.25% facility fee. The interest rate at December 31, 2008 on the Company's available line of credit was approximately 1.8% (5.5% at December 31, 2007). At December 31, 2008, there was $111 million available on the unsecured line of credit.

The Company also maintains an $80 million term note maturing September 2013 bearing interest at a fixed rate of 6.26%, a $20 million term note maturing September 2013 bearing interest at a variable rate equal to LIBOR plus 1.50%, and a $150 million unsecured term note maturing in April 2016 bearing interest at 6.38%.

8. MORTGAGES PAYABLE AND OTHER DEBT DISCLOSURES

Mortgages payable at December 31, 2008 and December 31, 2007 consist of the following:

(dollars in thousands)	December 31, 2008	December 31, 2007
7.80% mortgage note due December 2011, secured by 11 self-storage facilities (Locke Sovran I) with an aggregate net book value of $43.8 million, principal and interest paid monthly	$ 29,033	$ 29,084
7.19% mortgage note due March 2012, secured by 27 self-storage facilities (Locke Sovran II) with an aggregate net book value of $81.2 million, principal and interest paid monthly	42,603	43,645
7.25% mortgage note due December 2011, secured by 1 self-storage facility with an aggregate net book value of $5.8 million, principal and interest paid monthly. Estimated market rate at time of acquisition 5.40%	3,510	3,643
6.76% mortgage note due September 2013, secured by 1 self-storage facility with an aggregate net book value of $2.0 million, principal and interest paid monthly	1,000	1,022

(dollars in thousands)	December 31, 2008	December 31, 2007
6.35% mortgage note due March 2014, secured by 1 self-storage facility with an aggregate net book value of $3.8 million, principal and interest paid monthly	1,098	1,122
5.55% mortgage notes due November 2009, secured by 8 self-storage facilities with an aggregate net book value of $34.9 million, interest only paid monthly. Estimated market rate at time of acquisition 6.44%	25,930	25,719
7.50% mortgage notes due August 2011, secured by 3 self-storage facilities with an aggregate net book value of $14.3 million, principal and interest paid monthly. Estimated market rate at time of acquisition 6.42%	6,087	6,282
Total mortgages payable	$ 109,261	$ 110,517

The Company assumed the 7.25%, 6.76%, 6.35%, 5.55% and 7.50% mortgage notes in connection with the acquisitions of storage facilities in 2005 and 2006. The 7.25%, 5.55%, and 7.50% mortgages were recorded at their estimated fair value based upon the estimated market rates at the time of the acquisitions ranging from 5.40% to 6.44%. The carrying value of these three mortgages approximates the actual principal balance of the mortgages payable. An immaterial premium exists at December 31, 2008, which will be amortized over the remaining term of the mortgages based on the effective interest method.

The table below summarizes the Company's debt obligations and interest rate derivatives at December 31, 2008. The estimated fair value of financial instruments is subjective in nature and is dependent on a number of important assumptions, including discount rates and relevant comparable market information associated with each financial instrument. The fair value of the fixed rate term note and mortgage note were estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities. The use of different market assumptions and estimation methodologies may have a material effect on the reported estimated fair value amounts. Accordingly, the estimates presented below are not necessarily indicative of the amounts the Company would realize in a current market exchange.

	Expected Maturity Date Including Discount							
(dollars in thousands)	2009	2010	2011	2012	2013	Thereafter	Total	Fair Value
Line of credit — variable rate LIBOR + 1.375 (1.84% at December 31, 2008)	—	—	$14,000	—	—	—	$ 14,000	$ 14,000
Notes Payable:								
Term note — variable rate LIBOR+1.625% (2.09% at December 31, 2008)	—	—	—	$250,000	—	—	$250,000	$250,000
Term note — variable rate LIBOR+1.50% (4.62% at December 31, 2008)	—	—	—	—	$20,000	—	$ 20,000	$ 20,000
Term note — fixed rate 6.26%	—	—	—	—	$80,000	—	$ 80,000	$ 78,865
Term note — fixed rate 6.38%	—	—	—	—	—	$150,000	$150,000	$147,899
Mortgage note — fixed rate 7.80%	$ 587	$ 630	$27,816	—	—	—	$ 29,033	$ 30,031
Mortgage note — fixed rate 7.19%	$ 1,128	$1,211	$ 1,301	$ 38,963	—	—	$ 42,603	$ 44,205
Mortgage note — fixed rate 7.25%	$ 141	$ 149	$ 3,220	—	—	—	$ 3,510	$ 3,478
Mortgage note — fixed rate 6.76%	$ 23	$ 25	$ 27	$ 29	$ 896	—	$ 1,000	$ 1,018
Mortgage note — fixed rate 6.35%	$ 26	$ 28	$ 30	$ 31	$ 34	$ 949	$ 1,098	$ 1,100
Mortgage notes — fixed rate 5.55%	$25,930	—	—	—	—	—	$ 25,930	$ 26,422
Mortgage notes — fixed rate 7.50%	$ 208	$ 222	$ 5,657	—	—	—	$ 6,087	$ 6,188
Interest rate derivatives — liability	—	—	—	—	—	—	—	$ 25,490

9. DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate swaps are used to adjust the proportion of total debt that is subject to variable interest rates. The interest rate swaps require the Company to pay an amount equal to a specific fixed rate of interest times a notional principal amount and to receive in return an amount equal to a variable rate of interest times the same notional amount. The notional amounts are not exchanged. No other cash payments are made unless the contract is terminated prior to its maturity, in which case the contract would likely be settled for an amount equal to its fair value. The Company enters interest rate swaps with a number of major financial institutions to minimize counterparty credit risk.

The interest rate swaps qualify and are designated as hedges of the amount of future cash flows related to interest payments on variable rate debt. Therefore, the interest rate swaps are recorded in the consolidated balance sheet at fair value and the related gains or losses are deferred in shareholders' equity as Accumulated Other Comprehensive Income ("AOCI"). These deferred gains and losses are amortized into interest expense during the period or periods in which the related interest payments affect earnings. However, to the extent that the interest rate swaps are not perfectly effective in offsetting the change in value of the interest payments being hedged, the ineffective portion of these contracts is recognized in earnings immediately. Ineffectiveness was immaterial in 2008, 2007, and 2006.

The Company has entered into seven interest rate swap agreements as detailed below to effectively convert a total of $270 million of variable-rate debt to fixed-rate debt.

Notional Amount	Effective Date	Expiration Date	Fixed Rate Paid	Floating Rate Received
$50 Million	11/14/05	9/1/09	4.3900%	1 month LIBOR
$20 Million	9/4/05	9/4/13	4.4350%	6 month LIBOR
$50 Million	10/10/06	9/1/09	4.4800%	1 month LIBOR
$50 Million	7/1/08	6/25/12	4.2825%	1 month LIBOR
$100 Million	7/1/08	6/22/12	4.2965%	1 month LIBOR
$75 Million	9/1/09	6/22/12	4.7100%	1 month LIBOR
$25 Million	9/1/09	6/22/12	4.2875%	1 month LIBOR

The interest rate swap agreements are the only derivative instruments, as defined by SFAS No. 133, held by the Company. During 2008, 2007, and 2006, the net reclassification from AOCI to interest expense was $2.6 million, ($1.1) million and ($0.5) million, respectively, based on payments (receipts) made or received under the swap agreements. Based on current interest rates, the Company estimates that payments under the interest rate swaps will be approximately $10.6 million in 2009. Receipts made under the interest rate swap agreements will be reclassified to interest expense as settlements occur. The fair value of the swap agreements, including accrued interest, was a liability of $25.5 million and $1.2 million at December 31, 2008, and 2007 respectively.

10. FAIR VALUE MEASUREMENTS

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," (SFAS 157. This statement defines fair value, establishes a framework for measuring fair value and expands the related disclosure requirements. This statement applies under other accounting pronouncements that require or permit fair value measurements. The statement indicates, among other things, that a fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. SFAS 157 defines fair value based upon an exit price model.

Relative to SFAS 157, the FASB issued FASB Staff Positions (FSP) 157-1, 157-2, and 157-3. FSP 157-1 amends SFAS 157 to exclude SFAS No. 13, "Accounting for Leases," (SFAS 13) and its related interpretive accounting pronouncements that address leasing transactions, while FSP 157-2 delays the effective date of the application of SFAS 157 to fiscal years beginning after November 15, 2008 for all nonfinancial assets and

nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis. FSP 157-3 addresses considerations in determining the fair value of a financial asset when the market for that asset is not active.

We adopted SFAS 157 as of January 1, 2008, with the exception of the application of the statement to non-recurring nonfinancial assets and nonfinancial liabilities. Non-recurring nonfinancial assets and nonfinancial liabilities for which we have not applied the provisions of SFAS 157 include those measured at fair value in a business combination.

SFAS 157 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, for substantially the full term of the financial instrument. 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 December 31, 2008 (in thousands):

	Asset (Liability)	Level 1	Level 2	Level 3
Interest rate swaps	(25,490)	—	(25,490)	—

Interest rate swaps are over the counter securities with no quoted readily available Level 1 inputs, and therefore are measured at fair value using inputs that are directly observable in active markets and are classified within Level 2 of the valuation hierarchy, using the income approach.

11. STOCK OPTIONS AND NON-VESTED STOCK

The Company established the 2005 Award and Option Plan (the "Plan") which replaced the expired 1995 Award and Option Plan for the purpose of attracting and retaining the Company's executive officers and other key employees. 1,500,000 shares were authorized for issuance under the Plan. The options vest ratably over four and eight years, and must be exercised within ten years from the date of grant. The exercise price for qualified incentive stock options must be at least equal to the fair market value of the common shares at the date of grant. As of December 31, 2008, options for 324,688 shares were outstanding under the Plans and options for 1,096,464 shares of common stock were available for future issuance.

The Company also established the 1995 Outside Directors' Stock Option Plan (the Non-employee Plan) for the purpose of attracting and retaining the services of experienced and knowledgeable outside directors. The Non-employee Plan provides for the initial granting of options to purchase 3,500 shares of common stock and for the annual granting of options to purchase 2,000 shares of common stock to each eligible director. Such options vest over a one-year period for initial awards and immediately upon subsequent grants. In addition, effective in 2004 each outside director receives non-vested shares annually equal to 80% of the annual fees paid to them. During the restriction period, the non-vested shares may not be sold, transferred, or otherwise encumbered. The holder of the non-vested shares has all rights of a holder of common shares, including the right to vote and receive dividends. During 2008, 1,820 non-vested shares were issued to outside directors. Such non-vested shares vest over a one-year period. The total shares reserved under the Non-employee Plan is 150,000. The exercise price for options granted under the Non-employee Plan is equal to the fair market value at the date of grant. As of December 31, 2008, options for 36,000 common shares and non-vested shares of 9,160 were outstanding under the Non-employee Plan and options for no shares of common stock were available for future issuance.

A summary of the Company's stock option activity and related information for the years ended December 31 follows:

	2008		2007		2006	
	Options	Weighted average exercise price	Options	Weighted average exercise price	Options	Weighted average exercise price
Outstanding at beginning of year:	168,125	$ 42.54	113,225	$ 35.77	142,900	$ 32.68
Granted	201,163	43.12	74,000	52.49	14,000	51.78
Exercised	(2,600)	27.78	(13,100)	32.44	(37,675)	30.33
Forfeited	(6,000)	36.86	(6,000)	59.62	(6,000)	33.05
Outstanding at end of year	360,688	$ 43.06	168,125	$ 42.54	113,225	$ 35.77
Exercisable at end of year	118,025	$ 38.84	82,625	$ 34.45	74,225	$ 31.14

A summary of the Company's stock options outstanding at December 31, 2008 follows:

	Outstanding		Exercisable	
Exercise Price Range	Options	Weighted average exercise price	Options	Weighted average exercise price
$20.375 – 29.99	31,475	$ 21.58	31,475	$ 21.58
$30.00 – 39.99	33,050	$ 35.35	19,550	$ 34.11
$40.00 – 57.79	296,163	$ 46.21	67,000	$ 48.33
Total	360,688	$ 43.06	118,025	$ 38.84

Intrinsic value of outstanding stock options at December 31, 2008	$506,184
Intrinsic value of exercisable stock options at December 31, 2008	$506,184
Intrinsic value of stock options exercised in 2008	$ 37,691

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the quoted price of the Company's common stock at December 31, 2008, or the price on the date of exercise for those exercised during the year. As of December 31, 2008, there was approximately $1.1 million of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under our stock award plans. That cost is expected to be recognized over a weighted-average period of approximately 5.2 years. The weighted average remaining contractual life of all options is 8.0 years, and for exercisable options is 5.7 years.

Non-vested Stock

The Company has also issued 289,587 shares of non-vested stock to employees which vest over two to nine year periods. During the restriction period, the non-vested shares may not be sold, transferred, or otherwise encumbered. The holder of the non-vested shares has all rights of a holder of common shares, including the right to vote and receive dividends. For the year ended December 31, 2008, the fair market value of the non-vested stock on the date of grant ranged from $20.38 to $59.81. During 2008, 43,893 shares of non-vested stock were issued to employees with an aggregate fair value of $1.8 million. The Company charges additional paid-in capital for the market value of shares as they are issued. The unearned portion is then amortized and charged to expense over the vesting period. The Company uses the average of the high and low price of its common stock on the date the award is granted as the fair value for non-vested stock awards.

A summary of the status of unvested shares of stock issued to employees and directors as of and during the years ended December 31 follows:

	2008		2007		2006	
	Non-vested Shares	Weighted average grant date fair value	Non-vested Shares	Weighted average grant date fair value	Non-vested Shares	Weighted average grant date fair value
Unvested at beginning of year:	115,896	$ 45.54	96,453	$ 40.21	71,411	$ 30.39
Granted	45,713	41.50	43,989	53.79	41,719	53.86
Vested	(30,802)	42.71	(24,546)	39.39	(16,677)	32.29
Forfeited	—	—	—	—	—	—
Unvested at end of year	130,807	$ 44.79	115,896	$ 45.54	96,453	$ 40.21

Compensation expense of $1.4 million, $1.2 million and $0.9 million was recognized for the vested portion of non-vested stock grants in 2008, 2007 and 2006, respectively. The fair value of non-vested stock that vested during 2008, 2007 and 2006 was $1.3 million, $1.0 million and $0.5 million, respectively. The total unrecognized compensation cost related to non-vested stock was $4.8 million at December 31, 2008, and the remaining weighted-average period over which this expense will be recognized was 6 years.

12. RETIREMENT PLAN

Employees of the Company qualifying under certain age and service requirements are eligible to be a participant in a 401(k) Plan. The Company contributes to the Plan at the rate of 50% of the first 4% of gross wages that the employee contributes. Total expense to the Company was approximately $284,000, $256,000, and $166,000 for the years ended December 31, 2008, 2007 and 2006, respectively.

13. INVESTMENT IN JOINT VENTURES

The Company has a 20% ownership interest in Sovran HHF Storage Holdings LLC (“Sovran HHF”), a joint venture that was formed in May 2008 to acquire self-storage properties that will be managed by the Company. The carrying value of the Company’s investment at December 31, 2008 was $20.1 million. Twenty five properties were acquired by Sovran HHF as of December 31, 2008 for approximately $171.5 million. The Company contributed $18.6 million to the joint venture as its share of capital required to fund the acquisitions. As of December 31, 2008, the carrying value of the Company’s investment in Sovran HHF exceeds its share of the underlying equity in net assets of Sovran HHF by approximately $1.7 million as a result of the capitalization of certain acquisition related costs. This difference is not amortized, it is included in the carrying value of the investment, which is assessed for impairment on a periodic basis.

As manager of Sovran HHF, the Company earns a management and call center fee of 7% of gross revenues which totaled $0.5 million for 2008. The Company also received an acquisition fee of 0.5% of purchase price for securing purchases for the joint venture. During 2008, the Company recorded $0.7 million in acquisition fees. The Company’s share of Sovran HHF’s income for 2008 was $0.1 million. At December 31, 2008, Sovran HHF owed the Company $0.3 million for payments made by the Company on behalf of the joint venture.

The Company also has a 49% ownership interest in Iskalo Office Holdings, LLC, which owns the building that houses the Company’s headquarters and other tenants. The Company’s investment includes a capital contribution of $49. The carrying value of the Company’s investment is a liability of $0.5 million at December 31, 2008 and $0.4 million at December 31, 2007, and is included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets. For the years ended December 31, 2008, 2007 and 2006, the Company’s share of Iskalo Office Holdings, LLC’s (loss) income was ($6,000), $80,000, and $80,000, respectively. The

Company paid rent to Iskalo Office Holdings, LLC of $600,000, $561,000 and $583,000 in 2008, 2007, and 2006, respectively. Future minimum lease payments under the lease are $0.6 million per year through 2010.

A summary of the unconsolidated joint ventures' financial statements as of and for the year ended December 31, 2008 is as follows:

(dollars in thousands)	Sovran HHF Storage Holdings LLC	Iskalo Office Holdings, LLC
Balance Sheet Data:		
Investment in storage facilities, net	$ 170,176	$ —
Investment in office building	—	5,507
Other assets	3,912	568
Total Assets	$ 174,088	$ 6,075
Due to the Company	$ 336	$ —
Mortgages payable	79,937	7,169
Other liabilities	1,942	168
Total Liabilities	82,215	7,337
Unaffiliated partners' equity (deficiency)	73,499	(718)
Company equity (deficiency)	18,374	(544)
Total Liabilities and Partners' Equity (deficiency)	$ 174,088	$ 6,075
Income Statement Data:		
Total revenues	$ 6,652	$ 1,127
Total expenses	6,301	1,139
Net income (loss)	$ 351	$ (12)

The Company does not guarantee the debt of Sovran HHF or Iskalo Office Holdings, LLC.

14. PREFERRED STOCK

On July 3, 2002, the Company entered into an agreement providing for the issuance of 2,800,000 shares of 8.375% Series C Convertible Cumulative Preferred Stock ("Series C Preferred") in a privately negotiated transaction. The Company immediately issued 1,600,000 shares of the Series C Preferred and issued the remaining 1,200,000 shares on November 27, 2002. The offering price was $25.00 per share resulting in net proceeds for the Series C Preferred and related common stock warrants of $67.9 million after expenses. In 2004, the Company issued 306,748 shares of its common stock in connection with the conversion of 400,000 shares of Series C Preferred Stock into common stock. During 2005, the Company issued 920,244 shares of its common stock in connection with a written notice from one of the holders of the Series C Preferred Stock requesting the conversion of 1,200,000 shares of Series C Preferred Stock into common stock. On July 7, 2007, we issued 920,244 shares of our common stock to the holder of our Series C Preferred Stock upon the holder's election to convert the remaining 1,200,000 shares of Series C Preferred Stock into common stock. As a result of the conversion, $26.6 million recorded in shareholders' equity as 8.375% Series C Convertible Cumulative Preferred Stock was reclassified to additional paid-in capital in 2007.

15. SUPPLEMENTARY QUARTERLY FINANCIAL DATA (UNAUDITED)

The following is a summary of quarterly results of operations for the years ended December 31, 2008 and 2007 (dollars in thousands, except per share data).

	2008 Quarter Ended			
	March 31	June 30	Sept. 30	Dec. 31
Operating revenue	$49,619	$50,120	$52,497	$50,767
Income from continuing operations (a)	$ 8,871	$ 9,829	$ 9,528	$ 8,377
Income from discontinued operations (a)	$ 82	$ 712	$ —	$ —
Net Income	$ 8,953	$10,541	$ 9,528	$ 8,377
Net income available to common shareholders	$ 8,953	$10,541	$ 9,528	$ 8,377
Net Income Per Common Share				
Basic	$ 0.41	$ 0.49	$ 0.44	$ 0.38
Diluted	$ 0.41	$ 0.48	$ 0.44	$ 0.38

	2007 Quarter Ended			
	March 31	June 30	Sept. 30	Dec. 31
Operating revenue (a)	$44,371	$47,872	$50,765	$49,849
Income from continuing operations (a)	$ 9,437	$ 7,950	$10,757	$10,636
Income from discontinued operations (a)	$ 100	$ 114	$ 118	$ 102
Net Income	$ 9,537	$ 8,064	$10,875	$10,738
Net income available to common shareholders	$ 8,909	$ 7,436	$10,875	$10,738
Net Income Per Common Share				
Basic	$ 0.44	$ 0.36	$ 0.51	$ 0.50
Diluted	$ 0.44	$ 0.36	$ 0.51	$ 0.50

(a) Data as presented in this table differ from the amounts as presented in the Company's quarterly reports due to the impact of discontinued operations accounting with respect to the one property sold in 2008 as described in Note 5.

16. COMMITMENTS AND CONTINGENCIES

The Company's current practice is to conduct environmental investigations in connection with property acquisitions. At this time, the Company is not aware of any environmental contamination of any of its facilities that individually or in the aggregate would be material to the Company's overall business, financial condition, or results of operations.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Our management conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act), under the supervision of and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer. Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective at December 31, 2008. There have not been changes in the Company's internal controls or in other factors that could significantly affect these controls during the quarter ended December 31, 2008.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, and for performing an assessment of the effectiveness of internal control over financial reporting as of December 31, 2008. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our system of internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Our management performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2008 based upon criteria in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO''). Based on our assessment, management determined that our internal control over financial reporting was effective as of December 31, 2008 based on the criteria in Internal Control-Integrated Framework issued by COSO.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2008 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included in Item 9A herein.

/S/ Robert J. Attea
Chief Executive Officer

/S/ David L. Rogers
Chief Financial Officer

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Sovran Self Storage, Inc.

We have audited Sovran Self Storage, Inc.'s internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Sovran Self Storage, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Sovran Self Storage, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Sovran Self Storage, Inc. as of December 31, 2008 and 2007, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2008 of Sovran Self Storage, Inc. and our report dated February 25, 2009 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Buffalo, New York
February 25, 2009

Part III

Item 10. Directors, Executive Officers and Corporate Governance

The information contained in the Proxy Statement for the Annual Meeting of Shareholders of the Company to be held on May 21, 2009, with respect to directors, executive officers, audit committee, and audit committee financial experts of the Company and Section 16(a) beneficial ownership reporting compliance, is incorporated herein by reference in response to this item.

The Company has adopted a code of ethics that applies to all of its directors, officers, and employees. The Company has made the Code of Ethics available on its website at http://www.sovranss.com.

Item 11. Executive Compensation

The information required is incorporated by reference to "Executive Compensation" and "Director Compensation" in the Company's Proxy Statement for the Annual Meeting of Shareholders of the Company to be held on May 21, 2009.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required herein is incorporated by reference to "Stock Ownership By Directors and Executive Officers" and "Security Ownership of Certain Beneficial Owners" in the Proxy Statement for the Annual Meeting of Shareholders of the Company to be held on May 21, 2009.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required herein is incorporated by reference to "Certain Transactions" and "Election of Directors—Director Independence" in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on May 21, 2009.

Item 14. Principal Accountant Fees and Services

The information required herein is incorporated by reference to "Appointment of Independent Auditor" in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on May 21, 2009.

Part IV

Item 15. Exhibits, Financial Statement Schedules

(a) Documents filed as part of this Annual Report on Form 10-K:

1. The following consolidated financial statements of Sovran Self Storage, Inc. are included in Item 8.

(i) Consolidated Balance Sheets as of December 31, 2008 and 2007.

(ii) Consolidated Statements of Operations for Years Ended December 31, 2008, 2007, and 2006.

(iii) Consolidated Statements of Shareholders' Equity for Years Ended December 31, 2008, 2007, and 2006.

(iv) Consolidated Statements of Cash Flows for Years Ended December 31, 2008, 2007, and 2006.

(v) Notes to Consolidated Financial Statements.

2. The following financial statement Schedule as of the period ended December 31, 2008 is included in this Annual Report on Form 10-K.

Schedule III Real Estate and Accumulated Depreciation.

All other Consolidated financial schedules are omitted because they are inapplicable, not required, or the information is included elsewhere in the consolidated financial statements or the notes thereto.

3. Exhibits

The exhibits required to be filed as part of this Annual Report on Form 10-K have been included as follows:

3.1 Amended and Restated Articles of Incorporation of the Registrant. (incorporated by reference to Exhibit 3.1 (a) to the Registrant's Registration Statement on Form S-11 (File No. 33-91422) filed June 19, 1995).

3.2 Articles Supplementary to the Amended and Restated Articles of Incorporation of the Registrant classifying and designating the series A Junior Participating Cumulative Preferred Stock. (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-A filed December 3, 1996.)

3.3 Articles Supplementary to the Amended and Restated Articles of Incorporation of the Registrant classifying and designating the 8.375% Series C Convertible Cumulative Preferred Stock. (incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K filed July 12, 2002).

3.4 Bylaws, as amended, of the Registrant (incorporated by reference to Exhibit 3.2 to Registrant's Current Report on Form 8-K filed April 7, 2004).

4.1 Form of Common Stock Certificate (incorporated by reference to Exhibit 4.1 to Registrant's Registration Statement on Form S-11 (File No. 33-91422) filed June 19, 1995).

10.1+ Sovran Self Storage, Inc. 2005 Award and Option Plan, as amended (incorporated by reference to the Registrant's Proxy Statement filed April 11, 2005).

10.2+ Sovran Self Storage, Inc. 1995 Outside Directors' Stock Option Plan, as amended (incorporated by reference to the Registrant's Proxy Statement filed April 8, 2004).

10.3*+ Employment Agreement between the Registrant and Robert J. Attea.

10.4*+ Employment Agreement between the Registrant and Kenneth F. Myszka.

10.5*+ Employment Agreement between the Registrant and David L. Rogers.

10.6+ Form of restricted stock grant pursuant to Sovran Self Storage, Inc. 2005 Award and Option Plan (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q/A filed November 24, 2006).

10.7+ Form of stock option grant pursuant to Sovran Self Storage, Inc. 2005 Award and Option Plan (incorporated by reference to Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q/A filed November 24, 2006).

10.8+ Form of restricted stock grant pursuant to Sovran Self Storage, Inc. 1995 Award and Option Plan (incorporated by reference to Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q/A filed November 24, 2006).

10.9+ Form of stock option grant pursuant to Sovran Self Storage, Inc. 1995 Award and Option Plan (incorporated by reference to Exhibit 10.4 to Registrant's Quarterly Report on Form 10-Q/A filed November 24, 2006).

10.10+ Deferred Compensation Plan for Directors (incorporated by reference to Schedule 14A Proxy Statement filed April 10, 2008).

10.11 Amended Indemnification Agreements with members of the Board of Directors and Executive Officers (incorporated by reference to Exhibit 10.35 and 10.36 to Registrant's Current Report on Form 8-K filed July 20, 2006).

10.12 Agreement of Limited Partnership of Sovran Acquisition Limited Partnership (incorporated by reference to Exhibit 3.1 on Form 10 filed April 22, 1998).

10.13* Amendments to the Agreement of Limited Partnership of Sovran Acquisition Limited Partnership dated July 30, 1999 and July 3, 2002.

10.14 Promissory Note between Locke Sovran II, LLC and PNC Bank, National Association (incorporated by reference to Exhibit 10.22 to Registrant's Form 10-K filed March 27, 2003).

10.15 Third Amended and Restated Revolving Credit and Term Loan Agreement among Registrant, the Partnership, Manufacturers and Traders Trust Company and other lenders named therein (incorporated by reference to Exhibit 10.1 filed in the Company's Current Report on Form 8-K, filed June 27, 2008).

10.16 Cornerstone Acquisition Agreement and Amendments to Certain Loan Agreements (incorporated by reference to Exhibits 10.30, 10.31, 10.32, 10.33 and 10.34 of Registrant's Current Report on Form 8-K filed June 26, 2006).

10.17 $150 million, 6.38% Senior Guaranteed Notes, Series C due April 26, 2016, and Amendments to Second Amendment Restated Revolving Credit and Term Loan Agreement dated December 16, 2004 and Amendment to Note Purchase Agreement dated September 4, 2003 (incorporated by reference to Exhibits 10.27, 10.28, and 10.29 of the Registrant's Current Report on Form 8-K filed May 1, 2006).

10.18 Promissory Note between Locke Sovran I, LLC and GMAC Commercial Mortgage Corporation (incorporated by reference to Exhibit 10.21 as filed in the Company's Annual Report on Form 10-K, filed March 1, 2007).

12.1* Statement Re: Computation of Earnings to Fixed Charges.

21.1* Subsidiaries of the Company (incorporated by reference to Exhibit 21 as filed in the Company's Annual Report on Form 10-K, filed March 1, 2007).

23.1* Consent of Independent Registered Public Accounting Firm.

24.1* Powers of Attorney (included on signature pages).

31.1* Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.

31.2* Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.

32.1* Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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* Filed herewith.

+ Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

February 27, 2009

SOVRAN SELF STORAGE, INC.

By: /s/ David L. Rogers
David L. Rogers,
Chief Financial Officer,
Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Robert J. Attea Robert J. Attea	Chairman of the Board of Directors Chief Executive Officer and Director (Principal Executive Officer)	February 27, 2009
/s/ Kenneth F. Myszka Kenneth F. Myszka	President, Chief Operating Officer and Director	February 27, 2009
/s/ David L. Rogers David L. Rogers	Chief Financial Officer (Principal Financial and Accounting Officer)	February 27, 2009
/s/ John Burns John Burns	Director	February 27, 2009
/s/ Michael A. Elia Michael A. Elia	Director	February 27, 2009
/s/ Anthony P. Gammie Anthony P. Gammie	Director	February 27, 2009
/s/ Charles E. Lannon Charles E. Lannon	Director	February 27, 2009

Sovran Self Storage, Inc.
Schedule III
Combined Real Estate and Accumulated Depreciation
(in thousands)
December 31, 2008

Description	ST	Encumbrance	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period			Accum. Deprec.	Date of Construction	Date Acquired	Life on which depreciation in latest income statement is computed
			Land	Building, Equipment and Improvements	Building, Equipment and Improvements	Land	Building, Equipment and Improvements	Total				
Boston-Metro I	MA		$ 363	$ 1,679	$ 528	$363	2,207	$2,570	$ 706	1980	6/26/1995	5 to 40 years
Boston-Metro II	MA		680	1,616	361	680	1,977	2,657	699	1986	6/26/1995	5 to 40 years
E. Providence	RI		345	1,268	650	345	1,918	2,263	573	1984	6/26/1995	5 to 40 years
Charleston l	SC		416	1,516	2,029	416	3,545	3,961	768	1985	6/26/1995	5 to 40 years
Lakeland I	FL		397	1,424	1,436	397	2,860	3,257	626	1985	6/26/1995	5 to 40 years
Charlotte	NC		308	1,102	1,076	747	1,739	2,486	563	1986	6/26/1995	5 to 40 years
Tallahassee I	FL		770	2,734	1,869	770	4,603	5,373	1,476	1973	6/26/1995	5 to 40 years
Youngstown	OH		239	1,110	1,298	239	2,408	2,647	628	1980	6/26/1995	5 to 40 years
Cleveland-Metro II	OH		701	1,659	768	701	2,427	3,128	764	1987	6/26/1995	5 to 40 years
Tallahassee II	FL		204	734	903	198	1,643	1,841	508	1975	6/26/1995	5 to 40 years
Pt. St. Lucie	FL		395	1,501	854	779	1,971	2,750	758	1985	6/26/1995	5 to 40 years
Deltona	FL		483	1,752	2,037	483	3,789	4,272	922	1984	6/26/1995	5 to 40 years
Middletown	NY		224	808	796	224	1,604	1,828	526	1988	6/26/1995	5 to 40 years
Buffalo I	NY		423	1,531	1,651	497	3,108	3,605	1,015	1981	6/26/1995	5 to 40 years
Rochester I	NY		395	1,404	485	395	1,889	2,284	613	1981	6/26/1995	5 to 40 years
Salisbury	MD		164	760	451	164	1,211	1,375	408	1979	6/26/1995	5 to 40 years
New Bedford	MA		367	1,325	447	367	1,772	2,139	635	1982	6/26/1995	5 to 40 years
Fayetteville	NC		853	3,057	749	853	3,806	4,659	1,194	1980	6/26/1995	5 to 40 years
Jacksonville I	FL		152	728	961	687	1,154	1,841	416	1985	6/26/1995	5 to 40 years
Columbia I	SC		268	1,248	447	268	1,695	1,963	613	1985	6/26/1995	5 to 40 years
Rochester II	NY		230	847	442	234	1,285	1,519	421	1980	6/26/1995	5 to 40 years
Savannah l	GA		463	1,684	3,791	816	5,122	5,938	1,072	1981	6/26/1995	5 to 40 years
Greensboro	NC		444	1,613	514	444	2,127	2,571	770	1986	6/26/1995	5 to 40 years
Raleigh I	NC		649	2,329	844	649	3,173	3,822	1,029	1985	6/26/1995	5 to 40 years
New Haven	CT		387	1,402	912	387	2,314	2,701	657	1985	6/26/1995	5 to 40 years
Atlanta-Metro I	GA		844	2,021	659	844	2,680	3,524	904	1988	6/26/1995	5 to 40 years
Atlanta-Metro II	GA		302	1,103	349	303	1,451	1,754	541	1988	6/26/1995	5 to 40 years
Buffalo II	NY		315	745	1,638	517	2,181	2,698	530	1984	6/26/1995	5 to 40 years
Raleigh II	NC		321	1,150	654	321	1,804	2,125	548	1985	6/26/1995	5 to 40 years
Columbia II	SC		361	1,331	594	374	1,912	2,286	655	1987	6/26/1995	5 to 40 years
Columbia III	SC		189	719	1,079	189	1,798	1,987	506	1989	6/26/1995	5 to 40 years
Columbia IV	SC		488	1,188	508	488	1,696	2,184	590	1986	6/26/1995	5 to 40 years
Atlanta-Metro III	GA		430	1,579	1,884	602	3,291	3,893	753	1988	6/26/1995	5 to 40 years
Orlando I	FL		513	1,930	446	513	2,376	2,889	864	1988	6/26/1995	5 to 40 years

Description	ST	Encumbrance	Initial Cost to Company: Land	Initial Cost to Company: Building, Equipment and Improvements	Cost Capitalized Subsequent to Acquisition: Building, Equipment and Improvements	Gross Amount at Which Carried at Close of Period: Land	Gross Amount at Which Carried at Close of Period: Building, Equipment and Improvements	Total	Accum. Deprec.	Date of Construction	Date Acquired	Life on which depreciation in latest income statement is computed
Sharon	PA		194	912	440	194	1,352	1,546	450	1975	6/26/1995	5 to 40 years
Ft. Lauderdale	FL		1,503	3,619	770	1,503	4,389	5,892	1,229	1985	6/26/1995	5 to 40 years
West Palm l	FL		398	1,035	265	398	1,300	1,698	515	1985	6/26/1995	5 to 40 years
Atlanta-Metro IV	GA		423	1,015	364	424	1,378	1,802	515	1989	6/26/1995	5 to 40 years
Atlanta-Metro V	GA		483	1,166	926	483	2,092	2,575	556	1988	6/26/1995	5 to 40 years
Atlanta-Metro VI	GA		308	1,116	497	308	1,613	1,921	620	1986	6/26/1995	5 to 40 years
Atlanta-Metro VII	GA		170	786	529	174	1,311	1,485	463	1981	6/26/1995	5 to 40 years
Atlanta-Metro VIII	GA		413	999	615	413	1,614	2,027	612	1975	6/26/1995	5 to 40 years
Baltimore I	MD		154	555	1,362	306	1,765	2,071	413	1984	6/26/1995	5 to 40 years
Baltimore II	MD		479	1,742	2,783	479	4,525	5,004	870	1988	6/26/1995	5 to 40 years
Augusta I	GA		357	1,296	824	357	2,120	2,477	667	1988	6/26/1995	5 to 40 years
Macon I	GA		231	1,081	467	231	1,548	1,779	524	1989	6/26/1995	5 to 40 years
Melbourne I	FL		883	2,104	1,570	883	3,674	4,557	1,151	1986	6/26/1995	5 to 40 years
Newport News	VA		316	1,471	736	316	2,207	2,523	756	1988	6/26/1995	5 to 40 years
Pensacola I	FL		632	2,962	1,091	651	4,034	4,685	1,422	1983	6/26/1995	5 to 40 years
Augusta II	GA		315	1,139	768	315	1,907	2,222	590	1987	6/26/1995	5 to 40 years
Hartford-Metro I	CT		715	1,695	1,038	715	2,733	3,448	798	1988	6/26/1995	5 to 40 years
Atlanta-Metro IX	GA		304	1,118	2,443	619	3,246	3,865	732	1988	6/26/1995	5 to 40 years
Alexandria	VA		1,375	3,220	1,975	1,376	5,194	6,570	1,445	1984	6/26/1995	5 to 40 years
Pensacola II	FL		244	901	464	244	1,365	1,609	535	1986	6/26/1995	5 to 40 years
Melbourne II	FL		834	2,066	1,124	1,591	2,433	4,024	924	1986	6/26/1995	5 to 40 years
Hartford-Metro II	CT		234	861	1,881	612	2,364	2,976	568	1992	6/26/1995	5 to 40 years
Atlanta-Metro X	GA		256	1,244	1,753	256	2,997	3,253	755	1988	6/26/1995	5 to 40 years
Norfolk I	VA		313	1,462	795	313	2,257	2,570	755	1984	6/26/1995	5 to 40 years
Norfolk II	VA		278	1,004	347	278	1,351	1,629	497	1989	6/26/1995	5 to 40 years
Birmingham I	AL		307	1,415	1,550	384	2,888	3,272	701	1990	6/26/1995	5 to 40 years
Birmingham II	AL		730	1,725	560	730	2,285	3,015	820	1990	6/26/1995	5 to 40 years
Montgomery l	AL		863	2,041	624	863	2,665	3,528	931	1982	6/26/1995	5 to 40 years
Jacksonville II	FL		326	1,515	415	326	1,930	2,256	679	1987	6/26/1995	5 to 40 years
Pensacola III	FL		369	1,358	2,724	369	4,082	4,451	908	1986	6/26/1995	5 to 40 years
Pensacola IV	FL		244	1,128	714	719	1,367	2,086	504	1990	6/26/1995	5 to 40 years
Pensacola V	FL		226	1,046	531	226	1,577	1,803	564	1990	6/26/1995	5 to 40 years
Tampa I	FL		1,088	2,597	951	1,088	3,548	4,636	1,249	1989	6/26/1995	5 to 40 years
Tampa II	FL		526	1,958	742	526	2,700	3,226	952	1985	6/26/1995	5 to 40 years
Tampa III	FL		672	2,439	577	672	3,016	3,688	1,034	1988	6/26/1995	5 to 40 years
Jackson I	MS		343	1,580	2,204	796	3,331	4,127	725	1990	6/26/1995	5 to 40 years
Jackson II	MS		209	964	590	209	1,554	1,763	581	1990	6/26/1995	5 to 40 years
Richmond	VA		443	1,602	720	443	2,322	2,765	777	1987	8/25/1995	5 to 40 years
Orlando II	FL		1,161	2,755	964	1,162	3,718	4,880	1,272	1986	9/29/1995	5 to 40 years

Description	ST	Encumbrance	Initial Cost to Company: Land	Initial Cost to Company: Building, Equipment and Improvements	Cost Capitalized Subsequent to Acquisition: Building, Equipment and Improvements	Gross Amount at Which Carried at Close of Period: Land	Gross Amount at Which Carried at Close of Period: Building, Equipment and Improvements	Total	Accum. Deprec.	Date of Construction	Date Acquired	Life on which depreciation in latest income statement is computed
Birmingham III	AL		424	1,506	671	424	2,177	2,601	833	1970	1/16/1996	5 to 40 years
Macon II	GA		431	1,567	723	431	2,290	2,721	720	1989/94	12/1/1995	5 to 40 years
Harrisburg I	PA		360	1,641	596	360	2,237	2,597	745	1983	12/29/1995	5 to 40 years
Harrisburg II	PA	(1)	627	2,224	947	692	3,106	3,798	932	1985	12/29/1995	5 to 40 years
Syracuse I	NY		470	1,712	1,291	472	3,001	3,473	829	1987	12/27/1995	5 to 40 years
Ft. Myers	FL		205	912	305	206	1,216	1,422	530	1988	12/28/1995	5 to 40 years
Ft. Myers II	FL		412	1,703	440	413	2,142	2,555	889	1991/94	12/28/1995	5 to 40 years
Newport News II	VA		442	1,592	1,161	442	2,753	3,195	649	1988/93	1/5/1996	5 to 40 years
Montgomery II	AL		353	1,299	269	353	1,568	1,921	588	1984	1/23/1996	5 to 40 years
Charleston II	SC		237	858	624	232	1,487	1,719	482	1985	3/1/1996	5 to 40 years
Tampa IV	FL		766	1,800	645	766	2,445	3,211	772	1985	3/28/1996	5 to 40 years
Arlington I	TX		442	1,767	282	442	2,049	2,491	675	1987	3/29/1996	5 to 40 years
Arlington II	TX		408	1,662	1,031	408	2,693	3,101	800	1986	3/29/1996	5 to 40 years
Ft. Worth	TX		328	1,324	327	328	1,651	1,979	549	1986	3/29/1996	5 to 40 years
San Antonio I	TX		436	1,759	1,115	436	2,874	3,310	852	1986	3/29/1996	5 to 40 years
San Antonio II	TX		289	1,161	536	289	1,697	1,986	535	1986	3/29/1996	5 to 40 years
Syracuse II	NY		481	1,559	2,364	671	3,733	4,404	904	1983	6/5/1996	5 to 40 years
Montgomery III	AL		279	1,014	989	433	1,849	2,282	526	1988	5/21/1996	5 to 40 years
West Palm II	FL		345	1,262	325	345	1,587	1,932	535	1986	5/29/1996	5 to 40 years
Ft. Myers III	FL		229	884	299	229	1,183	1,412	379	1986	5/29/1996	5 to 40 years
Pittsburgh	PA		545	1,940	1,326	545	3,266	3,811	795	1990	6/19/1996	5 to 40 years
Lakeland II	FL		359	1,287	1,048	359	2,335	2,694	747	1988	6/26/1996	5 to 40 years
Springfield	MA		251	917	2,263	297	3,134	3,431	787	1986	6/28/1996	5 to 40 years
Ft. Myers IV	FL		344	1,254	267	310	1,555	1,865	522	1987	6/28/1996	5 to 40 years
Cincinnati	OH	(2)	557	1,988	757	688	2,614	3,302	216	1988	7/23/1996	5 to 40 years
Dayton	OH	(2)	667	2,379	433	683	2,796	3,479	246	1988	7/23/1996	5 to 40 years
Baltimore III	MD		777	2,770	432	777	3,202	3,979	985	1990	7/26/1996	5 to 40 years
Jacksonville III	FL		568	2,028	929	568	2,957	3,525	963	1987	8/23/1996	5 to 40 years
Jacksonville IV	FL		436	1,635	509	436	2,144	2,580	725	1985	8/26/1996	5 to 40 years
Pittsburgh II	PA		627	2,257	1,395	631	3,648	4,279	1,116	1983	8/28/1996	5 to 40 years
Jacksonville V	FL		535	2,033	300	538	2,330	2,868	842	1987/92	8/30/1996	5 to 40 years
Charlotte II	NC		487	1,754	409	487	2,163	2,650	613	1995	9/16/1996	5 to 40 years
Charlotte III	NC		315	1,131	337	315	1,468	1,783	441	1995	9/16/1996	5 to 40 years
Orlando III	FL		314	1,113	919	314	2,032	2,346	633	1975	10/30/1996	5 to 40 years
Rochester III	NY		704	2,496	1,208	707	3,701	4,408	927	1990	12/20/1996	5 to 40 years
Youngstown ll	OH		600	2,142	2,040	693	4,089	4,782	819	1988	1/10/1997	5 to 40 years
Cleveland lll	OH		751	2,676	1,772	751	4,448	5,199	1,166	1986	1/10/1997	5 to 40 years
Cleveland lV	OH		725	2,586	1,350	725	3,936	4,661	1,089	1978	1/10/1997	5 to 40 years
Cleveland V	OH	(1)	637	2,918	1,602	701	4,456	5,157	1,412	1979	1/10/1997	5 to 40 years

Description	ST	Encumbrance	Initial Cost to Company: Land	Initial Cost to Company: Building, Equipment and Improvements	Cost Capitalized Subsequent to Acquisition: Building, Equipment and Improvements	Gross Amount at Which Carried at Close of Period: Land	Gross Amount at Which Carried at Close of Period: Building, Equipment and Improvements	Gross Amount at Which Carried at Close of Period: Total	Accum. Deprec.	Date of Construction	Date Acquired	Life on which depreciation in latest income statement is computed
Cleveland VI	OH		495	1,781	875	495	2,656	3,151	773	1979	1/10/1997	5 to 40 years
Cleveland VII	OH		761	2,714	1,272	761	3,986	4,747	1,152	1977	1/10/1997	5 to 40 years
Cleveland VIII	OH		418	1,921	1,573	418	3,494	3,912	1,002	1970	1/10/1997	5 to 40 years
Cleveland IX	OH		606	2,164	1,347	606	3,511	4,117	819	1982	1/10/1997	5 to 40 years
Grand Rapids I	MI	(2)	455	1,631	948	624	2,410	3,034	211	1976	1/17/1997	5 to 40 years
Grand Rapids II	MI		219	790	833	219	1,623	1,842	480	1983	1/17/1997	5 to 40 years
Kalamazoo	MI	(2)	516	1,845	1,726	694	3,393	4,087	259	1978	1/17/1997	5 to 40 years
Lansing	MI	(2)	327	1,332	1,527	542	2,644	3,186	210	1987	1/17/1997	5 to 40 years
Holland	MI		451	1,830	1,888	451	3,718	4,169	1,022	1978	1/17/1997	5 to 40 years
San Antonio III	TX	(1)	474	1,686	417	504	2,073	2,577	585	1981	1/30/1997	5 to 40 years
Universal	TX		346	1,236	297	346	1,533	1,879	472	1985	1/30/1997	5 to 40 years
San Antonio IV	TX		432	1,560	1,650	432	3,210	3,642	825	1995	1/30/1997	5 to 40 years
Houston-Eastex	TX		634	2,565	1,255	634	3,820	4,454	1,027	1993/95	3/26/1997	5 to 40 years
Houston-Nederland	TX		566	2,279	343	566	2,622	3,188	762	1995	3/26/1997	5 to 40 years
Houston-College	TX		293	1,357	563	293	1,920	2,213	518	1995	3/26/1997	5 to 40 years
Lynchburg-Lakeside	VA		335	1,342	1,271	335	2,613	2,948	657	1982	3/31/1997	5 to 40 years
Lynchburg-Timberlake	VA		328	1,315	962	328	2,277	2,605	648	1985	3/31/1997	5 to 40 years
Lynchburg-Amherst	VA		155	710	323	152	1,036	1,188	335	1987	3/31/1997	5 to 40 years
Christiansburg	VA		245	1,120	581	245	1,701	1,946	427	1985/90	3/31/1997	5 to 40 years
Chesapeake	VA		260	1,043	1,180	260	2,223	2,483	550	1988/95	3/31/1997	5 to 40 years
Danville	VA		326	1,488	223	326	1,711	2,037	502	1988	3/31/1997	5 to 40 years
Orlando-W 25th St	FL		289	1,160	737	616	1,570	2,186	458	1984	3/31/1997	5 to 40 years
Delray I-Mini	FL		491	1,756	630	491	2,386	2,877	762	1969	4/11/1997	5 to 40 years
Savannah II	GA		296	1,196	347	296	1,543	1,839	471	1988	5/8/1997	5 to 40 years
Delray II-Safeway	FL		921	3,282	466	921	3,748	4,669	1,155	1980	5/21/1997	5 to 40 years
Cleveland X-Avon	OH		301	1,214	2,079	304	3,290	3,594	640	1989	6/4/1997	5 to 40 years
Dallas-Skillman	TX		960	3,847	1,127	960	4,974	5,934	1,512	1975	6/30/1997	5 to 40 years
Dallas-Centennial	TX		965	3,864	1,241	943	5,127	6,070	1,498	1977	6/30/1997	5 to 40 years
Dallas-Samuell	TX	(1)	570	2,285	786	611	3,030	3,641	912	1975	6/30/1997	5 to 40 years
Dallas-Hargrove	TX		370	1,486	515	370	2,001	2,371	649	1975	6/30/1997	5 to 40 years
Houston-Antoine	TX		515	2,074	562	515	2,636	3,151	797	1984	6/30/1997	5 to 40 years
Atlanta-Alpharetta	GA		1,033	3,753	429	1,033	4,182	5,215	1,307	1994	7/24/1997	5 to 40 years
Atlanta-Marietta	GA	(1)	769	2,788	458	825	3,190	4,015	938	1996	7/24/1997	5 to 40 years
Atlanta-Doraville	GA		735	3,429	306	735	3,735	4,470	1,116	1995	8/21/1997	5 to 40 years
GreensboroHilltop	NC		268	1,097	377	268	1,474	1,742	405	1995	9/25/1997	5 to 40 years
GreensboroStgCch	NC		89	376	1,528	89	1,904	1,993	399	1997	9/25/1997	5 to 40 years
Baton Rouge-Airline	LA	(1)	396	1,831	908	421	2,714	3,135	710	1982	10/9/1997	5 to 40 years
Baton Rouge-Airline2	LA		282	1,303	311	282	1,614	1,896	496	1985	11/21/1997	5 to 40 years
Harrisburg-Peiffers	PA		635	2,550	533	637	3,081	3,718	833	1984	12/3/1997	5 to 40 years

Description	ST	Encumbrance	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period			Accum. Deprec.	Date of Construction	Date Acquired	Life on which depreciation in latest income statement is computed
			Land	Building, Equipment and Improvements	Building, Equipment and Improvements	Land	Building, Equipment and Improvements	Total				
Chesapeake-Military	VA		542	2,210	322	542	2,532	3,074	717	1996	2/5/1998	5 to 40 years
Chesapeake-Volvo	VA		620	2,532	880	620	3,412	4,032	916	1995	2/5/1998	5 to 40 years
Virginia Beach-Shell	VA		540	2,211	229	540	2,440	2,980	723	1991	2/5/1998	5 to 40 years
Virginia Beach-Central	VA		864	3,994	730	864	4,724	5,588	1,331	1993/95	2/5/1998	5 to 40 years
Norfolk-Naval Base	VA		1,243	5,019	729	1,243	5,748	6,991	1,604	1975	2/5/1998	5 to 40 years
Tampa-E.Hillsborough	FL		709	3,235	740	709	3,975	4,684	1,215	1985	2/4/1998	5 to 40 years
Northbridge	MA	(2)	441	1,788	960	694	2,495	3,189	191	1988	2/9/1998	5 to 40 years
Harriman	NY		843	3,394	469	843	3,863	4,706	1,111	1989/95	2/4/1998	5 to 40 years
Greensboro-High Point	NC		397	1,834	551	397	2,385	2,782	654	1993	2/10/1998	5 to 40 years
Lynchburg-Timberlake	VA		488	1,746	487	488	2,233	2,721	606	1990/96	2/18/1998	5 to 40 years
Titusville	FL	(2)	492	1,990	934	688	2,728	3,416	203	1986/90	2/25/1998	5 to 40 years
Salem	MA		733	2,941	1,014	733	3,955	4,688	1,120	1979	3/3/1998	5 to 40 years
Chattanooga-Lee Hwy	TN		384	1,371	534	384	1,905	2,289	549	1987	3/27/1998	5 to 40 years
Chattanooga-Hwy 58	TN		296	1,198	2,077	414	3,157	3,571	569	1985	3/27/1998	5 to 40 years
Ft. Oglethorpe	GA		349	1,250	583	349	1,833	2,182	517	1989	3/27/1998	5 to 40 years
Birmingham-Walt	AL		544	1,942	807	544	2,749	3,293	835	1984	3/27/1998	5 to 40 years
East Greenwich	RI		702	2,821	1,069	702	3,890	4,592	1,023	1984/88	3/26/1998	5 to 40 years
Durham-Hillsborough	NC		775	3,103	672	775	3,775	4,550	1,028	1988/91	4/9/1998	5 to 40 years
Durham-Cornwallis	NC		940	3,763	712	940	4,475	5,415	1,203	1990/96	4/9/1998	5 to 40 years
Salem-Policy	NH		742	2,977	464	742	3,441	4,183	891	1980	4/7/1998	5 to 40 years
Warren-Elm	OH	(1)	522	1,864	1,175	569	2,992	3,561	717	1986	4/22/1998	5 to 40 years
Warren-Youngstown	OH		512	1,829	1,817	675	3,483	4,158	667	1986	4/22/1998	5 to 40 years
Indian Harbor Beach	FL		662	2,654	-619	662	2,035	2,697	612	1985	6/2/1998	5 to 40 years
Jackson 3 - I55	MS		744	3,021	128	744	3,149	3,893	879	1995	5/13/1998	5 to 40 years
Katy-N.Fry	TX		419	1,524	3,268	419	4,792	5,211	572	1994	5/20/1998	5 to 40 years
Hollywood-Sheridan	FL		1,208	4,854	352	1,208	5,206	6,414	1,411	1988	7/1/1998	5 to 40 years
Pompano Beach-Atlantic	FL		944	3,803	315	944	4,118	5,062	1,139	1985	7/1/1998	5 to 40 years
Pompano Beach-Sample	FL		903	3,643	329	903	3,972	4,875	1,051	1988	7/1/1998	5 to 40 years
Boca Raton-18th St	FL		1,503	6,059	705	1,503	6,764	8,267	1,850	1991	7/1/1998	5 to 40 years
Vero Beach	FL		489	1,813	110	489	1,923	2,412	573	1997	6/12/1998	5 to 40 years
Humble	TX		447	1,790	2,199	740	3,696	4,436	721	1986	6/16/1998	5 to 40 years
Houston-Old Katy	TX	(1)	659	2,680	372	698	3,013	3,711	734	1996	6/19/1998	5 to 40 years
Webster	TX		635	2,302	129	635	2,431	3,066	660	1997	6/19/1998	5 to 40 years
Carrollton	TX		548	1,988	283	548	2,271	2,819	606	1997	6/19/1998	5 to 40 years
Hollywood-N.21st	FL		840	3,373	350	840	3,723	4,563	1,034	1987	8/3/1998	5 to 40 years
San Marcos	TX		324	1,493	629	324	2,122	2,446	585	1994	6/30/1998	5 to 40 years
Austin-McNeil	TX		492	1,995	317	510	2,294	2,804	665	1994	6/30/1998	5 to 40 years
Austin-FM	TX		484	1,951	442	481	2,396	2,877	646	1996	6/30/1998	5 to 40 years
Jacksonville-Center	NC		327	1,329	672	327	2,001	2,328	442	1995	8/6/1998	5 to 40 years

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Jacksonville-Gum Branch	NC		508	1,815	1,272	508	3,087	3,595	663	1989	8/17/1998	5 to 40 years
Jacksonville-N.Marine	NC		216	782	601	216	1,383	1,599	411	1985	9/24/1998	5 to 40 years
Euless	TX		550	1,998	654	550	2,652	3,202	635	1996	9/29/1998	5 to 40 years
N. Richland Hills	TX		670	2,407	1,362	670	3,769	4,439	801	1996	10/9/1998	5 to 40 years
Batavia	OH		390	1,570	867	390	2,437	2,827	553	1988	11/19/1998	5 to 40 years
Jackson-N.West	MS		460	1,642	462	460	2,104	2,564	642	1984	12/1/1998	5 to 40 years
Katy-Franz	TX		507	2,058	1,595	507	3,653	4,160	634	1993	12/15/1998	5 to 40 years
W.Warwick	RI		447	1,776	793	447	2,569	3,016	632	1986/94	2/2/1999	5 to 40 years
Lafayette-Pinhook 1	LA		556	1,951	926	556	2,877	3,433	877	1980	2/17/1999	5 to 40 years
Lafayette-Pinhook2	LA		708	2,860	267	708	3,127	3,835	807	1992/94	2/17/1999	5 to 40 years
Lafayette-Ambassador	LA		314	1,095	627	314	1,722	2,036	572	1975	2/17/1999	5 to 40 years
Lafayette-Evangeline	LA		188	652	1,414	188	2,066	2,254	558	1977	2/17/1999	5 to 40 years
Lafayette-Guilbeau	LA		963	3,896	767	963	4,663	5,626	1,099	1994	2/17/1999	5 to 40 years
Gilbert-Elliot Rd	AZ		651	2,600	1,097	772	3,576	4,348	767	1995	5/18/1999	5 to 40 years
Glendale-59th Ave	AZ		565	2,596	539	565	3,135	3,700	755	1997	5/18/1999	5 to 40 years
Mesa-Baseline	AZ		330	1,309	719	733	1,625	2,358	397	1986	5/18/1999	5 to 40 years
Mesa-E.Broadway	AZ		339	1,346	583	339	1,929	2,268	433	1986	5/18/1999	5 to 40 years
Mesa-W.Broadway	AZ		291	1,026	583	291	1,609	1,900	359	1976	5/18/1999	5 to 40 years
Mesa-Greenfield	AZ		354	1,405	334	354	1,739	2,093	445	1986	5/18/1999	5 to 40 years
Phoenix-Camelback	AZ		453	1,610	783	453	2,393	2,846	570	1984	5/18/1999	5 to 40 years
Phoenix-Bell	AZ		872	3,476	828	872	4,304	5,176	1,069	1984	5/18/1999	5 to 40 years
Phoenix-35th Ave	AZ		849	3,401	657	849	4,058	4,907	972	1996	5/21/1999	5 to 40 years
Westbrook	ME		410	1,626	1,753	410	3,379	3,789	623	1988	8/2/1999	5 to 40 years
Cocoa	FL		667	2,373	746	667	3,119	3,786	750	1982	9/29/1999	5 to 40 years
Cedar Hill	TX		335	1,521	346	335	1,867	2,202	478	1985	11/9/1999	5 to 40 years
Monroe	NY		276	1,312	1,153	276	2,465	2,741	439	1998	2/2/2000	5 to 40 years
N.Andover	MA		633	2,573	753	633	3,326	3,959	649	1989	2/15/2000	5 to 40 years
Seabrook	TX		633	2,617	315	633	2,932	3,565	683	1996	3/1/2000	5 to 40 years
Plantation	FL		384	1,422	367	384	1,789	2,173	411	1994	5/2/2000	5 to 40 years
Birmingham-Bessemer	AL		254	1,059	1,151	254	2,210	2,464	350	1998	11/15/2000	5 to 40 years
Brewster	NY	(2)	1,716	6,920	903	1,981	7,558	9,539	577	1991/97	12/27/2000	5 to 40 years
Austin-Lamar	TX	(2)	837	2,977	486	966	3,334	4,300	285	1996/99	2/22/2001	5 to 40 years
Houston-E.Main	TX	(2)	733	3,392	568	841	3,852	4,693	308	1993/97	3/2/2001	5 to 40 years
Ft.Myers-Abrams	FL	(2)	787	3,249	365	902	3,499	4,401	306	1997	3/13/2001	5 to 40 years
Dracut	MA	(1)	1,035	3,737	590	1,104	4,258	5,362	762	1986	12/1/2001	5 to 40 years
Methuen	MA	(1)	1,024	3,649	560	1,091	4,142	5,233	736	1984	12/1/2001	5 to 40 years
Columbia 5	SC	(1)	883	3,139	1,204	942	4,284	5,226	703	1985	12/1/2001	5 to 40 years
Myrtle Beach	SC	(1)	552	1,970	841	589	2,774	3,363	503	1984	12/1/2001	5 to 40 years
Kingsland	GA	(1)	470	1,902	2,875	666	4,581	5,247	521	1989	12/1/2001	5 to 40 years

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Saco	ME	(1)	534	1,914	278	570	2,156	2,726	388	1988	12/3/2001	5 to 40 years
Plymouth	MA		1,004	4,584	2,261	1,004	6,845	7,849	868	1996	12/19/2001	5 to 40 years
Sandwich	MA	(1)	670	3,060	400	714	3,416	4,130	625	1984	12/19/2001	5 to 40 years
Syracuse	NY	(1)	294	1,203	372	327	1,542	1,869	312	1987	2/5/2002	5 to 40 years
Houston-Westward	TX	(1)	853	3,434	851	912	4,226	5,138	772	1976	2/13/2002	5 to 40 years
Houston-Boone	TX	(1)	250	1,020	484	268	1,486	1,754	273	1983	2/13/2002	5 to 40 years
Houston-Cook	TX	(1)	285	1,160	315	306	1,454	1,760	275	1986	2/13/2002	5 to 40 years
Houston-Harwin	TX	(1)	449	1,816	593	480	2,378	2,858	433	1981	2/13/2002	5 to 40 years
Houston-Hempstead	TX	(1)	545	2,200	935	583	3,097	3,680	523	1974/78	2/13/2002	5 to 40 years
Houston-Kuykendahl	TX	(1)	517	2,090	1,179	553	3,233	3,786	509	1979/83	2/13/2002	5 to 40 years
Houston-Hwy 249	TX	(1)	299	1,216	1,053	320	2,248	2,568	357	1983	2/13/2002	5 to 40 years
Mesquite-Hwy 80	TX	(1)	463	1,873	620	496	2,460	2,956	414	1985	2/13/2002	5 to 40 years
Mesquite-Franklin	TX	(1)	734	2,956	678	784	3,584	4,368	594	1984	2/13/2002	5 to 40 years
Dallas-Plantation	TX	(1)	394	1,595	283	421	1,851	2,272	335	1985	2/13/2002	5 to 40 years
San Antonio-Hunt	TX	(1)	381	1,545	666	411	2,181	2,592	355	1980	2/13/2002	5 to 40 years
Humble-5250 FM	TX		919	3,696	341	919	4,037	4,956	658	1998/02	6/19/2002	5 to 40 years
Pasadena	TX		612	2,468	231	612	2,699	3,311	439	1999	6/19/2002	5 to 40 years
League City-E.Main	TX		689	3,159	267	689	3,426	4,115	563	1994/97	6/19/2002	5 to 40 years
Montgomery	TX		817	3,286	2,040	1,119	5,024	6,143	602	1998	6/19/2002	5 to 40 years
Texas City	TX		817	3,286	123	817	3,409	4,226	576	1999	6/19/2002	5 to 40 years
Houston-Hwy 6	TX		407	1,650	178	407	1,828	2,235	305	1997	6/19/2002	5 to 40 years
Lumberton	TX		817	3,287	178	817	3,465	4,282	578	1996	6/19/2002	5 to 40 years
The Hamptons l	NY		2,207	8,866	615	2,207	9,481	11,688	1,450	1989/95	12/16/2002	5 to 40 years
The Hamptons 2	NY		1,131	4,564	479	1,131	5,043	6,174	758	1998	12/16/2002	5 to 40 years
The Hamptons 3	NY		635	2,918	322	635	3,240	3,875	480	1997	12/16/2002	5 to 40 years
The Hamptons 4	NY		1,251	5,744	340	1,252	6,083	7,335	919	1994/98	12/16/2002	5 to 40 years
Duncanville	TX		1,039	4,201	41	1,039	4,242	5,281	584	1995/99	8/26/2003	5 to 40 years
Dallas-Harry Hines	TX		827	3,776	297	827	4,073	4,900	531	1998/01	10/1/2003	5 to 40 years
Stamford	CT		2,713	11,013	298	2,713	11,311	14,024	1,408	1998	3/17/2004	5 to 40 years
Houston-Tomball	TX		773	3,170	1,771	773	4,941	5,714	512	2000	5/19/2004	5 to 40 years
Houston-Conroe	TX		1,195	4,877	106	1,195	4,983	6,178	598	2001	5/19/2004	5 to 40 years
Houston-Spring	TX		1,103	4,550	249	1,103	4,799	5,902	585	2001	5/19/2004	5 to 40 years
Houston-Bissonnet	TX		1,061	4,427	2,646	1,061	7,073	8,134	631	2003	5/19/2004	5 to 40 years
Houston-Alvin	TX		388	1,640	849	388	2,489	2,877	227	2003	5/19/2004	5 to 40 years
Clearwater	FL		1,720	6,986	74	1,720	7,060	8,780	837	2001	6/3/2004	5 to 40 years
Houston-Missouri City	TX		1,167	4,744	456	1,566	4,801	6,367	563	1998	6/23/2004	5 to 40 years
Chattanooga-Hixson	TN		1,365	5,569	761	1,365	6,330	7,695	757	1998/02	8/4/2004	5 to 40 years
Austin-Round Rock	TX		2,047	5,857	665	2,051	6,518	8,569	727	2000	8/5/2004	5 to 40 years
East Falmouth	MA		1,479	5,978	153	1,479	6,131	7,610	602	1998	2/23/2005	5 to 40 years

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Cicero	NY		527	2,121	499	527	2,620	3,147	270	1988/02	3/16/2005	5 to 40 years
Bay Shore	NY		1,131	4,609	57	1,131	4,666	5,797	469	2003	3/15/2005	5 to 40 years
Springfield-Congress	MA		612	2,501	93	612	2,594	3,206	260	1965/75	4/12/2005	5 to 40 years
Stamford-Hope	CT		1,612	6,585	192	1,612	6,777	8,389	666	2002	4/14/2005	5 to 40 years
Houston-Jones	TX	3,510	1,214	4,949	77	1,215	5,025	6,240	470	1997/99	6/6/2005	5 to 40 years
Montgomery-Richard	AL		1,906	7,726	106	1,906	7,832	9,738	737	1997	6/1/2005	5 to 40 years
Oxford	MA		470	1,902	1,577	470	3,479	3,949	191	2002	6/23/2005	5 to 40 years
Austin-290E	TX		537	2,183	160	537	2,343	2,880	218	2003	7/12/2005	5 to 40 years
SanAntonio-Marbach	TX		556	2,265	202	556	2,467	3,023	220	2003	7/12/2005	5 to 40 years
Austin-South 1st	TX		754	3,065	149	754	3,214	3,968	293	2003	7/12/2005	5 to 40 years
Pinehurst	TX		484	1,977	1,357	484	3,334	3,818	211	2002/04	7/12/2005	5 to 40 years
Marietta-Austell	GA		811	3,397	428	811	3,825	4,636	343	2003	9/15/2005	5 to 40 years
Baton Rouge-Florida	LA		719	2,927	1,935	719	4,862	5,581	280	1984/94	11/15/2005	5 to 40 years
Cypress	TX		721	2,994	1,087	721	4,081	4,802	305	2003	1/13/2006	5 to 40 years
Texas City	TX		867	3,499	94	867	3,593	4,460	280	2003	1/10/2006	5 to 40 years
San Marcos-Hwy 35S	TX		628	2,532	449	982	2,627	3,609	205	2001	1/10/2006	5 to 40 years
Baytown	TX		596	2,411	78	596	2,489	3,085	199	2002	1/10/2006	5 to 40 years
Webster	NY		937	3,779	111	937	3,890	4,827	290	2002/06	2/1/2006	5 to 40 years
Houston-Jones Rd 2	TX		707	2,933	2,018	707	4,951	5,658	315	2000	3/9/2006	5 to 40 years
Cameron-Scott	LA	1,000	411	1,621	131	411	1,752	2,163	147	1997	4/13/2006	5 to 40 years
Lafayette-Westgate	LA		463	1,831	73	463	1,904	2,367	140	2001/04	4/13/2006	5 to 40 years
Broussard	LA		601	2,406	1,231	601	3,637	4,238	216	2002	4/13/2006	5 to 40 years
Congress-Lafayette	LA	1,098	542	1,319	2,084	542	3,403	3,945	134	1997/99	4/13/2006	5 to 40 years
Manchester	NH		832	3,268	57	832	3,325	4,157	231	2000	4/26/2006	5 to 40 years
Nashua	NH		617	2,422	373	617	2,795	3,412	175	1989	6/29/2006	5 to 40 years
Largo 2	FL	2,478	1,270	5,037	157	1,270	5,194	6,464	343	1998	6/22/2006	5 to 40 years
Pinellas Park	FL		929	3,676	104	929	3,780	4,709	245	2000	6/22/2006	5 to 40 years
Tarpon Springs	FL	2,301	696	2,739	96	696	2,835	3,531	184	1999	6/22/2006	5 to 40 years
New Orleans	LA	4,196	1,220	4,805	75	1,220	4,880	6,100	320	2000	6/22/2006	5 to 40 years
St Louis-Meramec	MO	4,841	1,113	4,359	176	1,113	4,535	5,648	293	1999	6/22/2006	5 to 40 years
St Louis-Charles Rock	MO		766	3,040	79	766	3,119	3,885	200	1999	6/22/2006	5 to 40 years
St Louis-Shackelford	MO	2,433	828	3,290	124	828	3,414	4,242	222	1999	6/22/2006	5 to 40 years
St Louis-W.Washington	MO	3,873	734	2,867	533	734	3,400	4,134	223	1980/01	6/22/2006	5 to 40 years
St Louis-Howdershell	MO		899	3,596	174	899	3,770	4,669	248	2000	6/22/2006	5 to 40 years
St Louis-Lemay Ferry	MO		890	3,552	167	890	3,719	4,609	239	1999	6/22/2006	5 to 40 years
St Louis-Manchester	MO	3,658	697	2,711	92	697	2,803	3,500	183	2000	6/22/2006	5 to 40 years
Arlington-Little Rd	TX	2,020	1,256	4,946	145	1,256	5,091	6,347	329	1998/03	6/22/2006	5 to 40 years
Dallas-Goldmark	TX		605	2,434	47	605	2,481	3,086	162	2004	6/22/2006	5 to 40 years
Dallas-Manana	TX		607	2,428	107	607	2,535	3,142	165	2004	6/22/2006	5 to 40 years

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Dallas-Manderville	TX		1,073	4,276	54	1,073	4,330	5,403	284	2003	6/22/2006	5 to 40 years
Ft. Worth-Granbury	TX	1,813	549	2,180	84	549	2,264	2,813	149	1998	6/22/2006	5 to 40 years
Ft. Worth-Grapevine	TX	2,150	644	2,542	49	644	2,591	3,235	169	1999	6/22/2006	5 to 40 years
San Antonio-Blanco	TX		963	3,836	50	963	3,886	4,849	255	2004	6/22/2006	5 to 40 years
San Antonio-Broadway	TX		773	3,060	99	773	3,159	3,932	208	2000	6/22/2006	5 to 40 years
San Antonio-Huebner	TX	2,254	1,175	4,624	98	1,175	4,722	5,897	300	1998	6/22/2006	5 to 40 years
Chattanooga-Lee Hwy II	TN		619	2,471	52	619	2,523	3,142	161	2002	8/7/2006	5 to 40 years
Lafayette-Evangeline	LA		699	2,784	1,862	699	4,646	5,345	186	1995/99	8/1/2006	5 to 40 years
Montgomery-E.S.Blvd	AL		1,158	4,639	234	1,158	4,873	6,031	296	1996/97	9/28/2006	5 to 40 years
Auburn-Pepperell Pkwy	AL		590	2,361	122	590	2,483	3,073	146	1998	9/28/2006	5 to 40 years
Auburn-Gatewood Dr	AL		694	2,758	67	694	2,825	3,519	163	2002/03	9/28/2006	5 to 40 years
Columbus-Williams Rd	GA		736	2,905	118	736	3,023	3,759	180	2002/04/06	9/28/2006	5 to 40 years
Columbus-Miller Rd	GA		975	3,854	85	975	3,939	4,914	229	1995	9/28/2006	5 to 40 years
Columbus-Armour Rd	GA		0	3,680	64	0	3,744	3,744	224	2004/05	9/28/2006	5 to 40 years
Columbus-Amber Dr	GA		439	1,745	58	439	1,803	2,242	106	1998	9/28/2006	5 to 40 years
Concord	NH		813	3,213	1,912	813	5,125	5,938	203	2000	10/31/2006	5 to 40 years
Buffalo-Lagner	NY		532	2,119	210	532	2,329	2,861	102	1993/07	3/30/2007	5 to 40 years
Buffalo-Transit	NY		437	1,794	67	437	1,861	2,298	89	1998	3/30/2007	5 to 40 years
Buffalo-Lake	NY		638	2,531	241	638	2,772	3,410	136	1997	3/30/2007	5 to 40 years
Buffalo-Union	NY		348	1,344	89	348	1,433	1,781	67	1998	3/30/2007	5 to 40 years
Buffalo-Niagara Falls	NY		323	1,331	48	323	1,379	1,702	66	1998	3/30/2007	5 to 40 years
Buffalo-Youngs	NY		315	2,185	84	316	2,268	2,584	84	1999/00	3/30/2007	5 to 40 years
Buffalo-Sheridan	NY		961	3,827	85	961	3,912	4,873	177	1999	3/30/2007	5 to 40 years
Buffalo-Transit	NY		375	1,498	217	375	1,715	2,090	86	1990/95	3/30/2007	5 to 40 years
Rochester-Phillips	NY		1,003	4,002	58	1,003	4,060	5,063	183	1999	3/30/2007	5 to 40 years
Greenville	MS		1,100	4,386	96	1,100	4,482	5,582	239	1994	1/11/2007	5 to 40 years
Port Arthur	TX		929	3,647	119	930	3,765	4,695	178	2002/04	3/8/2007	5 to 40 years
Beaumont	TX		1,537	6,018	195	1,537	6,213	7,750	294	2003/06	3/8/2007	5 to 40 years
Huntsville	AL		1,607	6,338	110	1,607	6,448	8,055	262	1989/06	6/1/2007	5 to 40 years
Huntsville	AL		1,016	4,013	101	1,017	4,113	5,130	168	1993/07	6/1/2007	5 to 40 years
Gulfport	MS		1,423	5,624	18	1,423	5,642	7,065	228	1998/05	6/1/2007	5 to 40 years
Huntsville	AL		1,206	4,775	49	1,206	4,824	6,030	196	1998/06	6/1/2007	5 to 40 years
Mobile	AL		1,216	4,819	106	1,216	4,925	6,141	200	2000/07	6/1/2007	5 to 40 years
Gulfport	MS		1,345	5,325	22	1,345	5,347	6,692	217	2002/04	6/1/2007	5 to 40 years
Huntsville	AL		1,164	4,624	47	1,164	4,671	5,835	190	2002/06	6/1/2007	5 to 40 years
Foley	AL		1,346	5,474	71	1,347	5,544	6,891	230	2003/06	6/1/2007	5 to 40 years
Pensacola	FL		1,029	4,180	86	1,029	4,266	5,295	182	2003/06	6/1/2007	5 to 40 years
Auburn	AL		686	2,732	74	686	2,806	3,492	117	2003	6/1/2007	5 to 40 years
Gulfport	MS		1,811	7,152	23	1,811	7,175	8,986	289	2004/06	6/1/2007	5 to 40 years

Description	ST	Encumbrance	Initial Cost to Company: Land	Initial Cost to Company: Building, Equipment and Improvements	Cost Capitalized Subsequent to Acquisition: Building, Equipment and Improvements	Gross Amount at Which Carried at Close of Period: Land	Gross Amount at Which Carried at Close of Period: Building, Equipment and Improvements	Gross Amount at Which Carried at Close of Period: Total	Accum. Deprec.	Date of Construction	Date Acquired	Life on which depreciation in latest income statement is computed
Pensacola	FL		732	3,015	28	732	3,043	3,775	132	2006	6/1/2007	5 to 40 years
Montgomery	AL		1,075	4,333	23	1,076	4,355	5,431	180	2006	6/1/2007	5 to 40 years
Montgomery	AL		885	3,586	13	885	3,599	4,484	150	2006	6/1/2007	5 to 40 years
San Antonio	TX		676	2,685	124	676	2,809	3,485	116	2003/06	5/21/2007	5 to 40 years
Beaumont	TX		742	3,024	51	742	3,075	3,817	96	2002/05	11/14/2007	5 to 40 years
Hattiesburg	MS		444	1,799	55	444	1,854	2,298	49	1998	12/19/2007	5 to 40 years
Biloxi	MS		384	1,548	39	384	1,587	1,971	42	2000	12/19/2007	5 to 40 years
Foley	AL		437	1,757	33	437	1,790	2,227	46	2000	12/19/2007	5 to 40 years
Ridgeland	MS		1,479	5,965	51	1,479	6,016	7,495	141	1997/00	1/17/2008	5 to 40 years
Jackson-5111	MS		1,337	5,377	48	1,337	5,425	6,762	127	2003	1/17/2008	5 to 40 years
Cincinnati-Robertson	OH		852	3,409	35	852	3,444	4,296	0	2003/04	12/31/2008	5 to 40 years
Construction in progress			0	0	13,967	0	13,967	13,967	0	2006		
Corporate Office	NY		0	68	11,075	1,616	9,527	11,143	7,105	2000	5/1/2000	5 to 40 years
			$228,114	$ 884,104	$ 276,983	$240,525	$ 1,148,676	$1,389,201	$216,644			

(1) These properties are encumbered through one mortgage loan with an outstanding balance of $42.6 million at December 31, 2008.

(2) These properties are encumbered through one mortgage loan with an outstanding balance of $29.0 million at December 31, 2008.

	December 31, 2008		December 31, 2007		December 31, 2006	
Cost:						
Balance at beginning of period		$1,322,708		$1,136,052		$ 886,191
Additions during period:						
Acquisitions through foreclosure	$ —		$ —		$ —	
Other acquisitions	18,454		136,653		212,957	
Improvements, etc.	48,232		52,427		37,003	
		66,686		189,080		249,960
Deductions during period:						
Cost of real estate sold	(193)	(193)	(2,424)	(2,424)	(99)	(99)
Balance at close of period		$1,389,201		$1,322,708		$1,136,052
Accumulated Depreciation:						
Balance at beginning of period		$ 183,679		$ 154,449		$ 129,340
Additions during period:						
Depreciation expense	$33,100		$ 30,011		$ 25,163	
		33,100		30,011		25,163
Deductions during period:						
Accumulated depreciation of real estate sold	(135)	(135)	(781)	(781)	(54)	(54)
Balance at close of period		$ 216,644		$ 183,679		$ 154,449

Exhibit 10.3

EMPLOYMENT AGREEMENT
As Amended and Restated Effective January 1, 2009

THIS EMPLOYMENT AGREEMENT ("Employment Agreement") is entered into as of the 14th day of May, 1999, among Sovran Self Storage, Inc., a Maryland corporation and Sovran Acquisition Limited Partnership, a Delaware limited partnership (the "Corporation" or the "Partnership", respectively and collectively the "Company"), and Robert J. Attea (the "Executive"). The Agreement is amended and restated effective January 1, 2009.

W I T N E S S E T H:

WHEREAS, the Executive is a valuable employee of the Company, an integral part of its management team and a key participant in the decision making process relative to short-term and long-term planning and policy for the Company;

WHEREAS, the Company wishes to attract and retain well-qualified executive and key personnel and to assure continuity of management, which will be essential to its ability to evaluate and respond to any actual or threatened Change in Control (as defined below) in the best interests of shareholders;

WHEREAS, the Company understands that any actual or threatened Change in Control will present significant concerns for the Executive with respect to his financial and job security;

WHEREAS, the Company wishes to encourage the Executive to continue his career and services with the Company for the period during and after an actual or threatened Change in Control and to assure to the Company the Executive's services during the period in which such a Change in Control is threatened, and to provide the Executive certain financial assurances to enable the Executive to perform the responsibilities of his position without undue distraction and to exercise his judgment without bias due to his personal circumstances; and

WHEREAS, the Board of Directors of the Corporation (the "Board") and the Partnership have determined that it would be in the best interests of the Company and its shareholders and partners to assure continuity in the management of the Company in the event of a Change in Control by entering into an employment continuation and noncompete agreement with Executive;

WHEREAS, this Agreement has been amended and restated effective January 1, 2009 to include provisions intended to comply with final regulations promulgated under Internal Revenue Code ("Code") Section 409A and shall be construed to the extent practicable so as to avoid causing any amounts payable to the

Executive hereunder to be includable in his gross income under Code Section 409A(a)(1).

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. Employment

(a) The Company hereby employs the Executive as Chairman of the Board and Chief Executive Officer of the Company and the Executive hereby accepts such employment, on the terms and subject to the conditions hereinafter set forth.

(b) During the term of this Employment Agreement and any renewal hereof (all references herein to the term of this Employment Agreement shall include references to the period of renewal hereof, if any), the Executive shall be and have the title of Chairman of the Board and Chief Executive Officer of the Company and shall devote his entire business time and all reasonable efforts to his employment in that capacity with such other duties as may be reasonably requested from time to time by the Board, which duties shall be consistent with his position and with those previously performed by Executive during the one year period prior to the date hereof. Except as hereafter expressly agreed in writing by the Executive, the Executive shall not be required to report to any single individual and shall report only to the Board as an entire body. For service as a director, officer and employee of the Company, the Company agrees that the executive shall be entitled to the full protection of the applicable indemnification provisions of the Articles of Incorporation and By-laws of the Company (including the provisions for advances), as the same may be amended from time to time.

2. Compensation

The Company will pay Executive the salary and bonus and provide the benefits set forth in Exhibit A to this Employment Agreement.

3. Term

This Employment Agreement shall have a continuous term until terminated as provided in Paragraph 4.

4. Termination

(a) Death or Retirement. This Employment Agreement will terminate upon Executive’s death or retirement.

(b) Disability. The Company may terminate this Employment Agreement upon at least thirty (30) days' written notice in the event of Executive's "disability." For purposes of this Employment Agreement, the Executive's "disability" shall be deemed to have occurred only after one hundred fifty (150) days in the aggregate during any consecutive twelve (12) month period, or after one hundred twenty (120) consecutive days, during which one hundred fifty (150) or one hundred twenty (120) days, as the case may be, the Executive, by reason of his physical or mental disability or illness, shall have been unable to substantially discharge his duties under this Employment Agreement. The date of disability shall be such one hundred fiftieth (150th) or one hundred twentieth (120th) day, as the case may be. In the event either the Company or the Executive, after receipt of notice of the Executive's disability from the other, disputes whether the Executive's disability shall have occurred, the Executive shall promptly submit to a physical examination by the chief of medicine of any major accredited hospital in the Buffalo, New York area and, unless such physician shall issue his written statement to the effect that in his opinion, based on his diagnosis, the Executive is capable of resuming his employment and devoting his full time and energy to discharging his duties within thirty (30) days after the date of such statement, such permanent disability shall be deemed to have occurred.

(c) Cause. The Company may terminate this Employment Agreement for "cause." For purposes of this Employment Agreement, "cause" shall mean

(i) The Executive's fraud, commission of a felony, commission of an act or series of acts of dishonesty which are materially inimical to the best interests of the Company, or the Executive's willful and substantial failure to perform his duties under this Employment Agreement, which failure has not been cured within a reasonable time (which shall not be less than thirty (30) days) after the Company gives notice thereof to the Executive; or

(ii) The Executive's material breach of any material provision of this Employment Agreement, which breach, if capable of being cured, has not been cured in all substantial respects within thirty (30) days) after the Company gives notice thereof to the Executive.

(iii) The Executive's commission of an act of moral turpitude, dishonesty or fraud which, in the good faith determination of the Board, would render his continued employment materially damaging or detrimental to the Company.

(d) Termination Without Cause. The Company may terminate this Employment Agreement without cause by notifying Executive in writing of its election to terminate at least thirty (30) days before the effective date of termination. Executive

may, on written notice to the Company, accelerate the effective date of termination to any other date of his choosing up to the date of notice of acceleration.

(e) Termination for Good Reason. Executive may terminate this Employment Agreement for "Good Reason" which shall mean the occurrence of one or more of the following events provided that, in the case of events described in (i), (ii), (iii) or (iv), the Executive shall give the Company a written notice, within 90 days following the initial occurrence of the event, describing the event that the Executive claims to be Good Reason and stating the Executive's intention to terminate employment unless the Company takes appropriate corrective action:

"Good reason" shall exist if:

(i) the Company materially changes the Executive's duties and responsibilities as set forth in this Employment Agreement or changes his title or position without his consent;

(ii) there arises a requirement that, in the Executive's reasonable judgment, the services required to be performed by the Executive would necessitate the Executive moving his residence at least 50 miles from the Buffalo, New York area;

(iii) the Company materially diminishes the salary, fringe benefits or other compensation being paid to the Executive;

(iv) there occurs a material breach by the Company of any of its obligations under this Employment Agreement;

(v) the Executive is not elected to the Board at any annual meeting of the Corporation's shareholders;

(vi) the failure of any successor of the Company to furnish the assurances provided for in Section 7(c).

In the case of events described in (i), (ii), (iii) or (iv), the Company shall have 30 days from the date of receipt of the written notice from the Executive stating his claim of Good Reason in which to take appropriate corrective action. If the Company does not cure the Good Reason, the Good Reason will be deemed to have occurred at the end of the 30-day period.

(f) Termination By Mutual Agreement. This Employment Agreement may be terminated by mutual agreement of the Company and the Executive.

(g) Resignation. Executive may terminate this Employment Agreement at any time with sixty (60) days' written notice to the Company, and the Company may accelerate the effective date of termination to any other date up to the date of notice of acceleration.

(h) Payment of Compensation Due. The Company will pay Executive on the effective date of termination all unpaid compensation accrued at the rate set forth on Exhibit A through the effective date of termination.

5. Severance Payments

(a) Termination Without Cause or for Good Reason. The Company will make the severance payments specified in Section 5(b) or (c) below if this Employment Agreement is terminated pursuant to Sections 4(d) (Without Cause) or (e) (for Good Reason) hereof. In the event of such termination any outstanding stock options held by Executive shall be deemed to have vested immediately prior to such termination and shall be exercisable at any time during the balance of their original terms. In addition, the employee welfare benefits referred to in Exhibit A, Section 1(c) shall be continued for a period of thirty-six (36) months after termination of employment provided, however, the Executive and not the Company shall pay the premiums for any such benefits, where the payment of the premiums by the Company would constitute gross income to the Executive, during the 6-month period following the Executive's Separation from Service.

(b) Severance Payments Without Change in Control. As severance payments under this Section 5(b), the Company will pay Executive thirty-six (36) monthly payments each in an amount equal to 1/12th of the sum of the highest (i) salary payments made by the Company to Executive in any calendar year, (ii) bonus and other incentive compensation earned by Executive (whether or not deferred) with respect to services rendered to the Company during any calendar year and (iii) the value of any restricted stock awards during any calendar year. The 36 monthly payments described in the preceding sentence shall be deemed a series of separate payments within the meaning of Treas. Reg. §1.409A-2(b)(2)(iii). The first six monthly payments shall be paid to the Executive in a lump sum within 30 days following his Separation from Service. The remaining thirty monthly payments shall be paid to the Executive in 30 separate payments on the first day of 30 successive calendar months with the first payment occurring on the first day of the seventh calendar month beginning after the date of the Executive's Separation from Service. The parties affirm that it is their intent that the first six monthly payments be excluded from the application of Code Section 409A by reason of the "short-term deferral" rule set forth at Regulation §1.409A-1(b)(4).

(c) Severance Payments With Change in Control.

(i) Section 409A Change in Control. If this Employment Agreement is terminated pursuant to Section 4(d) (Without Cause) or Section 4(e) (for Good Reason) within two years after a Section 409A Change in Control of the Company has occurred, or if a Section 409A Change in Control of the Company occurs while the Company is making severance payments to the Executive pursuant to Section 5(b), Executive shall receive the severance payments specified in Section 5(b) (or the remaining balance thereof) in a lump sum. The lump sum shall be paid within 30 days after the effective date of the Executive's Separation from Service or, if the Section 409A Change in Control occurs after the Executive's Separation from Service, within 30 days after such Section 409A Change in Control.

Notwithstanding the foregoing, the severance payments specified in Section 5(b) shall not be paid to the Executive (except for the lump sum equal to six monthly payments provided in the third sentence of Section 5(b)) before the day following the 6-month anniversary of the Executive's Separation from Service unless Executive shall have received an opinion of counsel satisfactory to the Executive that payment before that date will not be a violation of Code Section 409A(a)(2)(B)(i) (concerning the 6-month delay rule). In the event that the Executive shall fail to obtain such an opinion of counsel, the Company or its successor shall, within 30 days after the later of the Executive's Separation from Service or the Section 409A Change in Control, transfer the remaining balance of the monthly payments due the Executive to a rabbi trust (similar to the trust described in Revenue Procedure 92-64) under a trust agreement that requires payment of such remaining balance to the Executive in a lump sum on the day following the 6-month anniversary of the Executive's Separation from Service.

(ii) Non-Section 409A Change in Control. If this Employment Agreement is terminated pursuant to Section 4(d) (Without Cause) or Section 4(e) (for Good Reason) within two years after a Non-Section 409A Change in Control of the Company has occurred, or if a Non-Section 409A Change in Control of the Company occurs while the Company is making severance payments to the Executive pursuant to Section 5(b), the Company or its successor shall, within 30 days after the Non-Section 409A Change in Control, transfer the remaining balance of the monthly payments due the Executive to a rabbi trust (similar to the trust described in Revenue Procedure 92-64) under a trust agreement that requires payment of such remaining balance to the Executive from the trust in accordance with the original payment schedule under Section 5(b).

(d) Reimbursement of Legal Fees and Expenses. The Company shall also reimburse the Executive (promptly upon documented request), the amount of all legal fees and expenses reasonably incurred by the Executive in connection with any good faith claim for severance compensation hereunder, including all such fees and expenses incurred in contesting or disputing, by arbitration or otherwise, any such

termination or in seeking to obtain or enforce any right or benefit provided by this Employment Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") to any payment or benefit provided hereunder.

(e) Gross-up Payments. In the event that the payments or benefits (the "Severance Payments") provided under this Section 5 are determined to be subject to the tax (the "Excise Tax") imposed by Section 4999 of the Code, the Company shall pay to the Executive additional amounts (the "Gross-Up Payments") such that the net amount retained by the Executive, after deduction of any Excise Tax on the Severance Payments and on the Gross-Up Payments and any federal, state and local income and FICA tax imposed on the Gross-Up Payments, shall be equal to the Severance Payments.

For purposes of determining whether any of the Severance Payments will be subject to the Excise Tax, (i) any other payments or benefits received or to be received by the Executive in connection with a Transfer of the Company or the termination of the Executive's employment (whether pursuant to the terms of this Employment Agreement or any other plan, arrangement or agreement with the Company, any person whose actions result in a Transfer of the Company or any person affiliated with the Company or such person) shall be treated as "parachute payments" within the meaning of Section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of Section 280G(b)(1) shall be treated as subject to the Excise Tax, unless in the opinion of tax counsel selected by the Company and acceptable to the Executive such other payments or benefits (in whole or in part) do not constitute parachute payments, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code in excess of the base amount within the meaning of Section 280G(b)(3) of the Code, or are otherwise not subject to the Excise Tax, (ii) the amount of the Severance Payments which shall be treated as subject to the Excise Tax shall be equal to the lesser of (a) the total amount of the Severance Payments or (b) the amount of excess parachute payments within the meaning of Section 280G(b)(1) (after applying clause (i) above), and (iii) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

In the event that the Excise Tax is subsequently determined to be less than the amount taken into account hereunder at the time of termination of the Executive's employment, the Executive shall repay to the Company at the time that the amount of such reduction in Excise Tax is finally determined the portion of the Gross-Up Payment attributable to such reduction (plus the portion of the Gross-Up Payment attributable to the Excise Tax and federal, state and local income and FICA taxes imposed on the Gross-Up Payment being repaid by the Executive if such repayment results in a reduction in Excise Tax and/or a federal, state and local income and FICA tax

deduction) plus interest on the amount of such repayment at the rate provided in Section 1274(b)(2)(B) of the Code.

In the event that the Excise Tax is determined to exceed the amount taken into account hereunder at the time of the termination of the Executive's employment (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional gross-up payment in respect of such excess (plus any interest payable with respect to such excess) at the time that the amount of such excess is finally determined.

Gross-Up Payments shall be made on the day following the 6-month anniversary of the Executive's Separation from Service or, if later, on the day following the transfer of the Company.

For the purposes of this Section 5(e), the term "Transfer of the Company" means a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Code Section 280G(b)(2)(A)(i).

(f) No Obligation To Mitigate Damages. Executive shall be under no obligation to mitigate damages with respect to termination and in the event Executive is employed or receives income from any other source there shall be no offset therefor against the amounts due from the Company hereunder.

6. Covenants and Confidential Information

(a) The Executive acknowledges the Company's reliance and expectation of the Executive's continued commitment to performance of his duties and responsibilities during the term of this Employment Agreement. In light of such reliance and expectation on the part of the Company:

(i) During the term of this Employment Agreement and, during the one-year period following the termination of this Employment Agreement, the Executive shall not: (A) own, manage, control or participate in the ownership, management, or control of, or be employed or engaged by or otherwise affiliated or associated as a consultant, independent contractor or otherwise with, any other corporation, partnership, proprietorship, firm, association or other business entity engaged in the business of, or otherwise engage in the business of, acquiring, owning, developing or managing self-storage facilities; provided, however, that the ownership of not more than one percent (1%) of any class of publicly traded securities of any entity is permitted ; or (B) directly or indirectly or by acting in concert with others, employ or attempt to employ or solicit for any employment competitive with the Company, any Company employees.

(ii) During and after the term of this Employment Agreement, the Executive shall not, directly or indirectly, disclose, divulge, discuss, copy or otherwise use or suffer to be used in any manner, in competition with, or contrary to the interests of, the Company, any confidential information relating to the Company's operations, properties or otherwise to its particular business or other trade secrets of the Company, it being acknowledged by the Executive that all such information regarding the business of the Company compiled or obtained by, or furnished to, the Executive while the Executive shall have been employed by or associated with the Company is confidential information and the Company's exclusive property; provided, however, that the foregoing restrictions shall not apply to the extent that such information (A) is clearly obtainable in the public domain, (B) becomes obtainable in the public domain, except by reason of the breach by the Executive of the terms hereof, (C) was not acquired by the Executive in connection with his employment or affiliation with the Company, (D) was not acquired by the Executive from the Company or its representatives, or (E) is required to be disclosed by rule or law or by order of a court or governmental body or agency.

(b) The Executive agrees and understands that the remedy at law for any breach by him of this Paragraph 6 will be inadequate and that the damages flowing from such breach are not readily susceptible to being measured in monetary terms. Accordingly, it is acknowledged that, upon adequate proof of the Executive's violation of any legally enforceable provision of this Paragraph 6, the Company shall be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach.

(c) The Executive has carefully considered the nature and extent of the restrictions upon him and the rights and remedies conferred upon the Company under this Paragraph 6, and hereby acknowledges and agrees that the same are reasonable in time and territory, are designed to eliminate competition which otherwise would be unfair to the Company, do not stifle the inherent skill and experience of the Executive, would not operate as a bar to the Executive's sole means of support, are fully required to protect the legitimate interests of the Company and do not confer a benefit upon the Company disproportionate to the detriment to the Executive.

7. Miscellaneous

(a) The Executive represents and warrants that he is not a party to any agreement, contract or understanding, whether of employment or otherwise, which would restrict or prohibit him from undertaking or performing employment in accordance with the terms and conditions of this Employment Agreement.

(b) The provisions of this Employment Agreement are severable and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions and any partially unenforceable provision to the extent enforceable in any jurisdiction nevertheless shall be binding and enforceable.

(c) Any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company must, within ten (10) days after Executive's request, furnish its written assurance that it is bound to perform this Employment Agreement in the same manner and to the same extent that the Company would have been required to perform it if no such succession had taken place.

(d) Any controversy or claim arising out of or relating to this Employment Agreement, or the breach thereof, shall be settled by arbitration in accordance with the Rules of the American Arbitration Association then pertaining in the City of Buffalo, New York, and judgment upon the award rendered by the arbitrator or arbitrators may be entered in any court having jurisdiction thereof. The arbitrator or arbitrators shall be deemed to possess the powers to issue mandatory orders and restraining orders in connection with such arbitration; provided, however, that nothing in this Section 7(d) shall be construed so as to deny the Company the right and power to seek and obtain injunctive relief in a court of equity for any breach or threatened breach by the Executive of any of his covenants contained in Section 6 hereof.

(e) Any notice to be given under this Employment Agreement shall be personally delivered in writing or shall have been deemed duly given when received after it is posted in the United States mail, postage prepaid, registered or certified, return receipt requested, and if mailed to the Company, shall be addressed to the principal place of business of the Corporation and the Partnership, attention: President, and if mailed to the Executive, shall be addressed to him at his home address last known on the records of the Company, or at such other address or addresses as either the Company or the Executive may hereafter designate in writing to the other.

(f) The failure of either party to enforce any provision or provisions of this Employment Agreement shall not in any way be construed as a waiver of any such provision or provisions as to any future violations thereof, nor prevent that party thereafter from enforcing each and every other provision of this Employment Agreement. The rights granted the parties herein are cumulative and the waiver of any single remedy shall not constitute a waiver of such party's right to assert all other legal remedies available to it under the circumstances.

(g) This Employment Agreement supersedes all prior employment agreements and understandings between the parties and may not be modified or terminated orally. No modification, termination or attempted waiver shall be valid unless in writing and signed by the party against whom the same is sought to be enforced.

(h) This Employment Agreement shall be governed by and construed according to the laws of the State of New York.

(i) Captions and paragraph headings used herein are for convenience and are not a part of this Employment Agreement and shall not be used in construing it.

8. Code Section 409A Matters

(a) Definitions. The following terms shall have the following meanings when used in this Agreement:

(i) "Separation from Service" shall have the meaning provided at Treas. Reg. §1.409A-1(h).

(ii) "Section 409A Change in Control" shall mean a change in ownership or effective control of the Company or a change in ownership of a substantial portion of the assets of the Company within the meaning of Treas. Reg. §1.409A-3(i)(5).

(iii) "Non-Section 409A Change in Control" ." For the purposes of this Employment Agreement, a "Non-Section 409A Change in Control" shall be deemed to have occurred if any of the following have occurred:

(1) either (A) the Corporation shall receive a report on Schedule 13D, or an amendment to such a report, filed with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934 (the "1934 Act") disclosing that any person (as such term is used in Section 13(d) of the 1934 Act) ("Person"), is the beneficial owner, directly or indirectly, of twenty (20) percent or more of the outstanding stock of the Corporation or (B) the Company has actual knowledge of facts which would require any Person to file such a report on Schedule 13D, or to make an amendment to such a report, with the SEC (or would be required to file such a report or amendment upon the lapse of the applicable period of time specified in Section 13(d) of the 1934 Act) disclosing that such Person is the beneficial owner, directly or indirectly, of twenty (20) percent or more of the outstanding stock of the Corporation;

(2) purchase by any Person, other than the Company or a wholly-owned subsidiary of the Company or an employee benefit plan sponsored or maintained by the Company or a wholly-owned subsidiary of the Company, of shares pursuant to a tender or

exchange offer to acquire any stock of the Corporation (or securities, including units of limited partnership interests, convertible into stock) for cash, securities or any other consideration provided that, after consummation of the offer, such Person is the beneficial owner (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of twenty (20) percent or more of the outstanding stock of the Corporation (calculated as provided in paragraph (d) of Rule 13d-3 under the 1934 Act in the case of rights to acquire stock);

(3) approval by the shareholders of the Corporation of (A) any consolidation or merger of, or other business combination involving, the Corporation in which the Corporation is not to be the continuing or surviving entity or pursuant to which shares of stock of the Corporation would be converted into cash, securities or other property, other than a consolidation or merger or business combination of the Corporation in which holders of its stock immediately prior to the consolidation or merger or business combination have substantially the same proportionate ownership of common stock of the surviving corporation immediately after the consolidation or merger or business combination as immediately before, or (B) any consolidation or merger or business combination in which the Corporation is the continuing or surviving corporation but in which the common shareholders of the Corporation immediately prior to the consolidation or merger or business combination do not hold at least a majority of the outstanding common stock of the continuing or surviving corporation (except where such holders of common stock hold at least a majority of the common stock of the corporation which owns all of the common stock of the Corporation), or (C) any sale, lease, exchange or other transfer by operation of law or otherwise (in one transaction or a series of related transactions) of all or substantially all the assets of the Corporation or the Partnership; or

(4) a change in the majority of the members of the Board within a 24-month period unless the election or nomination for election by the Corporation shareholders of each new director was approved by the vote of at least two-thirds of the directors then still in office who were in office at the beginning of the 24-month period.

(5) more than fifty percent (50%) of the assets of the Corporation or the Partnership are sold, transferred or otherwise disposed of, whether by operation of law or otherwise, other than in the usual and ordinary course of its business.

(b) Rule Governing Payment Dates. In any case where this Agreement requires the payment of an amount during a period of two or more days that overlaps two calendar years, the payee shall have no right to determine the calendar year in which payment actually occurs

(c) Compliance with Section 409A. This Agreement is intended not to trigger additional taxes and penalties under Section 409A of the Internal Revenue Code and the final Treasury Regulations promulgated thereunder, whether by reason of the form or the operation of the Agreement. The Agreement shall at all times be interpreted, construed, and administered so as to avoid insofar as possible the imposition of excise taxes and other penalties under Section 409A of the Code. If any provision of this Agreement would trigger additional taxes and penalties under Section 409A of the Code and the final Regulations promulgated thereunder, such provision shall to the extent legally permissible be applied in a manner that most nearly accomplishes its objective without triggering such additional taxes and penalties.

IN WITNESS WHEREOF, the parties have executed this Restated Employment Agreement on the 31st day of December, 2008.

SOVRAN SELF STORAGE, INC.

By: /s/ David L. Rogers

Title: CFO

/s/ Robert J. Attea
Robert J. Attea

SOVRAN ACQUISITION LIMITED PARTNERSHIP

By SOVRAN HOLDINGS INC.
General Partner

By: /s/ David L. Rogers

Title: CFO

EXHIBIT A

1. Compensation.

During the term of the Employment Agreement the Company shall pay or provide, as the case may be, to the Executive the compensation and other benefits and rights set forth in this Paragraph 1 of this Exhibit A.

(a) The Company shall pay to the Executive a base salary payable in accordance with the Company's usual pay practices (and in the event no less frequently than monthly) of Two Hundred Thousand Dollars ($200,000) per annum, subject to such increase (but not decrease) as may be determined by the Board from time to time, based upon the performance of the Company (on a consolidated basis) and the Executive.

(b) The Executive shall be entitled to participate in the Company's incentive compensation plans for senior executives. The Company shall pay to the Executive incentive compensation, if any, which such Executive is entitled to receive pursuant to such plan for each calendar year not later than March 15 following the end of such calendar year (or at such time as may be provided in such plan), prorated on a per diem basis for partial calendar years of service.

(c) The Company shall provide to the Executive such life, medical, hospitalization and dental insurance for himself, his spouse and eligible family members as may be available to other senior executive officers of the Company (the "Insurance Plans"). The coverage under the Insurance Plans shall be at least as favorable as those under the insurances provided to the Executive by the Company (or it predecessor) on the date on which the Employment Agreement was first entered into, subject to the Executive's continued insurability under the Insurance Plans.

(d) The Executive shall participate in all retirement and other benefit plans of the Company generally available from time to time to employees of the Company and for which Executive qualifies under the terms thereof (and nothing in the Employment Agreement or this Exhibit A shall or shall be deemed to in any way effect the Executive's right and benefits thereunder except as expressly provided herein.

(e) The Executive shall be entitled to such periods of vacation and sick leave allowance each year as are determined by the Compensation Committee of the Board.

(f) The Executive shall be entitled to participate in any equity or other employee benefit plan that is generally available to senior executive officers of the Company. The Executive's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan.

(g) The Company shall reimburse the Executive or provide him with an expense allowance during the term of the Employment Agreement for travel, entertainment and other expenses reasonably and necessarily incurred by the Executive in connection with the Company's business. The Executive shall furnish such documentation with respect to reimbursement to be paid hereunder as the Company shall reasonably request.

(h) The Company shall provide the Executive with an automobile allowance as exists from time to time under the Company's policy.

2. Payment in the Event of Death or Permanent Disability.

(a) In the event of the Executive's death or "disability" (as defined in the Employment Agreement) during the term of the Employment Agreement, the Company shall pay to the Executive (or his successors and assigns in the event of his death) an amount equal to two (2) times the Executive's then effective per annum rate of salary, as determined under Section 1(a) of this Exhibit A, plus a pro rata portion of the incentive compensation for the calendar year in which such death or permanent disability occurs, less, in the case of permanent disability, any amounts paid by the Company or under the Company's disability insurance contracts.

(b) The pro rata portion of the incentive compensation described in Section 2(a) shall be paid when and as provided in Section 1(b). The remainder of the benefit to be paid pursuant to Section 2(a) shall be paid as follows:

(i) In the event of the Executive's death, the remainder of the benefit shall be paid in eight (8) quarterly installments. The first installment shall be paid on the first day of the calendar quarter beginning after the Executive's death and the remaining seven installments shall be paid on the first day of the next seven calendar quarters. The eight (8) equal quarterly installments shall be deemed a series of separate payments within the meaning of Treas. Reg. §1.409A-2(b)(2)(iii).

(ii) In the event of the Executive's disability, the remainder of the benefit shall be paid in twenty-four (24) monthly installments. The 24 monthly payments described in the preceding sentence shall be deemed a series of separate payments within the meaning of Treas. Reg. §1.409A-2(b)(2)(iii). The first six monthly payments shall be paid to the Executive in a lump sum within 30 days following his Separation from Service. The remaining eighteen monthly payments shall be paid to the Executive in 18 separate payments on the first day of 18 successive calendar months with the first payment occurring on the first day of the seventh calendar month beginning after the date of the Executive's

Separation from Service. The parties affirm that it is their intent that the first six monthly payments be excluded from the application of Code Section 409A by reason of the "short-term deferral" rule set forth at Regulation §1.409A-1(b)(4).

(c) Except as otherwise provided in Paragraphs 1(d) and 2(a), in the event of the Executive's death or disability the Executive's employment hereunder shall terminate and the Executive shall be entitled to no further compensation or other benefits under the Employment Agreement, except as to that portion of any unpaid salary and other benefits accrued and earned by him hereunder up to and including the date of such death or permanent disability, as the case may be.

Exhibit 10.4

EMPLOYMENT AGREEMENT
As Amended and Restated Effective January 1, 2009

THIS EMPLOYMENT AGREEMENT ("Employment Agreement") is entered into as of the 14th day of May, 1999, among Sovran Self Storage, Inc., a Maryland corporation and Sovran Acquisition Limited Partnership, a Delaware limited partnership (the "Corporation" or the "Partnership", respectively and collectively the "Company"), and Kenneth F. Myszka (the "Executive"). The Agreement is amended and restated effective January 1, 2009.

W I T N E S S E T H:

WHEREAS, the Executive is a valuable employee of the Company, an integral part of its management team and a key participant in the decision making process relative to short-term and long-term planning and policy for the Company;

WHEREAS, the Company wishes to attract and retain well-qualified executive and key personnel and to assure continuity of management, which will be essential to its ability to evaluate and respond to any actual or threatened Change in Control (as defined below) in the best interests of shareholders;

WHEREAS, the Company understands that any actual or threatened Change in Control will present significant concerns for the Executive with respect to his financial and job security;

WHEREAS, the Company wishes to encourage the Executive to continue his career and services with the Company for the period during and after an actual or threatened Change in Control and to assure to the Company the Executive's services during the period in which such a Change in Control is threatened, and to provide the Executive certain financial assurances to enable the Executive to perform the responsibilities of his position without undue distraction and to exercise his judgment without bias due to his personal circumstances; and

WHEREAS, the Board of Directors of the Corporation (the "Board") and the Partnership have determined that it would be in the best interests of the Company and its shareholders and partners to assure continuity in the management of the Company in the event of a Change in Control by entering into an employment continuation and noncompete agreement with Executive;

WHEREAS, this Agreement has been amended and restated effective January 1, 2009 to include provisions intended to comply with final regulations promulgated under Internal Revenue Code ("Code") Section 409A and shall be construed to the extent practicable so as to avoid causing any amounts payable to the

Executive hereunder to be includable in his gross income under Code Section 409A(a)(1).

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. Employment.

(a) The Company hereby employs the Executive as Chief Operating Officer and President of the Company and the Executive hereby accepts such employment, on the terms and subject to the conditions hereinafter set forth.

(b) During the term of this Employment Agreement and any renewal hereof (all references herein to the term of this Employment Agreement shall include references to the period of renewal hereof, if any), the Executive shall be and have the title of Chief Operating Officer and President of the Company and shall devote his entire business time and all reasonable efforts to his employment in that capacity with such other duties as may be reasonably requested from time to time by the Board, which duties shall be consistent with his position and with those previously performed by Executive during the one year period prior to the date hereof. Except as hereafter expressly agreed in writing by the Executive, the Executive shall not be required to report to any single individual and shall report only to the Board as an entire body. For service as a director, officer and employee of the Company, the Company agrees that the executive shall be entitled to the full protection of the applicable indemnification provisions of the Articles of Incorporation and By-laws of the Company (including the provisions for advances), as the same may be amended from time to time.

2. Compensation.

The Company will pay Executive the salary and bonus and provide the benefits set forth in Exhibit A to this Employment Agreement.

3. Term.

This Employment Agreement shall have a continuous term until terminated as provided in Paragraph 4.

4. Termination.

(a) Death or Retirement. This Employment Agreement will terminate upon Executive’s death or retirement.

(b) Disability. The Company may terminate this Employment Agreement upon at least thirty (30) days' written notice in the event of Executive's "disability." For purposes of this Employment Agreement, the Executive's "disability" shall be deemed to have occurred only after one hundred fifty (150) days in the aggregate during any consecutive twelve (12) month period, or after one hundred twenty (120) consecutive days, during which one hundred fifty (150) or one hundred twenty (120) days, as the case may be, the Executive, by reason of his physical or mental disability or illness, shall have been unable to substantially discharge his duties under this Employment Agreement. The date of disability shall be such one hundred fiftieth (150th) or one hundred twentieth (120th) day, as the case may be. In the event either the Company or the Executive, after receipt of notice of the Executive's disability from the other, disputes whether the Executive's disability shall have occurred, the Executive shall promptly submit to a physical examination by the chief of medicine of any major accredited hospital in the Buffalo, New York area and, unless such physician shall issue his written statement to the effect that in his opinion, based on his diagnosis, the Executive is capable of resuming his employment and devoting his full time and energy to discharging his duties within thirty (30) days after the date of such statement, such permanent disability shall be deemed to have occurred.

(c) Cause. The Company may terminate this Employment Agreement for "cause." For purposes of this Employment Agreement, "cause" shall mean

(i) The Executive's fraud, commission of a felony, commission of an act or series of acts of dishonesty which are materially inimical to the best interests of the Company, or the Executive's willful and substantial failure to perform his duties under this Employment Agreement, which failure has not been cured within a reasonable time (which shall not be less than thirty (30) days) after the Company gives notice thereof to the Executive; or

(ii) The Executive's material breach of any material provision of this Employment Agreement, which breach, if capable of being cured, has not been cured in all substantial respects within thirty (30) days) after the Company gives notice thereof to the Executive.

(iii) The Executive's commission of an act of moral turpitude, dishonesty or fraud which, in the good faith determination of the Board, would render his

continued employment materially damaging or detrimental to the Company.

(d) Termination Without Cause. The Company may terminate this Employment Agreement without cause by notifying Executive in writing of its election to terminate at least thirty (30) days before the effective date of termination. Executive may, on written notice to the Company, accelerate the effective date of termination to any other date of his choosing up to the date of notice of acceleration.

(e) Termination for Good Reason. Executive may terminate this Employment Agreement for "Good Reason" which shall mean the occurrence of one or more of the following events provided that, in the case of events described in (i), (ii), (iii) or (iv), the Executive shall give the Company a written notice, within 90 days following the initial occurrence of the event, describing the event that the Executive claims to be Good Reason and stating the Executive's intention to terminate employment unless the Company takes appropriate corrective action:

"Good Reason" shall exist if:

(i) the Company materially changes the Executive's duties and responsibilities as set forth in this Employment Agreement or changes his title or position without his consent;

(ii) there arises a requirement that, in the Executive's reasonable judgment, the services required to be performed by the Executive would necessitate the Executive moving his residence at least 50 miles from the Buffalo, New York area;

(iii) the Company materially diminishes the salary, fringe benefits or other compensation being paid to the Executive;

(iv) there occurs a material breach by the Company of any of its obligations under this Employment Agreement;

(v) the Executive is not elected to the Board at any annual meeting of the Corporation's shareholders;

(vi) the failure of any successor of the Company to furnish the assurances provided for in Section 7(c).

In the case of events described in (i), (ii), (iii) or (iv), the Company shall have 30 days from the date of receipt of the written notice from the Executive stating his claim of Good Reason in which to take appropriate corrective action. If the Company does not cure the Good Reason, the Good Reason will be deemed to have occurred at the end of the 30-day period.

(f) Termination By Mutual Agreement. This Employment Agreement may be terminated by mutual agreement of the Company and the Executive.

(g) Resignation. Executive may terminate this Employment Agreement at any time with sixty (60) days' written notice to the Company, and the Company may accelerate the effective date of termination to any other date up to the date of notice of acceleration.

(h) Payment of Compensation Due. The Company will pay Executive on the effective date of termination all unpaid compensation accrued at the rate set forth on Exhibit A through the effective date of termination.

5. Severance Payments

(a) Termination Without Cause or for Good Reason. The Company will make the severance payments specified in Section 5(b) or (c) below if this Employment Agreement is terminated pursuant to Sections 4(d) (Without Cause) or (e) (for Good Reason) hereof. In the event of such termination any outstanding stock options held by Executive shall be deemed to have vested immediately prior to such termination and shall be exercisable at any time during the balance of their original terms. In addition, the employee welfare benefits referred to in Exhibit A, Section 1(c) shall be continued for a period of thirty-six (36) months after termination of employment provided, however, the Executive and not the Company shall pay the premiums for any such benefits, where the payment of the premiums by the Company would constitute gross income to the Executive, during the 6-month period following the Executive's Separation from Service.

(b) Severance Payments Without Change in Control. As severance payments under this Section 5(b), the Company will pay Executive thirty-six (36) monthly payments each in an amount equal to 1/12th of the sum of the highest (i) salary payments made by the Company to Executive in any calendar year, (ii) bonus and other incentive compensation earned by Executive (whether or not deferred) with respect to services rendered to the Company during any calendar year and (iii) the

value of any restricted stock awards during any calendar year. The 36 monthly payments described in the preceding sentence shall be deemed a series of separate payments within the meaning of Treas. Reg. §1.409A-2(b)(2)(iii). The first six monthly payments shall be paid to the Executive in a lump sum within 30 days following his Separation from Service. The remaining thirty monthly payments shall be paid to the Executive in 30 separate payments on the first day of 30 successive calendar months with the first payment occurring on the first day of the seventh calendar month beginning after the date of the Executive's Separation from Service. The parties affirm that it is their intent that the first six monthly payments be excluded from the application of Code Section 409A by reason of the "short-term deferral" rule set forth at Regulation §1.409A-1(b)(4).

(c) Severance Payments With Change in Control.

(i) Section 409A Change in Control. If this Employment Agreement is terminated pursuant to Section 4(d) (Without Cause) or Section 4(e) (for Good Reason) within two years after a Section 409A Change in Control of the Company has occurred, or if a Section 409A Change in Control of the Company occurs while the Company is making severance payments to the Executive pursuant to Section 5(b), Executive shall receive the severance payments specified in Section 5(b) (or the remaining balance thereof) in a lump sum. The lump sum shall be paid within 30 days after the effective date of the Executive's Separation from Service or, if the Section 409A Change in Control occurs after the Executive's Separation from Service, within 30 days after such Section 409A Change in Control.

Notwithstanding the foregoing, the severance payments specified in Section 5(b) shall not be paid to the Executive (except for the lump sum equal to six monthly payments provided in the third sentence of Section 5(b)) before the day following the 6-month anniversary of the Executive's Separation from Service unless Executive shall have received an opinion of counsel satisfactory to the Executive that payment before that date will not be a violation of Code Section 409A(a)(2)(B)(i) (concerning the 6-month delay rule). In the event that the Executive shall fail to obtain such an opinion of counsel, the Company or its successor shall, within 30 days after the later of the Executive's Separation from Service or the Section 409A Change in Control, transfer the remaining balance of the monthly payments due the Executive to a rabbi trust (similar to the trust described in Revenue Procedure 92-64) under a trust agreement that requires payment of such remaining balance to the Executive in a lump sum on the day following the 6-month anniversary of the Executive's Separation from Service.

(ii) Non-Section 409A Change in Control. If this Employment Agreement is terminated pursuant to Section 4(d) (Without Cause) or Section 4(e) (for Good Reason) within two years after a Non-Section 409A Change in Control of the Company has

occurred, or if a Non-Section 409A Change in Control of the Company occurs while the Company is making severance payments to the Executive pursuant to Section 5(b), the Company or its successor shall, within 30 days after the Non-Section 409A Change in Control, transfer the remaining balance of the monthly payments due the Executive to a rabbi trust (similar to the trust described in Revenue Procedure 92-64) under a trust agreement that requires payment of such remaining balance to the Executive from the trust in accordance with the original payment schedule under Section 5(b).

(d) Reimbursement of Legal Fees and Expenses. The Company shall also reimburse the Executive (promptly upon documented request), the amount of all legal fees and expenses reasonably incurred by the Executive in connection with any good faith claim for severance compensation hereunder, including all such fees and expenses incurred in contesting or disputing, by arbitration or otherwise, any such termination or in seeking to obtain or enforce any right or benefit provided by this Employment Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") to any payment or benefit provided hereunder.

(e) Gross-up Payments. In the event that the payments or benefits (the "Severance Payments") provided under this Section 5 are determined to be subject to the tax (the "Excise Tax") imposed by Section 4999 of the Code, the Company shall pay to the Executive additional amounts (the "Gross-Up Payments") such that the net amount retained by the Executive, after deduction of any Excise Tax on the Severance Payments and on the Gross-Up Payments and any federal, state and local income and FICA tax imposed on the Gross-Up Payments, shall be equal to the Severance Payments.

For purposes of determining whether any of the Severance Payments will be subject to the Excise Tax, (i) any other payments or benefits received or to be received by the Executive in connection with a Transfer of the Company or the termination of the Executive's employment (whether pursuant to the terms of this Employment Agreement or any other plan, arrangement or agreement with the Company, any person whose actions result in a Transfer of the Company or any person affiliated with the Company or such person) shall be treated as "parachute payments" within the meaning of Section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of Section 280G(b)(1) shall be treated as subject to the Excise Tax, unless in the opinion of tax counsel selected by the Company and acceptable to the Executive such other payments or benefits (in whole or in part) do not constitute parachute payments, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code in excess of the base amount within the

meaning of Section 280G(b)(3) of the Code, or are otherwise not subject to the Excise Tax, (ii) the amount of the Severance Payments which shall be treated as subject to the Excise Tax shall be equal to the lesser of (a) the total amount of the Severance Payments or (b) the amount of excess parachute payments within the meaning of Section 280G(b)(1) (after applying clause (i) above), and (iii) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

In the event that the Excise Tax is subsequently determined to be less than the amount taken into account hereunder at the time of termination of the Executive's employment, the Executive shall repay to the Company at the time that the amount of such reduction in Excise Tax is finally determined the portion of the Gross-Up Payment attributable to such reduction (plus the portion of the Gross-Up Payment attributable to the Excise Tax and federal, state and local income and FICA taxes imposed on the Gross-Up Payment being repaid by the Executive if such repayment results in a reduction in Excise Tax and/or a federal, state and local income and FICA tax deduction) plus interest on the amount of such repayment at the rate provided in Section 1274(b)(2)(B) of the Code.

In the event that the Excise Tax is determined to exceed the amount taken into account hereunder at the time of the termination of the Executive's employment (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional gross-up payment in respect of such excess (plus any interest payable with respect to such excess) at the time that the amount of such excess is finally determined.

Gross-Up Payments shall be made on the day following the 6-month anniversary of the Executive's Separation from Service or, if later, on the day following the transfer of the Company.

For the purposes of this Section 5(e), the term "Transfer of the Company" means a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Code Section 280G(b)(2)(A)(i).

(f) No Obligation To Mitigate Damages. Executive shall be under no obligation to mitigate damages with respect to termination and in the event Executive is employed or receives income from any other source there shall be no offset therefor against the amounts due from the Company hereunder.

6. Covenants and Confidential Information.

(a) The Executive acknowledges the Company's reliance and expectation of the Executive's continued commitment to performance of his duties and responsibilities during the term of this Employment Agreement. In light of such reliance and expectation on the part of the Company:

(i) During the term of this Employment Agreement and, during the one-year period following the termination of this Employment Agreement, the Executive shall not: (A) own, manage, control or participate in the ownership, management, or control of, or be employed or engaged by or otherwise affiliated or associated as a consultant, independent contractor or otherwise with, any other corporation, partnership, proprietorship, firm, association or other business entity engaged in the business of, or otherwise engage in the business of, acquiring, owning, developing or managing self-storage facilities; provided, however, that the ownership of not more than one percent (1%) of any class of publicly traded securities of any entity is permitted ; or (B) directly or indirectly or by acting in concert with others, employ or attempt to employ or solicit for any employment competitive with the Company, any Company employees.

(ii) During and after the term of this Employment Agreement, the Executive shall not, directly or indirectly, disclose, divulge, discuss, copy or otherwise use or suffer to be used in any manner, in competition with, or contrary to the interests of, the Company, any confidential information relating to the Company's operations, properties or otherwise to its particular business or other trade secrets of the Company, it being acknowledged by the Executive that all such information regarding the business of the Company compiled or obtained by, or furnished to, the Executive while the Executive shall have been employed by or associated with the Company is confidential information and the Company's exclusive property; provided, however, that the foregoing

restrictions shall not apply to the extent that such information (A) is clearly obtainable in the public domain, (B) becomes obtainable in the public domain, except by reason of the breach by the Executive of the terms hereof, (C) was not acquired by the Executive in connection with his employment or affiliation with the Company, (D) was not acquired by the Executive from the Company or its representatives, or (E) is required to be disclosed by rule or law or by order of a court or governmental body or agency.

(b) The Executive agrees and understands that the remedy at law for any breach by him of this Paragraph 6 will be inadequate and that the damages flowing from such breach are not readily susceptible to being measured in monetary terms. Accordingly, it is acknowledged that, upon adequate proof of the Executive's violation of any legally enforceable provision of this Paragraph 6, the Company shall be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach.

(c) The Executive has carefully considered the nature and extent of the restrictions upon him and the rights and remedies conferred upon the Company under this Paragraph 6, and hereby acknowledges and agrees that the same are reasonable in time and territory, are designed to eliminate competition which otherwise would be unfair to the Company, do not stifle the inherent skill and experience of the Executive, would not operate as a bar to the Executive's sole means of support, are fully required to protect the legitimate interests of the Company and do not confer a benefit upon the Company disproportionate to the detriment to the Executive.

7. Miscellaneous.

(a) The Executive represents and warrants that he is not a party to any agreement, contract or understanding, whether of employment or otherwise, which would restrict or prohibit him from undertaking or performing employment in accordance with the terms and conditions of this Employment Agreement.

(b) The provisions of this Employment Agreement are severable and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions and any partially unenforceable provision to the extent enforceable in any jurisdiction nevertheless shall be binding and enforceable.

(c) Any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company must, within ten (10) days after Executive's request, furnish its written assurance that it is bound to perform this Employment Agreement in the same manner and to the same extent that the Company would have been required to perform it if no such succession had taken place.

(d) Any controversy or claim arising out of or relating to this Employment Agreement, or the breach thereof, shall be settled by arbitration in accordance with the Rules of the American Arbitration Association then pertaining in the City of Buffalo, New York, and judgment upon the award rendered by the arbitrator or arbitrators may be entered in any court having jurisdiction thereof. The arbitrator or arbitrators shall be deemed to possess the powers to issue mandatory orders and restraining orders in connection with such arbitration; provided, however, that nothing in this Section 7(d) shall be construed so as to deny the Company the right and power to seek and obtain injunctive relief in a court of equity for any breach or threatened breach by the Executive of any of his covenants contained in Section 6 hereof.

(e) Any notice to be given under this Employment Agreement shall be personally delivered in writing or shall have been deemed duly given when received after it is posted in the United States mail, postage prepaid, registered or certified, return receipt requested, and if mailed to the Company, shall be addressed to the principal place of business of the Corporation and the Partnership, attention: President, and if mailed to the Executive, shall be addressed to him at his home address last known on the records of the Company, or at such other address or addresses as either the Company or the Executive may hereafter designate in writing to the other.

(f) The failure of either party to enforce any provision or provisions of this Employment Agreement shall not in any way be construed as a waiver of any such provision or provisions as to any future violations thereof, nor prevent that party thereafter from enforcing each and every other provision of this Employment Agreement. The rights granted the parties herein are cumulative and the waiver of any single remedy shall not constitute a waiver of such party's right to assert all other legal remedies available to it under the circumstances.

(g) This Employment Agreement supersedes all prior employment agreements and understandings between the parties and may not be modified or terminated orally. No modification, termination or attempted waiver shall be valid unless in writing and signed by the party against whom the same is sought to be enforced.

(h) This Employment Agreement shall be governed by and construed according to the laws of the State of New York.

(i) Captions and paragraph headings used herein are for convenience and are not a part of this Employment Agreement and shall not be used in construing it.

8. Code Section 409A Matters.

(a) Definitions. The following terms shall have the following meanings when used in this Agreement:

(i) "Separation from Service" shall have the meaning provided at Treas. Reg. §1.409A-1(h).

(ii) "Section 409A Change in Control" shall mean a change in ownership or effective control of the Company or a change in ownership of a substantial portion of the assets of the Company within the meaning of Treas. Reg. §1.409A-3(i)(5).

(iii) "Non-Section 409A Change in Control" ." For the purposes of this Employment Agreement, a "Non-Section 409A Change in Control" shall be deemed to have occurred if any of the following have occurred:

(1) either (A) the Corporation shall receive a report on Schedule 13D, or an amendment to such a report, filed with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934 (the "1934 Act") disclosing that any person (as such term is used in Section 13(d) of the 1934 Act) ("Person"), is the beneficial owner, directly or indirectly, of twenty (20) percent or more of the outstanding stock of the Corporation or (B) the Company has actual knowledge of facts which would require any Person to file such a report on Schedule 13D, or to make an amendment to such a report, with the SEC (or would be required to file such a report or amendment upon the lapse of the applicable period of time specified in Section 13(d) of the 1934 Act) disclosing that such Person is the beneficial owner, directly or indirectly, of twenty (20) percent or more of the outstanding stock of the Corporation;

(2) purchase by any Person, other than the Company or a wholly-owned subsidiary of the Company or an employee benefit plan sponsored or maintained by the Company or a wholly-owned subsidiary of the Company, of shares pursuant to a

tender or exchange offer to acquire any stock of the Corporation (or securities, including units of limited partnership interests, convertible into stock) for cash, securities or any other consideration provided that, after consummation of the offer, such Person is the beneficial owner (as defined in Rule 13d 3 under the 1934 Act), directly or indirectly, of twenty (20) percent or more of the outstanding stock of the Corporation (calculated as provided in paragraph (d) of Rule 13d 3 under the 1934 Act in the case of rights to acquire stock);

(3) approval by the shareholders of the Corporation of (A) any consolidation or merger of, or other business combination involving, the Corporation in which the Corporation is not to be the continuing or surviving entity or pursuant to which shares of stock of the Corporation would be converted into cash, securities or other property, other than a consolidation or merger or business combination of the Corporation in which holders of its stock immediately prior to the consolidation or merger or business combination have substantially the same proportionate ownership of common stock of the surviving corporation immediately after the consolidation or merger or business combination as immediately before, or (B) any consolidation or merger or business combination in which the Corporation is the continuing or surviving corporation but in which the common shareholders of the Corporation immediately prior to the consolidation or merger or business combination do not hold at least a majority of the outstanding common stock of the continuing or surviving corporation (except where such holders of common stock hold at least a majority of the common stock of the corporation which owns all of the common stock of the Corporation), or (C) any sale, lease, exchange or other transfer by operation of law or otherwise (in one transaction or a series of related transactions) of all or substantially all the assets of the Corporation or the Partnership; or

(4) a change in the majority of the members of the Board within a 24-month period unless the election or nomination for election by the Corporation shareholders of each new director was approved by the vote of at least two-thirds of the directors then still in office who were in office at the beginning of the 24-month period.

(5) more than fifty percent (50%) of the assets of the Corporation or the Partnership are sold, transferred or otherwise disposed of, whether by operation of law or otherwise, other than in the usual and ordinary course of its business.

(b) Rule Governing Payment Dates. In any case where this Agreement requires the payment of an amount during a period of two or more days that overlaps two calendar years, the payee shall have no right to determine the calendar year in which payment actually occurs

(c) Compliance with Section 409A. This Agreement is intended not to trigger additional taxes and penalties under Section 409A of the Internal Revenue Code and the final Treasury Regulations promulgated thereunder, whether by reason of the form or the operation of the Agreement. The Agreement shall at all times be interpreted, construed, and administered so as to avoid insofar as possible the imposition of excise taxes and other penalties under Section 409A of the Code. If any provision of this Agreement would trigger additional taxes and penalties under Section 409A of the Code and the final Regulations promulgated thereunder, such provision shall to the extent legally permissible be applied in a manner that most nearly accomplishes its objective without triggering such additional taxes and penalties.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on the 31st day of December, 2008.

SOVRAN SELF STORAGE, INC.

By: /s/ David L. Rogers

Title: CFO

/s/ Kenneth F. Myszka
Kenneth F. Myszka

SOVRAN ACQUISITION LIMITED PARTNERSHIP

By SOVRAN HOLDINGS INC.
General Partner

By: /s/ David L. Rogers

Title: CFO

EXHIBIT A

1. Compensation.

During the term of the Employment Agreement the Company shall pay or provide, as the case may be, to the Executive the compensation and other benefits and rights set forth in this Paragraph 1 of this Exhibit A.

(a) The Company shall pay to the Executive a base salary payable in accordance with the Company's usual pay practices (and in the event no less frequently than monthly) of Two Hundred Thousand Dollars ($200,000) per annum, subject to such increase (but not decrease) as may be determined by the Board from time to time, based upon the performance of the Company (on a consolidated basis) and the Executive.

(b) The Executive shall be entitled to participate in the Company's incentive compensation plans for senior executives. The Company shall pay to the Executive incentive compensation, if any, which such Executive is entitled to receive pursuant to such plan for each calendar year not later than March 15 following the end of such calendar year (or at such time as may be provided in such plan), prorated on a per diem basis for partial calendar years of service.

(c) The Company shall provide to the Executive such life, medical, hospitalization and dental insurance for himself, his spouse and eligible family members as may be available to other senior executive officers of the Company (the "Insurance Plans"). The coverage under the Insurance Plans shall be at least as favorable as those under the insurances provided to the Executive by the Company (or it predecessor) on the date on which the Employment Agreement was first entered into, subject to the Executive's continued insurability under the Insurance Plans.

(d) The Executive shall participate in all retirement and other benefit plans of the Company generally available from time to time to employees of the Company and for which Executive qualifies under the terms thereof (and nothing in the Employment Agreement or this Exhibit A shall or shall be deemed to in any way effect the Executive's right and benefits thereunder except as expressly provided herein.

(e) The Executive shall be entitled to such periods of vacation and sick leave allowance each year as are determined by the Compensation Committee of the Board.

(f) The Executive shall be entitled to participate in any equity or other employee benefit plan that is generally available to senior executive officers of the Company. The Executive's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan.

(g) The Company shall reimburse the Executive or provide him with an expense allowance during the term of the Employment Agreement for travel, entertainment and other expenses reasonably and necessarily incurred by the Executive in connection with the Company's business. The Executive shall furnish such documentation with respect to reimbursement to be paid hereunder as the Company shall reasonably request.

(h) The Company shall provide the Executive with an automobile allowance as exists from time to time under the Company's policy.

2. Payment in the Event of Death or Permanent Disability.

(a) In the event of the Executive's death or "disability" (as defined in the Employment Agreement) during the term of the Employment Agreement, the Company shall pay to the Executive (or his successors and assigns in the event of his death) an amount equal to two (2) times the Executive's then effective per annum rate of salary, as determined under Section 1(a) of this Exhibit A, plus a pro rata portion of the incentive compensation for the calendar year in which such death or permanent disability occurs, less, in the case of permanent disability, any amounts paid by the Company or under the Company's disability insurance contracts.

(b) The pro rata portion of the incentive compensation described in Section 2(a) shall be paid when and as provided in Section 1(b). The remainder of the benefit to be paid pursuant to Section 2(a) shall be paid as follows:

(i) In the event of the Executive's death, the remainder of the benefit shall be paid in eight (8) quarterly installments. The first installment shall be paid on the first day of the calendar quarter beginning after the Executive's death and the remaining seven installments shall be paid on the first day of the next seven calendar quarters. The eight (8) equal quarterly installments shall be deemed a series of separate payments within the meaning of Treas. Reg. §1.409A-2(b)(2)(iii).

(ii) In the event of the Executive's disability, the remainder of the benefit shall be paid in twenty-four (24) monthly installments. The 24 monthly payments described in the preceding sentence shall be deemed a series of

separate payments within the meaning of Treas. Reg. §1.409A-2(b)(2)(iii). The first six monthly payments shall be paid to the Executive in a lump sum within 30 days following his Separation from Service. The remaining eighteen monthly payments shall be paid to the Executive in 18 separate payments on the first day of 18 successive calendar months with the first payment occurring on the first day of the seventh calendar month beginning after the date of the Executive's Separation from Service. The parties affirm that it is their intent that the first six monthly payments be excluded from the application of Code Section 409A by reason of the "short-term deferral" rule set forth at Regulation §1.409A-1(b)(4).

(c) Except as otherwise provided in Paragraphs 1(d) and 2(a), in the event of the Executive's death or disability the Executive's employment hereunder shall terminate and the Executive shall be entitled to no further compensation or other benefits under the Employment Agreement, except as to that portion of any unpaid salary and other benefits accrued and earned by him hereunder up to and including the date of such death or permanent disability, as the case may be.

Exhibit 10.5

EMPLOYMENT AGREEMENT
As Amended and Restated Effective January 1, 2009

THIS EMPLOYMENT AGREEMENT ("Employment Agreement") is entered into as of the 14th day of May, 1999, among Sovran Self Storage, Inc., a Maryland corporation and Sovran Acquisition Limited Partnership, a Delaware limited partnership (the "Corporation" or the "Partnership", respectively and collectively the "Company"), and David L. Rogers (the "Executive"). The Agreement is amended and restated effective January 1, 2009.

WITNESSETH:

WHEREAS, the Executive is a valuable employee of the Company, an integral part of its management team and a key participant in the decision making process relative to short-term and long-term planning and policy for the Company;

WHEREAS, the Company wishes to attract and retain well-qualified executive and key personnel and to assure continuity of management, which will be essential to its ability to evaluate and respond to any actual or threatened Change in Control (as defined below) in the best interests of shareholders;

WHEREAS, the Company understands that any actual or threatened Change in Control will present significant concerns for the Executive with respect to his financial and job security;

WHEREAS, the Company wishes to encourage the Executive to continue his career and services with the Company for the period during and after an actual or threatened Change in Control and to assure to the Company the Executive's services during the period in which such a Change in Control is threatened, and to provide the Executive certain financial assurances to enable the Executive to perform the responsibilities of his position without undue distraction and to exercise his judgment without bias due to his personal circumstances; and

WHEREAS, the Board of Directors of the Corporation (the "Board") and the Partnership have determined that it would be in the best interests of the Company and its shareholders and partners to assure continuity in the management of the Company in the event of a Change in Control by entering into an employment continuation and noncompete agreement with Executive;

WHEREAS, this Agreement has been amended and restated effective January 1, 2009 to include provisions intended to comply with final regulations promulgated under Internal Revenue Code ("Code") Section 409A and shall be construed to the extent practicable so as to avoid causing any amounts payable to the

Executive hereunder to be includable in his gross income under Code Section 409A(a)(1).

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. Employment.

(a) The Company hereby employs the Executive as Chief Financial Officer and Secretary of the Company and the Executive hereby accepts such employment, on the terms and subject to the conditions hereinafter set forth.

(b) During the term of this Employment Agreement and any renewal hereof (all references herein to the term of this Employment Agreement shall include references to the period of renewal hereof, if any), the Executive shall be and have the title of Chief Financial Officer and Secretary of the Company and shall devote his entire business time and all reasonable efforts to his employment in that capacity with such other duties as may be reasonably requested from time to time by the Board, which duties shall be consistent with his position and with those previously performed by Executive during the one year period prior to the date hereof. Except as hereafter expressly agreed in writing by the Executive, the Executive shall only be required to report to senior executive officers of the Company. For service as an officer and employee of the Company, the Company agrees that the executive shall be entitled to the full protection of the applicable indemnification provisions of the Articles of Incorporation and By-laws of the Company (including the provisions for advances), as the same may be amended from time to time.

2. Compensation.

The Company will pay Executive the salary and bonus and provide the benefits set forth in Exhibit A to this Employment Agreement.

3. Term.

This Employment Agreement shall have a continuous term until terminated as provided in Paragraph 4.

4. Termination.

(a) Death or Retirement. This Employment Agreement will terminate upon Executive’s death or retirement.

(b) Disability. The Company may terminate this Employment Agreement upon at least thirty (30) days' written notice in the event of Executive's "disability." For purposes of this Employment Agreement, the Executive's "disability" shall be deemed to have occurred only after one hundred fifty (150) days in the aggregate during any consecutive twelve (12) month period, or after one hundred twenty (120) consecutive days, during which one hundred fifty (150) or one hundred twenty (120) days, as the case may be, the Executive, by reason of his physical or mental disability or illness, shall have been unable to substantially discharge his duties under this Employment Agreement. The date of disability shall be such one hundred fiftieth (150th) or one hundred twentieth (120th) day, as the case may be. In the event either the Company or the Executive, after receipt of notice of the Executive's disability from the other, disputes whether the Executive's disability shall have occurred, the Executive shall promptly submit to a physical examination by the chief of medicine of any major accredited hospital in the Buffalo, New York area and, unless such physician shall issue his written statement to the effect that in his opinion, based on his diagnosis, the Executive is capable of resuming his employment and devoting his full time and energy to discharging his duties within thirty (30) days after the date of such statement, such permanent disability shall be deemed to have occurred.

(c) Cause. The Company may terminate this Employment Agreement for "cause." For purposes of this Employment Agreement, "cause" shall mean

(i) The Executive's fraud, commission of a felony, commission of an act or series of acts of dishonesty which are materially inimical to the best interests of the Company, or the Executive's willful and substantial failure to perform his duties under this Employment Agreement, which failure has not been cured within a reasonable time (which shall not be less than thirty (30) days) after the Company gives notice thereof to the Executive; or

(ii) The Executive's material breach of any material provision of this Employment Agreement, which breach, if capable of being cured, has not been cured in all substantial respects within thirty (30) days) after the Company gives notice thereof to the Executive.

(iii) The Executive's commission of an act of moral turpitude, dishonesty or fraud which, in the good faith determination of the Board, would render his

continued employment materially damaging or detrimental to the Company.

(d) Termination Without Cause. The Company may terminate this Employment Agreement without cause by notifying Executive in writing of its election to terminate at least thirty (30) days before the effective date of termination. Executive may, on written notice to the Company, accelerate the effective date of termination to any other date of his choosing up to the date of notice of acceleration.

(e) Termination for Good Reason. Executive may terminate this Employment Agreement for "Good Reason" which shall mean the occurrence of one or more of the following events provided that, in the case of events described in (i), (ii), (iii) or (iv), the Executive shall give the Company a written notice, within 90 days following the initial occurrence of the event, describing the event that the Executive claims to be Good Reason and stating the Executive's intention to terminate employment unless the Company takes appropriate corrective action:

"Good Reason" shall exist if:

(i) the Company materially changes the Executive's duties and responsibilities as set forth in this Employment Agreement or changes his title or position without his consent;

(ii) there arises a requirement that, in the Executive's reasonable judgment, the services required to be performed by the Executive would necessitate the Executive moving his residence at least 50 miles from the Buffalo, New York area;

(iii) the Company materially diminishes the salary, fringe benefits or other compensation being paid to the Executive;

(iv) there occurs a material breach by the Company of any of its obligations under this Employment Agreement;

(v) the failure of any successor of the Company to furnish the assurances provided for in Section 7(c).

In the case of events described in (i), (ii), (iii) or (iv), the Company shall have 30 days from the date of receipt of the written notice from the Executive stating his claim of Good Reason in which to take appropriate corrective action. If the Company does not cure the Good Reason, the Good Reason will be deemed to have occurred at the end of the 30-day period.

(f) Termination By Mutual Agreement. This Employment Agreement may be terminated by mutual agreement of the Company and the Executive.

(g) Resignation. Executive may terminate this Employment Agreement at any time with sixty (60) days' written notice to the Company, and the Company may accelerate the effective date of termination to any other date up to the date of notice of acceleration.

(h) Payment of Compensation Due. The Company will pay Executive on the effective date of termination all unpaid compensation accrued at the rate set forth on Exhibit A through the effective date of termination.

5. Severance Payments

(a) Termination Without Cause or for Good Reason. The Company will make the severance payments specified in Section 5(b) or (c) below if this Employment Agreement is terminated pursuant to Sections 4(d) (Without Cause) or (e) (for Good Reason) hereof. In the event of such termination any outstanding stock options held by Executive shall be deemed to have vested immediately prior to such termination and shall be exercisable at any time during the balance of their original terms. In addition, the employee welfare benefits referred to in Exhibit A, Section 1(c) shall be continued for a period of thirty-six (36) months after termination of employment provided, however, the Executive and not the Company shall pay the premiums for any such benefits, where the payment of the premiums by the Company would constitute gross income to the Executive, during the 6-month period following the Executive's Separation from Service.

(b) Severance Payments Without Change in Control. As severance payments under this Section 5(b), the Company will pay Executive thirty-six (36) monthly payments each in an amount equal to 1/12th of the sum of the highest (i) salary payments made by the Company to Executive in any calendar year, (ii) bonus and other incentive compensation earned by Executive (whether or not deferred) with respect to services rendered to the Company during any calendar year and (iii) the value of any restricted stock awards during any calendar year. The 36 monthly payments described in the preceding sentence shall be deemed a series of separate payments within the meaning of Treas. Reg. §1.409A-2(b)(2)(iii). The first six monthly

payments shall be paid to the Executive in a lump sum within 30 days following his Separation from Service. The remaining thirty monthly payments shall be paid to the Executive in 30 separate payments on the first day of 30 successive calendar months with the first payment occurring on the first day of the seventh calendar month beginning after the date of the Executive's Separation from Service. The parties affirm that it is their intent that the first six monthly payments be excluded from the application of Code Section 409A by reason of the "short-term deferral" rule set forth at Regulation §1.409A-1(b)(4).

(c) Severance Payments With Change in Control.

(i) Section 409A Change in Control. If this Employment Agreement is terminated pursuant to Section 4(d) (Without Cause) or Section 4(e) (for Good Reason) within two years after a Section 409A Change in Control of the Company has occurred, or if a Section 409A Change in Control of the Company occurs while the Company is making severance payments to the Executive pursuant to Section 5(b), Executive shall receive the severance payments specified in Section 5(b) (or the remaining balance thereof) in a lump sum. The lump sum shall be paid within 30 days after the effective date of the Executive's Separation from Service or, if the Section 409A Change in Control occurs after the Executive's Separation from Service, within 30 days after such Section 409A Change in Control.

Notwithstanding the foregoing, the severance payments specified in Section 5(b) shall not be paid to the Executive (except for the lump sum equal to six monthly payments provided in the third sentence of Section 5(b)) before the day following the 6-month anniversary of the Executive's Separation from Service unless Executive shall have received an opinion of counsel satisfactory to the Executive that payment before that date will not be a violation of Code Section 409A(a)(2)(B)(i) (concerning the 6-month delay rule). In the event that the Executive shall fail to obtain such an opinion of counsel, the Company or its successor shall, within 30 days after the later of the Executive's Separation from Service or the Section 409A Change in Control, transfer the remaining balance of the monthly payments due the Executive to a rabbi trust (similar to the trust described in Revenue Procedure 92-64) under a trust agreement that requires payment of such remaining balance to the Executive in a lump sum on the day following the 6-month anniversary of the Executive's Separation from Service.

(ii) Non-Section 409A Change in Control. If this Employment Agreement is terminated pursuant to Section 4(d) (Without Cause) or Section 4(e) (for Good Reason) within two years after a Non-Section 409A Change in Control of the Company has occurred, or if a Non-Section 409A Change in Control of the Company occurs while the Company is making severance payments to the Executive pursuant to Section 5(b), the Company or its successor shall, within 30 days after the Non-Section 409A Change in Control, transfer the remaining balance of the monthly payments due the Executive to a rabbi trust (similar to the trust described in Revenue Procedure 92-64) under a trust agreement that requires payment of such remaining balance to the Executive from the trust in accordance with the original payment schedule under Section 5(b).

(d) Reimbursement of Legal Fees and Expenses. The Company shall also reimburse the Executive (promptly upon documented request), the amount of all legal fees and expenses reasonably incurred by the Executive in connection with any good faith claim for severance compensation hereunder, including all such fees and expenses incurred in contesting or disputing, by arbitration or otherwise, any such termination or in seeking to obtain or enforce any right or benefit provided by this Employment Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") to any payment or benefit provided hereunder.

(e) Gross-up Payments. In the event that the payments or benefits (the "Severance Payments") provided under this Section 5 are determined to be subject to the tax (the "Excise Tax") imposed by Section 4999 of the Code, the Company shall pay to the Executive additional amounts (the "Gross-Up Payments") such that the net amount retained by the Executive, after deduction of any Excise Tax on the Severance Payments and on the Gross-Up Payments and any federal, state and local income and FICA tax imposed on the Gross-Up Payments, shall be equal to the Severance Payments.

For purposes of determining whether any of the Severance Payments will be subject to the Excise Tax, (i) any other payments or benefits received or to be received by the Executive in connection with a Transfer of the Company or the termination of the Executive's employment (whether pursuant to the terms of this Employment Agreement

or any other plan, arrangement or agreement with the Company, any person whose actions result in a Transfer of the Company or any person affiliated with the Company or such person) shall be treated as "parachute payments" within the meaning of Section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of Section 280G(b)(1) shall be treated as subject to the Excise Tax, unless in the opinion of tax counsel selected by the Company and acceptable to the Executive such other payments or benefits (in whole or in part) do not constitute parachute payments, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code in excess of the base amount within the meaning of Section 280G(b)(3) of the Code, or are otherwise not subject to the Excise Tax, (ii) the amount of the Severance Payments which shall be treated as subject to the Excise Tax shall be equal to the lesser of (a) the total amount of the Severance Payments or (b) the amount of excess parachute payments within the meaning of Section 280G(b)(1) (after applying clause (i) above), and (iii) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

In the event that the Excise Tax is subsequently determined to be less than the amount taken into account hereunder at the time of termination of the Executive's employment, the Executive shall repay to the Company at the time that the amount of such reduction in Excise Tax is finally determined the portion of the Gross-Up Payment attributable to such reduction (plus the portion of the Gross-Up Payment attributable to the Excise Tax and federal, state and local income and FICA taxes imposed on the Gross-Up Payment being repaid by the Executive if such repayment results in a reduction in Excise Tax and/or a federal, state and local income and FICA tax deduction) plus interest on the amount of such repayment at the rate provided in Section 1274(b)(2)(B) of the Code.

In the event that the Excise Tax is determined to exceed the amount taken into account hereunder at the time of the termination of the Executive's employment (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional gross-up payment in respect of such excess (plus any interest payable with respect to such excess) at the time that the amount of such excess is finally determined.

Gross-Up Payments shall be made on the day following the 6-month anniversary of the Executive's Separation from Service or, if later, on the day following the transfer of the Company.

For the purposes of this Section 5(e), the term "Transfer of the Company" means a change in the ownership or effective control of the Company or a change in the

ownership of a substantial portion of the assets of the Company within the meaning of Code Section 280G(b)(2)(A)(i).

(f) No Obligation To Mitigate Damages. Executive shall be under no obligation to mitigate damages with respect to termination and in the event Executive is employed or receives income from any other source there shall be no offset therefor against the amounts due from the Company hereunder.

6. Covenants and Confidential Information.

(a) The Executive acknowledges the Company's reliance and expectation of the Executive's continued commitment to performance of his duties and responsibilities during the term of this Employment Agreement. In light of such reliance and expectation on the part of the Company:

(i) During the term of this Employment Agreement and, during the one-year period following the termination of this Employment Agreement, the Executive shall not: (A) own, manage, control or participate in the ownership, management, or control of, or be employed or engaged by or otherwise affiliated or associated as a consultant, independent contractor or otherwise with, any other corporation, partnership, proprietorship, firm, association or other business entity engaged in the business of, or otherwise engage in the business of, acquiring, owning, developing or managing self-storage facilities; provided, however, that the ownership of not more than one percent (1%) of any class of publicly traded securities of any entity is permitted ; or (B) directly or indirectly or by acting in concert with others, employ or attempt to employ or solicit for any employment competitive with the Company, any Company employees.

(ii) During and after the term of this Employment Agreement, the Executive shall not, directly or indirectly, disclose, divulge, discuss, copy or otherwise use or suffer to be used in any manner, in competition with, or contrary to the interests of, the Company, any confidential information relating to the Company's operations, properties or otherwise to its

particular business or other trade secrets of the Company, it being acknowledged by the Executive that all such information regarding the business of the Company compiled or obtained by, or furnished to, the Executive while the Executive shall have been employed by or associated with the Company is confidential information and the Company's exclusive property; provided, however, that the foregoing restrictions shall not apply to the extent that such information (A) is clearly obtainable in the public domain, (B) becomes obtainable in the public domain, except by reason of the breach by the Executive of the terms hereof, (C) was not acquired by the Executive in connection with his employment or affiliation with the Company, (D) was not acquired by the Executive from the Company or its representatives, or (E) is required to be disclosed by rule or law or by order of a court or governmental body or agency.

(b) The Executive agrees and understands that the remedy at law for any breach by him of this Paragraph 6 will be inadequate and that the damages flowing from such breach are not readily susceptible to being measured in monetary terms. Accordingly, it is acknowledged that, upon adequate proof of the Executive's violation of any legally enforceable provision of this Paragraph 6, the Company shall be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach.

(c) The Executive has carefully considered the nature and extent of the restrictions upon him and the rights and remedies conferred upon the Company under this Paragraph 6, and hereby acknowledges and agrees that the same are reasonable in time and territory, are designed to eliminate competition which otherwise would be unfair to the Company, do not stifle the inherent skill and experience of the Executive, would not operate as a bar to the Executive's sole means of support, are fully required to protect the legitimate interests of the Company and do not confer a benefit upon the Company disproportionate to the detriment to the Executive.

7. Miscellaneous.

(a) The Executive represents and warrants that he is not a party to any agreement, contract or understanding, whether of employment or otherwise,

which would restrict or prohibit him from undertaking or performing employment in accordance with the terms and conditions of this Employment Agreement.

(b) The provisions of this Employment Agreement are severable and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions and any partially unenforceable provision to the extent enforceable in any jurisdiction nevertheless shall be binding and enforceable.

(c) Any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company must, within ten (10) days after Executive's request, furnish its written assurance that it is bound to perform this Employment Agreement in the same manner and to the same extent that the Company would have been required to perform it if no such succession had taken place.

(d) Any controversy or claim arising out of or relating to this Employment Agreement, or the breach thereof, shall be settled by arbitration in accordance with the Rules of the American Arbitration Association then pertaining in the City of Buffalo, New York, and judgment upon the award rendered by the arbitrator or arbitrators may be entered in any court having jurisdiction thereof. The arbitrator or arbitrators shall be deemed to possess the powers to issue mandatory orders and restraining orders in connection with such arbitration; provided, however, that nothing in this Section 7(d) shall be construed so as to deny the Company the right and power to seek and obtain injunctive relief in a court of equity for any breach or threatened breach by the Executive of any of his covenants contained in Section 6 hereof.

(e) Any notice to be given under this Employment Agreement shall be personally delivered in writing or shall have been deemed duly given when received after it is posted in the United States mail, postage prepaid, registered or certified, return receipt requested, and if mailed to the Company, shall be addressed to the principal place of business of the Corporation and the Partnership, attention: President, and if mailed to the Executive, shall be addressed to him at his home address last known on the records of the Company, or at such other address or addresses as either the Company or the Executive may hereafter designate in writing to the other.

(f) The failure of either party to enforce any provision or provisions of this Employment Agreement shall not in any way be construed as a waiver of any such provision or provisions as to any future violations thereof, nor prevent that party thereafter from enforcing each and every other provision of this Employment Agreement. The rights granted the parties herein are cumulative and the

waiver of any single remedy shall not constitute a waiver of such party's right to assert all other legal remedies available to it under the circumstances.

(g) This Employment Agreement supersedes all prior employment agreements and understandings between the parties and may not be modified or terminated orally. No modification, termination or attempted waiver shall be valid unless in writing and signed by the party against whom the same is sought to be enforced.

(h) This Employment Agreement shall be governed by and construed according to the laws of the State of New York.

(i) Captions and paragraph headings used herein are for convenience and are not a part of this Employment Agreement and shall not be used in construing it.

8. Code Section 409A Matters.

(a) Definitions. The following terms shall have the following meanings when used in this Agreement:

(i) "Separation from Service" shall have the meaning provided at Treas. Reg. §1.409A-1(h).

(ii) "Section 409A Change in Control" shall mean a change in ownership or effective control of the Company or a change in ownership of a substantial portion of the assets of the Company within the meaning of Treas. Reg. §1.409A-3(i)(5).

(iii) "Non-Section 409A Change in Control" ." For the purposes of this Employment Agreement, a "Non-Section 409A Change in Control" shall be deemed to have occurred if any of the following have occurred:

(1) either (A) the Corporation shall receive a report on Schedule 13D, or an amendment to such a report, filed with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934 (the "1934 Act") disclosing that any person (as such term is used in Section 13(d) of the 1934 Act) ("Person"), is the beneficial owner, directly or indirectly, of twenty (20) percent or more of the outstanding stock of the Corporation or (B) the Company has actual knowledge of facts which would require any Person to file such a report on Schedule 13D, or to make an amendment to such a report, with the SEC (or would be required to file such a report or amendment upon the lapse of the applicable period of time specified in Section 13(d)

of the 1934 Act) disclosing that such Person is the beneficial owner, directly or indirectly, of twenty (20) percent or more of the outstanding stock of the Corporation;

(2) purchase by any Person, other than the Company or a wholly-owned subsidiary of the Company or an employee benefit plan sponsored or maintained by the Company or a wholly-owned subsidiary of the Company, of shares pursuant to a tender or exchange offer to acquire any stock of the Corporation (or securities, including units of limited partnership interests, convertible into stock) for cash, securities or any other consideration provided that, after consummation of the offer, such Person is the beneficial owner (as defined in Rule 13d 3 under the 1934 Act), directly or indirectly, of twenty (20) percent or more of the outstanding stock of the Corporation (calculated as provided in paragraph (d) of Rule 13d 3 under the 1934 Act in the case of rights to acquire stock);

(3) approval by the shareholders of the Corporation of (A) any consolidation or merger of, or other business combination involving, the Corporation in which the Corporation is not to be the continuing or surviving entity or pursuant to which shares of stock of the Corporation would be converted into cash, securities or other property, other than a consolidation or merger or business combination of the Corporation in which holders of its stock immediately prior to the consolidation or merger or business combination have substantially the same proportionate ownership of common stock of the surviving corporation immediately after the consolidation or merger or business combination as immediately before, or (B) any consolidation or merger or business combination in which the Corporation is the continuing or surviving corporation but in which the common shareholders of the Corporation immediately prior to the consolidation or merger or business combination do not hold at least a majority of the outstanding common stock of the continuing or surviving corporation (except where such holders of common stock hold at least a majority of the common stock of the corporation which owns all of the common stock of the Corporation), or (C) any sale, lease, exchange or other transfer by operation of law or otherwise (in one transaction or a series of related transactions) of all or substantially all the assets of the Corporation or the Partnership; or

(4) a change in the majority of the members of the Board within a 24-month period unless the election or nomination for election by the Corporation shareholders of each new director was approved by the vote of at least two-thirds of the directors then still in office who were in office at the beginning of the 24-month period.

(5) more than fifty percent (50%) of the assets of the Corporation or the Partnership are sold, transferred or otherwise disposed of, whether by operation of law or otherwise, other than in the usual and ordinary course of its business.

(b) Rule Governing Payment Dates. In any case where this Agreement requires the payment of an amount during a period of two or more days that overlaps two calendar years, the payee shall have no right to determine the calendar year in which payment actually occurs

(c) Compliance with Section 409A. This Agreement is intended not to trigger additional taxes and penalties under Section 409A of the Internal Revenue Code and the final Treasury Regulations promulgated thereunder, whether by reason of the form or the operation of the Agreement. The Agreement shall at all times be interpreted, construed, and administered so as to avoid insofar as possible the imposition of excise taxes and other penalties under Section 409A of the Code. If any provision of this Agreement would trigger additional taxes and penalties under Section 409A of the Code and the final Regulations promulgated thereunder, such provision shall to the extent legally permissible be applied in a manner that most nearly accomplishes its objective without triggering such additional taxes and penalties.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on the 31st Day of December, 2008.

SOVRAN SELF STORAGE, INC.

By: /s/ Robert J. Attea

Title: CEO

SOVRAN ACQUISITION LIMITED PARTNERSHIP

By SOVRAN HOLDINGS INC.

/s/ David L. Rogers
David L. Rogers

General Partner

By: /s/ Robert J. Attea

Title CEO

EXHIBIT A

1. Compensation.

During the term of the Employment Agreement the Company shall pay or provide, as the case may be, to the Executive the compensation and other benefits and rights set forth in this Paragraph 1 of this Exhibit A.

(a) The Company shall pay to the Executive a base salary payable in accordance with the Company's usual pay practices (and in the event no less frequently than monthly) of Two Hundred Thousand Dollars ($200,000) per annum, subject to such increase (but not decrease) as may be determined by the Board from time to time, based upon the performance of the Company (on a consolidated basis) and the Executive.

(b) The Executive shall be entitled to participate in the Company's incentive compensation plans for senior executives. The Company shall pay to the Executive incentive compensation, if any, which such Executive is entitled to receive pursuant to such plan for each calendar year not later than March 15 following the end of such calendar year (or at such time as may be provided in such plan), prorated on a per diem basis for partial calendar years of service.

(c) The Company shall provide to the Executive such life, medical, hospitalization and dental insurance for himself, his spouse and eligible family members as may be available to other senior executive officers of the Company (the "Insurance Plans"). The coverage under the Insurance Plans shall be at least as favorable as those under the insurances provided to the Executive by the Company (or it predecessor) on the date on which the Employment Agreement was first entered into, subject to the Executive's continued insurability under the Insurance Plans.

(d) The Executive shall participate in all retirement and other benefit plans of the Company generally available from time to time to employees of the Company and for which Executive qualifies under the terms thereof (and nothing in the Employment Agreement or this Exhibit A shall or shall be deemed to in any way effect the Executive's right and benefits thereunder except as expressly provided herein.

(e) The Executive shall be entitled to such periods of vacation and sick leave allowance each year as are determined by the Compensation Committee of the Board.

(f) The Executive shall be entitled to participate in any equity or other employee benefit plan that is generally available to senior executive officers of the Company. The Executive's participation in and benefits under any such plan shall be on the terms and subject to the conditions specified in the governing document of the particular plan.

(g) The Company shall reimburse the Executive or provide him with an expense allowance during the term of the Employment Agreement for travel, entertainment and other expenses reasonably and necessarily incurred by the Executive in connection with the Company's business. The Executive shall furnish such documentation with respect to reimbursement to be paid hereunder as the Company shall reasonably request.

(h) The Company shall provide the Executive with an automobile allowance as exists from time to time under the Company's policy.

2. Payment in the Event of Death or Permanent Disability.

(a) In the event of the Executive's death or "disability" (as defined in the Employment Agreement) during the term of the Employment Agreement, the Company shall pay to the Executive (or his successors and assigns in the event of his death) an amount equal to two (2) times the Executive's then effective per annum rate of salary, as determined under Section 1(a) of this Exhibit A, plus a pro rata portion of the incentive compensation for the calendar year in which such death or permanent disability occurs, less, in the case of permanent disability, any amounts paid by the Company or under the Company's disability insurance contracts.

(b) The pro rata portion of the incentive compensation described in Section 2(a) shall be paid when and as provided in Section 1(b). The remainder of the benefit to be paid pursuant to Section 2(a) shall be paid as follows:

(i) In the event of the Executive's death, the remainder of the benefit shall be paid in eight (8) quarterly installments. The first installment shall be paid on the first day of the calendar quarter beginning after the Executive's death and the remaining seven installments shall be paid on the first day of the next seven calendar quarters. The eight (8) equal quarterly installments shall be deemed a series of separate payments within the meaning of Treas. Reg. §1.409A-2(b)(2)(iii).

(ii) In the event of the Executive's disability, the remainder of the benefit shall be paid in twenty-four (24) monthly installments. The 24 monthly

payments described in the preceding sentence shall be deemed a series of separate payments within the meaning of Treas. Reg. §1.409A-2(b)(2)(iii). The first six monthly payments shall be paid to the Executive in a lump sum within 30 days following his Separation from Service. The remaining eighteen monthly payments shall be paid to the Executive in 18 separate payments on the first day of 18 successive calendar months with the first payment occurring on the first day of the seventh calendar month beginning after the date of the Executive's Separation from Service. The parties affirm that it is their intent that the first six monthly payments be excluded from the application of Code Section 409A by reason of the "short-term deferral" rule set forth at Regulation §1.409A-1(b)(4).

(c) Except as otherwise provided in Paragraphs 1(d) and 2(a), in the event of the Executive's death or disability the Executive's employment hereunder shall terminate and the Executive shall be entitled to no further compensation or other benefits under the Employment Agreement, except as to that portion of any unpaid salary and other benefits accrued and earned by him hereunder up to and including the date of such death or permanent disability, as the case may be.

Exhibit 10.13

AMENDMENT TO
AGREEMENT OF LIMITED PARTNERSHIP OF
SOVRAN ACQUISITION LIMITED PARTNERSHIP

THIS AMENDMENT OF THE LIMITED PARTNERSHIP AGREEMENT OF SOVRAN ACQUISITION LIMITED PARTNERSHIP (the "Partnership"), dated as of July 30, 1999, is authorized by SOVRAN HOLDINGS, INC. (the "General Partner"), a Delaware corporation, as the General Partner (the "Amendment").

WHEREAS, pursuant to Sections 4.2 and 14.1.B.(3) of the Agreement of Limited Partnership of the Partnership (the "Partnership Agreement"), the General Partner desires to amend the Partnership Agreement to authorize Series B Units as set forth below and to issue such Series B Units to Sovran Self Storage, Inc. ("Sovran") in connection with the issuance of 1,200,000 shares 9.85% Series B Cumulative Redeemable Preferred Stock (the "Preferred Stock") by Sovran.

The Partnership Agreement is hereby amended as follows effective July 30, 1999:

1. Article I of the Partnership Agreement is hereby amended to add the following additional defined term thereto:

"Series B Units" shall mean the Units of Partnership Interests issued pursuant to Section 4.2.C. hereof.

2. Article 4 of the Partnership Agreement is hereby amended to add a new Section 4.2.C. as follows:

The Partnership is authorized to issue Series B Units in connection with the issuance of the Preferred Stock by Sovran. The Partnership shall issue to Sovran Series B Units with the terms as set forth below corresponding to the number of shares of Preferred Stock issued by Sovran and Sovran shall make a Capital Contribution to the Partnership equal to the net amount of proceeds raised in connection with such issuance of the Preferred Stock. The terms of the Series B Units are as follows:

(1) Designation and Amount. A series of Series B Units is hereby established. The number of authorized units of Series B Units shall be 1,700,000.

(2) Ranking. In respect of rights to the payment of distributions of Available Cash and the distribution of assets in the event of any liquidation, dissolution or winding up of the Partnership, the Series B Units shall rank senior to the Partnership Units.

(3) Distribution of Available Cash

(a) The holders of the outstanding units of Series B Units shall be entitled to receive, when, as and if declared by the General Partner, out of funds legally available for the payment of distributions of Available Cash, cumulative cash distributions of Available Cash at the rate of 9.85% per annum of the $25.00 per unit liquidation preference of the Series B Units (equivalent to an annual rate of $2.4625 per unit). Such distributions of Available Cash shall accrue daily, shall accrue and be cumulative from (but excluding) July 30, 1999 (the "Original Issue Date") and shall be payable quarterly in arrears in cash on March 31, June 30, September 30 and December 31 (each, a "Distribution Payment Date") of each year, commencing September 30, 1999; provided that if any Distribution Payment Date is not a Business Day (as hereinafter defined), then the distributions which would otherwise have been payable on such Distribution Payment Date may be paid on the next succeeding Business Day with the same force and effect as if paid on such Distribution Payment Date and no interest or additional distribution of Available Cash or other sum shall accrue on the amount so payable for the period from and after such Distribution Payment Date to such next succeeding Business Day. The period from and including the Original Issue Date to but excluding the first Distribution Payment Date, and each subsequent period from and including a Distribution Payment Date to but excluding the next succeeding Distribution Payment Date, is hereinafter called a "Distribution Period". Distributions of Available Cash shall be payable to holders of record as they appear in the Partnership Agreement at the close of business on the applicable record date (each, a "Record Date"), which shall be the 15th day of the calendar month in which the applicable Distribution Payment Date falls or such other date designated by the General Partner for the payment of distributions of Available Cash that is not more than 30 nor less than ten days prior to such Distribution Payment Date. The amount of any distribution of Available Cash payable for any Distribution Period, or portion thereof, shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The

distributions of Available Cash payable on any Distribution Payment Date or any other date shall include distributions of Available Cash accrued to but excluding such Distribution Payment Date or other date, as the case may be.

"Business Day" shall mean any day, other than a Saturday or Sunday, that is not a day on which banking institutions in Buffalo, New York are authorized or required by law, regulation or executive order to close. All references herein to "accrued and unpaid" distributions of Available Cash on the Series B Units (and all references of like import) shall include, unless otherwise expressly stated or the context otherwise requires, accumulated distributions of Available Cash, if any, on the Series B Units.

(b) If any unit of Series B Units is outstanding, no full distributions of Available Cash will be declared or paid or set apart for payment on any Partnership Units unless full cumulative distributions of Available Cash have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on the Series B Units for all past Distribution Periods and the then current Distribution Period.

Except as provided in the immediately preceding paragraph, unless full cumulative distributions of Available Cash on the Series B Units have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on the Series B Units for all past Distribution Periods and the then current Distribution Period, no distributions of Available Cash shall be declared or paid or set apart for payment nor shall any other distribution be declared or made upon the Partnership Units nor shall any Partnership Units be redeemed, purchased or otherwise acquired for any consideration by the Partnership except for a redemption pursuant to Section 8.6 if the Partnership pays the REIT Shares Amount for such redemption.

(c) No distributions of Available Cash on the Series B Units shall be declared by the General Partner or paid or set apart for payment by the Partnership at such time as any agreement of the Partnership, including any agreement relating to its indebtedness, prohibits such declaration, payment or setting apart for payment or provides that such declaration, payment or setting apart for payment would constitute a breach thereof or a default

thereunder, or if such declaration, payment or setting apart for payment shall be restricted or prohibited by applicable law.

Anything in this Section 4.2.C to the contrary notwithstanding, distributions of Available Cash on the Series B Units will accrue and be cumulative from (but excluding) the Original Issue Date whether or not the Partnership has earnings, whether or not there are funds legally available for the payment of such distributions of Available Cash and whether or not such distributions of Available Cash is authorized.

(d) No interest, or sum of money in lieu of interest, shall be payable in respect of any distributions of Available Cash payment or payments on the Series B Units which may be in arrears, and holders of the Series B Units will not be entitled to any distributions of Available Cash, whether payable in cash, securities or other property, in excess of the full cumulative distributions of Available Cash described herein.

(e) Any distributions of Available Cash payment made on the Series B Units shall first be credited against the earliest accrued but unpaid distributions of Available Cash due with respect to such units.

(f) No distribution of Available Cash may be paid on the Series B Units if after giving effect to such distribution of Available Cash the Partnership's total assets would be less than the sum of the Partnership's total liabilities.

(4) Liquidation Preference.

(a) Upon any voluntary or involuntary liquidation, dissolution or winding up of the Partnership, then, before any distribution or payment shall be made to the holders of any Partnership Units, the holders of the Series B Units then outstanding shall be entitled to receive and to be paid out of the assets of the Partnership legally available for distribution to its Partners liquidating distributions in cash or property at its fair market value as determined by the General Partner in the amount of $25.00 per unit, plus an amount equal to all accrued and unpaid distributions of Available Cash thereon through and including the date of payment.

(b) After payment to the holders of the Series B Units of the full amount of the liquidating distributions (including accrued and unpaid distributions of Available Cash) to which they are entitled, the holders of Series B Units, as such, shall have no right or claim to any of the remaining assets of the Partnership.

(c) If liquidating distributions shall have been made in full to all holders of Series B Units, the remaining assets of the Partnership shall be distributed among the holders of Partnership Units according to their respective rights and preferences.

(d) For purposes of this Section 4.2.C.(4), neither the consolidation or merger of the Partnership with or into any other Partnership, trust or other entity, the sale, lease or conveyance of all or substantially all of the property or business of the Partnership, nor the engagement in a statutory unit exchange by the Partnership, shall be deemed to constitute a liquidation, dissolution or winding up of the Partnership.

(e) Written notice of any such liquidation, dissolution or winding up of the Partnership stating the payment date or dates when, and the place or places where, the amounts distributable in such circumstances shall be payable, shall be given by first class mail, postage pre-paid, not less than 30 nor more than 60 days prior to the payment date stated therein, to each record holder of Series B Units at the respective address of such holder as the same shall appear on the unit transfer records of the Partnership.

(5) Redemption.

(a) The Series B Units are not redeemable prior to July 30, 2004, except as otherwise provided in paragraph (c) of this Section 4.2.C.(5).

(b) On and after July 30, 2004, the Partnership may, at its option, upon not less than 30 nor more than 60 days' prior written notice to the holders of record of the Series B Units to be redeemed, redeem the Series B Units, in whole or from time to time in part, for a cash redemption price equal to $25.00 per unit together with (except as provided in Section 4.2.C.(6)(f) below) all accrued and unpaid distributions of Available Cash to the date fixed for redemption (the "Redemption Price").

(c) The Series B Units may also be purchased by the Partnership, in whole or from time to time in part, on the terms and subject to the conditions set forth herein, provided, however, that if the General Partner shall call for purchase of any units of Series B Units pursuant to this Section 4.2.C.(5)(c), the purchase price for such units shall be an amount in cash equal to $25.00 per unit together with (except as provided in Section 4.2.C.(6)(f) below) all accrued and unpaid distributions of Available Cash to the date fixed for redemption.

(d) Any redemption of units of Series B Units pursuant to Section 4.2.C.(5)(b), shall be made in accordance with the applicable provisions set forth in Section 4.2.C.(6) below. Any date fixed for the redemption of units of Series B Units pursuant to Section 4.2.C.(5)(b) is hereinafter called a "Redemption Date".

(6) Procedures for Redemption, Limitations on Redemption.

(a) If fewer than all of the outstanding units of Series B Units are to be redeemed at the option of the General Partner pursuant to Section 4.2.C.(5)(b) above, the number of units to be redeemed will be determined by the General Partner and the units to be so redeemed shall be selected pro rata from the holders of record of such units in proportion to the number of such units held by such holders (as nearly as may be practicable without creating fractional units) or by lot or by any other equitable manner determined by the General Partner.

(b) Notice of any redemption pursuant to Section 4.2.C.(5)(b) will be mailed by or on behalf of the Partnership, first class postage prepaid, not less than 30 nor more than 60 days prior to the applicable Redemption Date, addressed to each holder of record of units of Series B Units to be redeemed at the address set forth in the unit transfer records of the Partnership. Any notice which has been mailed in the manner provided for in the preceding sentence shall be conclusively presumed to have been duly given on the date mailed whether or not the applicable holder receives such notice. In addition to any information required by law, such notice shall state: (1) the Redemption Date; (2) the Redemption Price; (3) the aggregate number of units of Series B Units to be redeemed; (4) the place or places where certificates for such units are to be surrendered for payment of the Redemption Price; and (5) that distributions of Available Cash on

the units of Series B Units to be redeemed will cease to accrue on such Redemption Date. If fewer than all of the outstanding units of Series B Units are to be redeemed, the notice mailed to each holder of units to be redeemed shall also specify the number of units of Series B Units to be redeemed from such holder. No failure to mail or defect in such mailed notice or in the mailing thereof shall affect the validity of the proceedings for the redemption of any units of Series B Units except as to the holder to whom notice was defective or not given.

(c) If notice has been mailed in accordance with Section 4.2.C.(6)(b) above and provided that on or before the Redemption Date specified in such notice all funds necessary for such redemption have been irrevocably set aside by the Partnership, separate and apart from its other funds, in trust for the benefit of the holders of the Series B Units so called for redemption, so as to be, and to continue to be, available therefor, then, from and after the Redemption Date, distributions of Available Cash on the units of Series B Units so called for redemption shall cease to accrue, such units shall no longer be deemed to be outstanding, and all rights of the holders thereof as holders of such units (except the right to receive the Redemption Price together with, if applicable, accrued and unpaid distributions of Available Cash thereon to the Redemption Date) shall terminate. In the event any Redemption Date shall not be a Business Day, then payment of the Redemption Price need not be made on such Redemption Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Redemption Date and no interest, additional distributions of Available Cash and other sum shall accrue on the amount payable for the period from and after such Redemption Date to such next succeeding Business Day.

(d) Upon surrender, in accordance with such notice, of the certificates for any units of Series B Units to be so redeemed (properly endorsed or assigned for transfer, if the Partnership shall so require and the notice shall so state), such units of Series B Units shall be redeemed by the Partnership at the Redemption Price. In case fewer than all the units of Series B Units represented by any such certificate are redeemed, a new certificate or certificates shall be issued representing the unredeemed units of Series B Units without cost to the holder thereof.

(e) Any deposit of monies with a bank or trust company for the purpose of redeeming Series B Units shall be irrevocable and such monies shall be held in trust for the benefit of the holders of Series B Units entitled thereto, except that (1) the Partnership shall be entitled to receive from such bank or trust company the interest or other earnings, if any, earned on the monies so deposited in trust; and (2) any balance of the monies so deposited by the Partnership and unclaimed by the holders of the Series B Units entitled thereto at the expiration of two years from the applicable Redemption Date shall be repaid, together with any interest or other earnings earned thereon, to the Partnership and, after any such repayment, the holders of the units entitled to the funds so repaid to the Partnership shall look only to the Partnership for payment without interest or other earnings thereon.

(f) Anything in this Section 4.2.C to the contrary notwithstanding, the holders of record of units of Series B Units at the close of business on a Record Date will be entitled to receive the distributions of Available Cash payable with respect to such units on the corresponding Distribution Payment Date notwithstanding the redemption of such units after such Record Date and on or prior to such Distribution Payment Date or the Partnership's default in the payment of the distributions of Available Cash due on such Distribution Payment Date, in which case the amount payable upon redemption of such units of Series B Units will not include such distributions of Available Cash (and the full amount of the distributions of Available Cash payable for the applicable Distribution Period shall instead be paid on such Distribution Payment Date to the holders of record on such Record Date as aforesaid). Except as provided in this Section 4.2.C.(6)(b) and except to the extent that accrued and unpaid distribution of Available Cash are payable as part of the Redemption Price pursuant to Section 4.2.C.(6), the Partnership will make no payment or allowance for unpaid distributions of Available Cash, regardless of whether or not in arrears, on units of Series B Units called for redemption.

(g) Unless full cumulative distributions of Available Cash on all outstanding units of Series B Units shall have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past Distribution Periods and the then current Distribution Period, no units of Series B Units shall be redeemed unless all outstanding Series B Units are simultaneously redeemed; provided, however,

that the foregoing shall not prevent the Partnership's purchase of Series B Units pursuant to a purchase or exchange offer made on the same terms to the holders of all outstanding Series B Units. In addition, unless full cumulative distributions of Available Cash on all outstanding units of Series B Units have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past Distribution Periods and the then current Distribution Period, the Partnership shall not purchase or otherwise acquire, directly or indirectly, any Series B Units; provided, however, that the foregoing shall not prevent the Partnership's purchase of Series B Units pursuant to a purchase or exchange offer made on the terms to holders of all outstanding Series B Units.

(7) Voting Rights. Except as required by law, the holders of the Series B Units shall not have any voting rights.

(8) Conversion. The Series B Units are not convertible into or exchangeable for any other property or securities of the Partnership.

(9) Preemptive Rights. Series B Units shall have no preemptive rights.

(10) Status of Redeemed and Reacquired Series B Units. In the event any units of Series B Units shall be redeemed pursuant to Section 4.2.C.(5) and (6) hereof or otherwise reacquired by the Partnership, the units so redeemed or reacquired shall become authorized but unissued units of Series B Units, available for future issuance and reclassification by the Partnership.

11. Severability. If any preference, right, voting power, restriction, limitation as to distributions of Available Cash, qualification, term or condition of redemption or other term of the Series B Units is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, then, to the extent permitted by law, all other preferences, rights, voting powers, restrictions, limitations as to distributions of Available Cash, qualifications, terms or conditions of redemption and other terms of the Series B Units which can be given effect without the invalid, unlawful or unenforceable preference, right, voting power, restriction, limitation as to distributions of Available Cash, qualification, term or condition of redemption or other term of the

Series B Units shall remain in full force and effect and shall not be deemed dependent upon any other such preference, right, voting power, restriction, limitation as to distributions of Available Cash qualification, term or condition of redemption or other term of the Series B Units unless so expressed herein.

3. Exhibit A of the Partnership Agreement is amended to read as set forth on the attachment hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the 30th day of July, 1999.

General Partner:

SOVRAN HOLDINGS, INC.

By /s/ David L. Rogers
David L. Rogers, Chief Financial Officer

EXHIBIT A

Partners' Names and Addresses		Number of Units	Percentage Interest in the Partnership
Series B Units			
	Sovran Self Storage, Inc. 5166 Main Street Williamsville, NY 14221	1,200,000	
Partnership Units			
1.	General Partner: Sovran Holdings, Inc. 5166 Main Street Williamsville, NY 14221	219,566.71	1.6437%
2.	Limited Partner(s): Sovran Self Storage, Inc. 5166 Main Street Williamsville, NY 14221	12,285,761.29	91.9706
3.	Thomas S. Hinkel 942 Creek Drive Annapolis, MD 21403	6327.8	0.0474
4.	Hinkel Investment Limited 942 Creek Drive Annapolis, MD 21403	12,459.37	0.0933
5.	Harold Samloff 400 University Avenue Rochester, NY 14607	60,571.425	0.4534
6.	Laurence C. Glazer 400 University Avenue Rochester, NY 14607	60,571.425	0.4534
7.	Montague-Betts Company P.O. Box 11929 Lynchburg, VA 24506	214,974.5	1.6093
8.	D.W.B. Associates P.O. Box 11929 Lynchburg, VA 24506	28,953.02	0.2167

Partners' Names and Addresses		Number of Units	Percentage Interest in the Partnership
9.	D. Joseph Snyder & Beverly B. Snyder as tenants in common 5700 Sloop Court New Bern, NC 28560	19,917.01	0.1491
10.	Frank M. Bingman 565 Brentwater Road Camp Hill, PA 17011	19,917.01	0.1491
11.	Morgan S. Whiteley 11714 Amkin Drive Clifton, VA 22024	9,958.50	0.0745
12.	Marlene Whiteley 11714 Amkin Drive Clifton, VA 22024	9,958.50	0.0745
13.	Charles F. Waldner, Jr. and Marjorie W. Waldner 1600 South Dixie Highway #1C Boca Raton, FL 33482	323,454.67	2.4214
14.	R. Scott Morrison, Jr. Trust 243 N.E. Fifth Avenue Delray Beach, FL 33483	40,859.03	0.3059
15.	Charles E. Waldner, Jr. P.O. Box 1240 Boca Raton, FL 33429-1240	36,948.33	0.2765
16.	Marjorie Waldner 1869 Sabel Palm Drive Boca Raton, FL 33423	4,255.70	0.319
17.	Bradley & Janice Middlebrook 1801 Royal Palm Way Boca Raton, FL 33432-7443	3,910.70	0.0293

AMENDMENT TO AGREEMENT OF
LIMITED PARTNERSHIP OF
SOVRAN ACQUISITION LIMITED PARTNERSHIP

This AMENDMENT OF THE AGREEMENT OF LIMITED PARTNERSHIP OF SOVRAN ACQUISITION LIMITED PARTNERSHIP, dated as of July 3, 2002 (this "Amendment"), is being executed by Sovran Holdings, Inc., a Delaware corporation (the "General Partner"), as the general partner of Sovran Acquisition Limited Partnership, a Delaware limited partnership (the "Partnership"), pursuant to the authority conferred on the General Partner by Section 4.2 and 14.1.B.3 of the Agreement of Limited Partnership of Sovran Acquisition Limited Partnership, dated as of June 1, 1995, as amended (the "Agreement"). Capitalized terms used, but not otherwise defined herein, shall have the respective meanings ascribed thereto in the Agreement.

WHEREAS, on July 3, 2002, Sovran Self Storage, Inc., a Maryland corporation ("Sovran") filed Articles Supplementary amending its Charter to designate and classify 2,800,000 shares of authorized but unissued shares of its preferred stock, par value $.01 per share, as shares of its Series C Convertible Cumulative Preferred Stock, par value $.01 per share (the "Series C Preferred Stock");

WHEREAS, in accordance with Section 4.2 of the Agreement, upon the issuance of any such shares of Series C Preferred Stock, Sovran will contribute the net cash proceeds from such issuance to the Partnership in exchange for a number of Partnership Preferred Units equal to the number of shares of Series C Preferred Stock so issued, which Partnership Preferred Units shall have designations, preferences and other rights, terms and provisions that are substantially the same as the designations, preferences and other rights, terms and provisions of the Series C Preferred Stock, except as otherwise set forth herein; and

WHEREAS, pursuant to Section 4.2.A of the Agreement, the General Partner is authorized to determine the relative rights and powers of such Partnership Preferred Units in its sole discretion.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

II. The Agreement is hereby amended by the addition of a new exhibit, entitled "Exhibit F", in the form attached hereto, which shall be attached to and made a part of the Agreement.

III. Except as specifically amended hereby, the terms, covenants, provisions and conditions of the Agreement shall remain unmodified and continue in full force and effect and, except as amended hereby, all of the terms, covenants, provisions and conditions of the Agreement are hereby ratified and confirmed in all respects.

IN WITNESS WHEREOF, this Amendment has been executed as of the date first written above.

SOVRAN HOLDINGS, INC.
GENERAL PARTNER

By: /s/ Kenneth F. Myszka
Name: Kenneth F. Myszka
Title: President and Chief Operating Officer

EXHIBIT F

PARTNERSHIP UNIT DESIGNATION OF THE SERIES C PARTNERSHIP PREFERRED UNITS OF SOVRAN ACQUISITION LIMITED PARTNERSHIP

1). ***Number of Units and Designation.***

A class of Partnership Preferred Units is hereby designated as "Series C Partnership Preferred Units," and the number of Partnership Preferred Units constituting such series shall be 2,800,000.

2). ***Definitions.***

For purposes of the Series C Partnership Preferred Units, the following terms shall have the meanings indicated in this Section 2, and capitalized terms used and not otherwise defined herein shall have the meanings assigned thereto in the Agreement:

"Agreement" shall mean the Agreement of Limited Partnership of the Partnership, dated as of June 1, 1995, as amended.

"Call Date" shall have the meaning set forth in paragraph (a) of Section 5 of this Exhibit F.

"Change of Control" shall mean each occurrence of any of the following:

(i) the acquisition, directly or indirectly, by any individual or entity or group (as such term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended ("Exchange Act") of beneficial ownership (as defined in Rule 13d-3 under the Exchange Act, except that such individual or entity shall be deemed to have beneficial ownership of all shares that any such individual or entity has the right to acquire, whether such right is exercisable immediately or only after passage of time) of more than 25% of the voting power, under ordinary circumstances, to elect directors of Sovran or more than 25% of the equity interests in the Partnership;

(ii) (A) Sovran consolidates with or merges into another entity or Sovran or the Partnership conveys, transfers, or leases outside the ordinary course of business all or substantially all of its assets in one or a series of transactions during an 18-month period (including, but not limited to, real property investments) to any individual or entity, or (B) any entity consolidates with or merges into Sovran which, in the case of a merger or consolidation under (A) or (B) is pursuant to a transaction in which (x) the outstanding Common Stock is reclassified or changed into or exchanged for cash, securities or other property or (y) the merger or consolidation of Sovran with or into another entity in a transaction in which Sovran is not the surviving entity or in which more than 50% of the voting securities of Sovran is transferred; *provided, however,* that the events described in this clause (ii) shall not be deemed to be a Change of Control if the sole purpose and effect of such event is that Sovran is seeking to

change its domicile or to change its form of organization from a corporation to a statutory business trust; or

(iii) other than with respect to the election, resignation or replacement of any director of Sovran designated, appointed or elected by the holders of any outstanding series of preferred stock of Sovran (each a "Preferred Director"), during any period of two (2) consecutive years, individuals who at the beginning of such period constituted the Board of Directors (together with any new director whose election by such Board of Directors or whose nomination for election by the stockholders of Sovran was approved by a vote of a majority of the directors of Sovran (excluding Preferred Directors) then still in office who were either directors of Sovran at the beginning of such period, or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office.

"Common Stock" shall mean the Common Stock, $0.01 par value per share, of Sovran or such shares of Sovran's capital stock into which outstanding shares of Common Stock shall be reclassified.

"Distribution Payment Date" shall mean any date on which cash dividends are paid on all outstanding shares of the Series C Preferred Stock.

"Junior Partnership Units" shall have the meaning set forth in paragraph (c) of Section 9 of this Exhibit F.

"Parity Partnership Units" shall have the meaning set forth in paragraph (b) of Section 9 of this Exhibit F.

"Partnership" shall mean Sovran Acquisition Limited Partnership, a Delaware limited partnership.

"Partnership Common Units" shall mean a fractional, undivided share of the Partnership Interests of all Partners issued pursuant to Section 4.1 of the Agreement.

"Repurchase Date " shall have the meaning set forth in paragraph (a) of Section 6 of this Exhibit F.

"Senior Partnership Units" shall have the meaning set forth in paragraph (a) of Section 9 of this Exhibit F.

"Series C Articles Supplementary" means the Articles Supplementary to the Amended and restated Articles of Incorporation of Sovran, dated July 2, 2002 designating the Series C Preferred Stock.

"Series C Partnership Preferred Unit" means a Partnership Preferred Unit with the designations, preferences and relative, participating, optional or other special rights, powers and duties as are set forth in this Exhibit F. It is the intention of the General Partner that each Series C Partnership Preferred Unit shall be substantially the economic equivalent of one share of Series C Preferred Stock.

"Series C Preferred Stock" means the Series C Convertible Cumulative Preferred Stock, par value $0.01 per share, of Sovran, with the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption set forth in the Series C Articles Supplementary.

3). ***Distributions.***

On every Distribution Payment Date, the holders of Series C Partnership Preferred Units shall be entitled to receive distributions payable in cash in an amount per Series C Partnership Preferred Unit equal to the per share dividend payable on the Series C Preferred Stock on such Distribution Payment Date. Each such distribution shall be payable to the holders of record of the Series C Partnership Preferred Units, as they appear on the records of the Partnership at the close of business on the record date for the dividend payable with respect to the Series C Preferred Stock on such Distribution Payment Date. Holders of Series C Partnership Preferred Units shall not be entitled to any distributions on the Series C Partnership Preferred Units, whether payable in cash, property or stock, except as provided herein.

4). ***Liquidation Preference.***

(a) In the event of any liquidation, dissolution or winding up of the Partnership, whether voluntary or involuntary, before any payment or distribution of the Partnership (whether capital, surplus or otherwise) shall be made to or set apart for the holder of Junior Partnership Units, the holders of Series C Partnership Preferred Units shall be entitled to receive the greater of: (x) Twenty-Five Dollars($25.00) per Series C Partnership Unit, plus an amount per Series C Partnership Preferred Unit equal to all dividends (whether or not declared) accumulated, accrued and unpaid on one share of Series C Preferred Stock to the date of final distribution to such holders; or (y) the amount per Series C Partnership Preferred Unit a holder would receive if such holder converted his or her Series C Partnership Preferred Units into Partnership Common Units immediately prior to such liquidation, dissolution or winding-up (the "Liquidation Preference"); but such holders shall not be entitled to any further payment. Until the holders of the Series C Partnership Preferred Units have been paid the Liquidation Preference in full, no payment shall be made to any holder of Junior Partnership Units upon the liquidation, dissolution or winding up of the Partnership. If, upon any liquidation, dissolution or winding up of the Partnership, the assets of the Partnership, or proceeds thereof, distributable among the holders of Series C Partnership Preferred Units shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any Parity Partnership Units, then such assets, or the proceeds thereof, shall be distributed among the holders of Series C Partnership Preferred Units and any such Parity Partnership Units ratably in the same proportion as the respective amounts that would be payable on such Series C Partnership Preferred Units and any such other Parity Partnership Units if all amounts payable thereon were paid in full. For the purposes of this Section 4, the occurrence of an event described in paragraph (ii) of the definition of Change of Control shall be deemed a liquidation, dissolution or winding up, voluntary or involuntary, of the Partnership, unless waived in writing by a majority in interest of the holders of the Series C Partnership Preferred Units.

(b) Upon any liquidation, dissolution or winding up of the Partnership, after payment shall have been made in full to the holders of Series C Partnership Preferred Units and any Parity Partnership Units, as provided in this Section 4, any other series or class or classes of Junior Partnership

Units shall, subject to the respective terms thereof, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series C Partnership Preferred Units and any Parity Partnership Units shall not be entitled to share therein.

5). ***Redemption.***

Series C Partnership Preferred Units shall be redeemable by the Partnership as follows:

(a) At any time that Sovran exercised its rights to redeem all or any of the shares of Series C Preferred Stock, the General Partner shall cause the Partnership to redeem an equal number of Series C Partnership Preferred Units, at a redemption price per Series C Partnership Preferred Unit equal to the same price paid by Sovran to redeem the Series C Preferred Stock, and such price shall be paid in the same manner as paid by Sovran for the Series C Preferred Stock redeemed on the same date as the date of redemption of the Series C Preferred Stock (the "Call Date"), in the manner set forth herein; provided, however, that in the event of a redemption of Series C Partnership Preferred Units, if the Call Date occurs after a dividend record date for the Series C Preferred Stock and on or prior to the related Distribution Payment Date, the distribution payable on such Distribution Payment Date in respect of such Series C Partnership Preferred Units called for redemption shall be payable on such Distribution Payment Date to the holders of record of such Series C Partnership Preferred Units on the applicable dividend record date, and shall not be payable as part of the redemption price for such Series C Partnership Preferred Units.

(b) If the Partnership shall redeem Series C Partnership Preferred Units pursuant to paragraph (a) of this Section 5, from and after the Call Date (unless the Partnership shall fail to make available the amount of cash or other forms of consideration necessary to effect such redemption), (i) except for payment of the redemption price, the Partnership shall not make any further distributions on the Series C Partnership Preferred Units so called for redemption, (ii) said units shall no longer be deemed to be outstanding, and (iii) all rights of the holders thereof as holders of Series C Partnership Preferred Units of the Partnership shall cease except the rights to receive the cash payable upon such redemption, without interest thereon; provided, however, that if a Call Date occurs after a dividend record date for the Series C Preferred Stock and on or prior to the related Distribution Payment Date, the full distribution payable on such Distribution Payment Date in respect of such Series C Partnership Preferred Units called for redemption shall be payable on such Distribution Payment Date to the holders of record of such Series C Partnership Preferred Units on the applicable dividend record date notwithstanding the prior redemption of such Series C Partnership Preferred Units. No interest shall accrue for the benefit of the holders of Series C Partnership Preferred Units to be redeemed on any cash set aside by the Partnership.

6). ***Repurchase***

Series C Partnership Preferred Units shall be repurchased by the Partnership if Sovran is required to repurchase any of the shares of Series C Preferred Stock pursuant to the terms of the Series C Articles Supplementary.

(a) At the time that Sovran repurchases any of the shares of Series C Preferred Stock, the General Partner shall cause the Partnership to repurchase an equal number of Series C Partnership Preferred Units, at a price per Series C Partnership Preferred Unit equal to the repurchase price specified in the Series

C Articles Supplementary for the shares of Series C Preferred Stock, and such price shall be paid in the same manner as paid by Sovran for the Series C Preferred Stock repurchased on the same date as the date of repurchase of the Series C Preferred Stock (the "Repurchase Date"), in the manner set forth herein; provided, however, that in the event of a repurchase of Series C Partnership Preferred Units, if the Repurchase Date occurs after a dividend record date for the Series C Preferred Stock and on or prior to the related Distribution Payment Date, the distribution payable on such Distribution Payment Date in respect of such Series C Partnership Preferred Units to be repurchased shall be payable on such Distribution Payment Date to the holders of record of such Series C Partnership Preferred Units on the applicable dividend record date, and shall not be payable as part of the Repurchase Price for such Series C Partnership Preferred Units.

(b) If the Partnership shall repurchase Series C Partnership Preferred Units pursuant to paragraph (a) of this Section 6, from and after the Repurchase Date (unless the Partnership shall fail to make available the amount of cash or other forms of consideration necessary to effect such redemption), (i) except for payment of the repurchase price, the Partnership shall not make any further distributions on the Series C Partnership Preferred Units repurchased, (ii) said units shall no longer be deemed to be outstanding, and (iii) all rights of the holders thereof as holders of Series C Partnership Preferred Units of the Partnership shall cease except the rights to receive the cash payable upon such repurchase, without interest thereon; provided, however, that if a Repurchase Date occurs after a dividend record date for the Series C Preferred Stock and on or prior to the related Distribution Payment Date, the full distribution payable on such Distribution Payment Date in respect of such Series C Partnership Preferred Units to be repurchased shall be payable on such Distribution Payment Date to the holders of record of such Series C Partnership Preferred Units on the applicable dividend record date notwithstanding the prior repurchase of such Series C Partnership Preferred Units. No interest shall accrue for the benefit of the holders of Series C Partnership Preferred Units to be repurchased on any cash set aside by the Partnership.

7). ***Status of Reacquired Units.***

All Series C Partnership Preferred Units which shall have been issued and reacquired in any manner by the Partnership shall be deemed cancelled.

8). ***Conversion.***

Series C Partnership Preferred Units shall be convertible as follows:

(a) Upon any conversion of shares of Series C Preferred Stock into shares of Common Stock, the General Partner shall cause a number of Series C Partnership Preferred Units equal to the number of such converted shares of Series C Preferred Stock to be converted by the holders thereof into Partnership Units. The conversion ratio in effect from time to time for the conversion of Series C Partnership Preferred Units into Partnership Units pursuant to this Section 8 shall at all times be equal to, and shall be automatically adjusted as necessary to reflect, the conversion ratio in effect from time to time for the conversion of Series C Preferred Stock into Common Stock.

(b) In the event of a conversion of any Series C Partnership Preferred Units, the Partnership shall make a cash payment to the holder thereof equal to the cash payment required to be made by Sovran to the holder of the shares of Series C Preferred Stock the conversion of which required the

conversion of such Series C Partnership Preferred Units. Holders of Series C Partnership Preferred Units at the close of business on a distribution payment record date shall be entitled to receive the distribution payable on such units on the corresponding Distribution Payment Date notwithstanding the conversion thereof following such distribution payment record date and prior to such Distribution Payment Date. Except as provided above, the Partnership shall make no payment or allowance for unpaid distributions on converted units or for distributions on the Partnership Units issued upon such conversion. Each conversion of Series C Partnership Preferred Units into Partnership Units shall be deemed to have been effected at the same time and date that the corresponding conversion of Series C Preferred Stock into Common Stock is deemed to have been effected.

(c) No fractional Partnership Units shall be issued upon conversion of Series C Partnership Preferred Units. Instead of any fractional Partnership Units that would otherwise be deliverable upon the conversion of Series C Partnership Preferred Units, the Partnership shall pay to the holder of such converted units an amount in cash equal to the cash payable to a holder of an equivalent number of converted shares of Series C Preferred Stock in lieu of fractional shares of Common Stock.

(d) The Partnership will pay any and all documentary stamp or similar issue or transfer taxes payable in respect of (i) the issue or delivery of Partnership Units or other securities or property on conversion or redemption of Series C Partnership Preferred Units pursuant hereto, and (ii) the issue or delivery of Common Stock or other securities or property on conversion or redemption of Series C Preferred Stock pursuant to the terms hereof.

9). ***Ranking.***

Any class or series of Partnership Units of the Partnership shall be deemed to rank:

(a) prior or senior to the Series C Partnership Preferred Units, as to the payment of distributions and as to distributions of assets upon liquidation, dissolution or winding up, if the holders of such class or series shall be entitled to the receipt of distributions and of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of Series C Partnership Preferred Units ("Senior Partnership Units");

(b) on a parity with the Series C Partnership Preferred Units, as to the payment of distributions and as to distribution of assets upon liquidation, dissolution or winding up, whether or not the distribution rates, distribution payment dates or redemption or liquidation prices per unit or other denomination thereof be different from those of the Series C Partnership Preferred Units if the holders of such class or series of Partnership Units and the Series C Partnership Preferred Units shall be entitled to the receipt of distributions and of amounts distributable upon liquidation, dissolution or winding up in proportion to their respective amounts of accrued and unpaid distributions per unit or other denomination or liquidation preferences, without preference or priority one over the other (the Partnership Units referred to in this paragraph being hereinafter referred to as "Parity Partnership Units"), and

(c) junior to the Series C Partnership Preferred Units, as to the payment of distributions and as to the distribution of assets upon liquidation, dissolution or winding up, if the holders of Series C Partnership Preferred Units shall be entitled to receipt of distributions or of amounts distributable upon

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liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of such class or series of Partnership Units (the Partnership Units referred to in this paragraph being hereinafter referred to, collectively, as "Junior Partnership Units").

The Series B Partnership Preferred Units are Parity Partnership Units and the Series A Partnership Preferred Units are Junior Partnership Units.

10). ***Special Allocations.***

(a) Gross income and, if necessary, gain shall be allocated to the holders of Series C Partnership Preferred Units for any Fiscal Year (and, if necessary, subsequent Fiscal Years) to the extent that the holders of Series C Partnership Preferred Units receive a distribution on any Series C Partnership Preferred Units (other than an amount included in any redemption pursuant to Section 5 hereof) with respect to such Fiscal Year.

(b) If any Series C Partnership Preferred Units are redeemed pursuant to Section 5 hereof, for the Fiscal Year that includes such redemption (and, if necessary, for subsequent Fiscal Years) (a) gross income and gain (in such relative proportions as the General Partner in its discretion shall determine) shall be allocated to the holders of Series C Partnership Preferred Units to the extent that the redemption amounts paid or payable with respect to the Series C Partnership Preferred Units so redeemed exceeds the aggregate Capital Contributions (net of liabilities assumed or taken subject to by the Partnership) per Series C Partnership Preferred Unit allocable to the Series C Partnership Preferred Units so redeemed and (b) deductions and losses (in such relative proportions as the General Partner in its discretion shall determine) shall be allocated to the holders of Series C Partnership Preferred Units to the extent that the aggregate Capital Contributions (net of liabilities assumed or taken subject to by the Partnership) per Series C Partnership Preferred Unit allocable to the Series C Partnership Preferred Units so redeemed exceeds the redemption amount paid or payable with respect to the Series C Partnership Preferred Units so redeemed.

11). ***Restrictions on Ownership.***

The Series C Partnership Preferred Units shall be owned and held solely by Sovran or the General Partner.

12). ***Vote Required for Amendment, Merger, Consolidation, etc.***

So long as any Series C Partnership Preferred Units are outstanding, in addition to any other vote or consent required by law or by the Agreement, the affirmative vote of at least 66-2/3% of the holders of the Series C Partnership Preferred Units, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(a) Any amendment, alteration or repeal of any of the provisions of the Agreement, or this Exhibit F thereto, that materially and adversely affects the powers, rights or preferences of the holders of the shares of Series C Partnership Preferred Units; provided, however, that the amendment of the provisions of the Agreement so as to authorize or create or to increase the authorized amount of, any Junior Partnership Units, or other Units that are not senior in any respect

to the Series C Partnership Preferred Units or any Parity Partnership Units shall not be deemed to materially adversely affect the powers, rights or preferences of the holders of Series C Partnership Preferred Units; or

(b) An exchange that affects the Series C Partnership Preferred Units, a consolidation with or merger of the Partnership into another entity, or a consolidation with or merger of another entity into the Partnership, unless in each such case each Series C Partnership Preferred Unit (i) shall remain outstanding without a material and adverse change to its terms and rights or (ii) shall be converted into or exchanged for convertible preferred securities of the surviving entity having preferences, conversion or other rights, powers, restrictions, limitations as to distributions, qualifications and terms or conditions of redemption thereof identical to that of a Series C Partnership Preferred Unit (except for changes that, do not materially and adversely affect the holders of the Series C Partnership Preferred Units); or

(c) The authorization, reclassification or creation of, or the increase in the authorized amount of, any Units of any series, or any security convertible into Units of any series, ranking prior to the Series C Partnership Preferred Units in the distribution of assets on any liquidation, dissolution or winding up of the Partnership or in the payment of distributions; or

(d) Any increase in the authorized amount of Series C Partnership Preferred Units or decrease in the authorized amount of Series C Partnership Preferred Units below the number of Series C Partnership Preferred Units then issued and outstanding;

provided, however, that no such vote of the holders of Series C Partnership Preferred Units shall be required if, at or prior to the time when such amendment, alteration or repeal is to take effect, or when the issuance of any such prior Units or convertible security is to be made, as the case may be, provision is made for the redemption or repurchase of all Series C Partnership Preferred Units at the time outstanding to the extent such redemption or repurchase is authorized by Section 5 or 6 hereof.

For purposes of the foregoing provisions of this Section 12, each Series C Partnership Preferred Unit shall have one (1) vote, except that when any other series of Preferred Units shall have the right to vote with the Series C Partnership Preferred Units as a single class on any matter, then the Series C Partnership Preferred Units and such other series shall have with respect to such matters one (1) vote per $25.00 of stated value. Except as otherwise required by applicable law or as set forth herein, the Series C Partnership Preferred Units shall not have any relative, participating, optional or voting rights and powers other than as set forth herein, and the consent of the holders thereof shall not be required for the taking of any Partnership action.

13). ***General***

(a) The ownership of Series C Partnership Preferred Units may (but need not, in the sole and absolute discretion of the General Partner) be evidenced by one or more certificates. The General Partner shall amend Exhibit A to the Agreement from time to time to the extent necessary to reflect accurately the issuance of, and subsequent conversion, redemption, or any other event having an effect on the ownership of, Series C Partnership Preferred Units.

(b) The rights of the General Partner or Sovran, in their capacity as holder of the Series C Partnership Preferred Units, are in addition to and not in limitation of any other rights or authority of the General Partner or Sovran, respectively, in any other capacity under the Agreement or applicable law. In addition, nothing contained herein shall be deemed to limit or otherwise restrict the authority of the General Partner or Sovran under the Agreement, other than in their capacity as holders of the Series C Partnership Preferred Units.

14). ***Economic Equivalency.***

Notwithstanding any other provision of this Exhibit F, the shares of Series C Preferred Stock and the Series C Partnership Preferred Units are intended to be substantially equivalent in distributions and other payments. In the event that any provision of this Exhibit F would result in a different distribution or other payments being made to the holder of a Series C Partnership Preferred Units than to a holder of a share of Series C Preferred Stock, this Exhibit F shall be deemed automatically amended to conform to the terms of the Series C Articles Supplementary with respect to such distribution or other payment.

Exhibit 12.1

Statement Re: Computation of Earnings to Combined Fixed Charges and Preferred Stock Dividends

Amounts in thousands

	Year ended December 31,				
	2008	2007	2006	2005	2004
Earnings:					
Income from continuing operations before minority interest in consolidated subsidiaries and income or loss from equity investees	$ 38,785	$ 41,292	$ 38,425	$ 35,645	$ 31,567
Fixed charges	38,097	35,117	32,006	24,352	25,296
Preferred dividend requirements of consolidated subsidiaries	—	(1,256)	(2,512)	(4,123)	(7,168)
Earnings (1)	76,882	75,153	67,919	55,874	49,695
Fixed charges:					
Interest expense	36,905	32,898	28,501	19,439	17,408
Amortization of financing fees	1,192	963	993	790	720
Preferred stock dividends	—	1,256	2,512	4,123	7,168
Fixed charges (2)	$ 38,097	$ 35,117	$ 32,006	$ 24,352	$ 25,296
Ratio of earnings to combined fixed charges and preferred stock dividends (1)/(2)	2.02	2.14	2.12	2.29	1.96

Exhibit 21.1

Subsidiaries

Sovran Acquisition Limited Partnership, a Delaware limited partnership
Sovran Holdings, Inc., a Delaware Corporation
Locke Sovran I L.L.C., a New York limited liability company
Locke Sovran I Manager, Inc., a Delaware Corporation
Locke Preferred Equity L.L.C., a New York limited liability company
Locke Sovran II L.L.C., a New York limited liability company
Locke Sovran II Manager, Inc., a Delaware Corporation
The Locke Group, LLC, a Delaware limited liability company
Locke Leasing, LLC, a New York limited liability company
Iskalo Land Holdings, LLC, a New York limited liability company
Sovran Jones Road, LLC, a Delaware limited liability company
Sovran Congress, LLC, a Delaware limited liability company
Sovran Cameron, LLC, a Delaware limited liability company
Sovran Huebner, LLC, a Delaware limited liability company
Sovran Little Road, LLC, a Delaware limited liability company
Sovran Granbury, LLC, a Delaware limited liability company
Sovran Shackelford, LLC, a Delaware limited liability company
Sovran Manchester, LLC, a Delaware limited liability company
Sovran DeGaulle, LLC, a Delaware limited liability company
Sovran Grapevine, LLC, a Delaware limited liability company
Sovran Washington, LLC, a Delaware limited liability company
Sovran Meramac, LLC, a Delaware limited liability company
Sovran Seminole, LLC, a Delaware limited liability company

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements and Related Prospectuses:

(1) Registration Statement (Form S-8 No. 333-21679) of Sovran Self Storage, Inc.

(2) Registration Statement (Form S-8 No. 333-42272) pertaining to the 1995 Award and Option Plan and to the 1995 Outside Directors' Stock Option Plan,

(3) Registration Statement (Form S-8 No. 333-42270) pertaining to the Deferred Compensation Plan for Directors of Sovran Self Storage, Inc.,

(4) Registration Statement (Form S-8 No. 333-73806) pertaining to the 1995 Award and Option Plan,

(5) Registration Statement (Form S-8 No. 333-107464) pertaining to the 1995 Outside Directors' Stock Option Plan,

(6) Registration Statement (Form S-8 No. 333-138937) pertaining to the 2005 Award and Option Plan and,

(7) Registration Statement (Form S-3 No. 333-138970) of Sovran Self Storage, Inc.;

of our reports dated February 25, 2009, with respect to the consolidated financial statements and schedule of Sovran Self Storage, Inc., and the effectiveness of internal control over financial reporting of Sovran Self Storage, Inc., included in this Annual Report (Form 10-K) for the year ended December 31, 2008.

/s/ Ernst & Young LLP

Buffalo, New York
February 25, 2009

Exhibit 31.1

Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as amended

I, Robert J. Attea, certify that:

1. I have reviewed this report on Form 10-K of Sovran Self Storage, Inc.;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers 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 annual report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles;

   c) 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 the end of the period covered by this report based on such evaluation; and

   d) 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 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 officers 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 the 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 controls 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 controls over financial reporting.

Date: February 27, 2009

/S/ Robert J. Attea
Robert J. Attea
Chairman of the Board and Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as amended

I, David L. Rogers, certify that:

1. I have reviewed this report on Form 10-K of Sovran Self Storage, Inc.;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers 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 annual report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles;

   c) 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 the end of the period covered by this report based on such evaluation; and

   d) 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 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 officers 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 the 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 controls 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 controls over financial reporting.

Date: February 27, 2009

/S/ David L. Rogers
David L. Rogers
Secretary, Chief Financial Officer

Exhibit 32.1

Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Each of the undersigned of Sovran Self Storage, Inc. (the "Company") does hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1) The report on Form 10-K of the Company for the annual period ended December 31, 2008 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 27, 2009

/S/ Robert J. Attea
Robert J. Attea
Chairman of the Board Chief Executive Officer

/S/ David L. Rogers
David L. Rogers
Chief Financial Officer