

**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, 2000

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____.

Commission File Number: 1-8389

PUBLIC STORAGE, INC.

(Exact name of registrant as specified in its charter)

<u>California</u>	<u>95-3551121</u>
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
<u>701 Western Avenue, Glendale, California</u>	<u>91201-2349</u>
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (818) 244-8080.

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

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
10% Cumulative Preferred Stock, Series A, \$.01 par value.....	New York Stock Exchange
9.20% Cumulative Preferred Stock, Series B, \$.01 par value.....	New York Stock Exchange
Adjustable Rate Cumulative Preferred Stock, Series C, \$.01 par value.....	New York Stock Exchange
9.50% Cumulative Preferred Stock, Series D, \$.01 par value.....	New York Stock Exchange
10% Cumulative Preferred Stock, Series E, \$.01 par value.....	New York Stock Exchange
9.75% Cumulative Preferred Stock, Series F, \$.01 par value.....	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a Share of 8-7/8% Cumulative Preferred Stock, Series G, \$.01 par value.....	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a Share of 8.45% Cumulative Preferred Stock, Series H, \$.01 par value.....	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a Share of 8-5/8% Cumulative Preferred Stock, Series I, \$.01 par value.....	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a Share of 8% Cumulative Preferred Stock, Series J, \$.01 par value.....	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a Share of 8-1/4% Cumulative Preferred Stock, Series K, \$.01 par value.....	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a Share of 8-1/4% Cumulative Preferred Stock, Series L, \$.01 par value.....	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a Share of 8.75% Cumulative Preferred Stock, Series M, \$.01 par value.....	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a Share of 8.600% Cumulative Preferred Stock, Series Q, \$.01 par value.....	New York Stock Exchange
Depository Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A, \$.01 par value.....	New York Stock Exchange
Common Stock, \$.10 par value.....	New York Stock Exchange, Pacific Exchange

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

None
(Title of class)

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 the Form 10-K. []

The aggregate market value of the voting stock held by non - affiliates of the registrant as of March 14, 2001:

Common Stock, \$0.10 Par Value - \$2,027,903,807 (computed on the basis of \$25.85 per share which was the reported closing sale price of the Company's Common Stock on the New York Stock Exchange on March 14, 2001).

Depository Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A, \$.01 Par Value - \$106,048,536 (computed on the basis of \$24.70 per share which was the reported closing sale price of the Depository Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A on the New York Stock Exchange on March 14, 2001)

The number of shares outstanding of the registrant's classes of common stock as of March 15, 2001:

Common Stock, \$.10 Par Value – 120,287,574 shares

Class B Common Stock, \$.10 Par Value - 7,000,000 shares

Depository Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A, \$.01 Par Value – 5,635,602 depository shares (representing 5,635.602 shares of Equity Stock, Series A)

Equity Stock, Series AA, \$.01 Par Value - 225,000 shares

Equity Stock, Series AAA, \$.01 Par Value - 4,289,544 shares

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement to be filed in connection with the annual shareholders' meeting to be held in 2001 are incorporated by reference into Part III.

PART I

ITEM 1. Business

Forward Looking Statements

When used within this document, the words “expects,” “believes,” “anticipates,” “should,” “estimates,” 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, as amended, and in Section 21F of the Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results and performance of the Company to be materially different from those expressed or implied in the forward looking statements. Such factors include the impact of competition from new and existing storage and commercial facilities, which could impact rents and occupancy levels at the Company’s facilities; the Company’s ability to evaluate, finance and integrate acquired and developed properties into the Company’s existing operations; the Company’s ability to effectively compete in the markets that it does business in; the impact of the regulatory environment as well as national, state, and local laws and regulations including, without limitation, those governing Real Estate Investment Trusts; the acceptance by consumers of the containerized storage concept; the impact of general economic conditions upon rental rates and occupancy levels at the Company’s facilities; and the availability of permanent capital at attractive rates.

General

Public Storage, Inc. (the “Company”) is an equity real estate investment trust (“REIT”) organized as a corporation under the laws of California on July 10, 1980. We are a fully integrated, self-administered and self-managed real estate investment trust (“REIT”) that acquires, develops, owns and operates storage facilities. We are the largest owner and operator of storage space in the United States with direct and indirect equity investments in 1,361 storage facilities containing approximately 81.3 million square feet of net rentable space at December 31, 2000. Our common stock is traded on the New York Stock Exchange under the symbol “PSA”. We also have a significant ownership in PS Business Parks, Inc., which, as of December 31, 2000, owned 140 commercial properties containing approximately 12.6 million rentable square feet of space. PS Business Parks, Inc. is a public REIT whose common stock trades on the American Stock Exchange under the symbol “PSB.”

We have elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended. To the extent that the Company continues to qualify as a REIT, it will not be subject to tax, with certain limited exceptions, on the taxable income that is distributed to our shareholders.

Management

Our senior management team is headed by B. Wayne Hughes (67), who is Chairman and Chief Executive Officer. Mr. Hughes established the Public Storage Organization in 1972 and has successfully managed the Company through several market cycles. Our executive management includes: Harvey Lenkin (64), President; John Reyes (40), Senior Vice President and Chief Financial Officer; Carl B. Phelps (62), Senior Vice President - Real Estate; and Marvin M. Lotz (58), Senior Vice President - Operations.

Our senior management has a significant ownership position in the Company with executive officers, directors and their families owning approximately 41.4 million shares or 34.4% of the common stock as of March 15, 2001.

Investment Objective

Our primary objective is to maximize shareholder value through internal growth (by increasing funds from operations and cash available for distribution) and acquisitions of additional real estate investments. We believe that our access to capital, geographic diversification and operating efficiencies resulting from our size will enhance our ability to achieve this objective.

Competition

Competition in the market areas in which we operate is significant and affects the occupancy levels, rental rates and operating expenses of certain of our facilities. Recent increases in the number of openings of newly developed storage facilities have intensified the competition among storage operators in many market areas in which we operate. Over the past six months, however, we believe that the development of new storage facilities in many of the markets in which we operate has decreased.

In seeking investments, we compete with a wide variety of institutions and other investors. An increase in the amount of funds available for real estate investments may increase competition for ownership of interests in facilities and may reduce yields.

We believe that the significant operating and financial experience of our executive officers and directors, combined with the Company's capital structure, national investment scope, geographic diversity, economies of scale and the "Public Storage" name, should enable us to continue to compete effectively with other entities.

In recent years consolidation has occurred in the fragmented storage industry. In addition to the Company, there are three other publicly traded REITs and numerous private regional and local operators operating in the storage industry. We believe that we are well positioned to capitalize on this consolidation trend due to our demonstrated access to capital and national presence.

Business Attributes

We believe that the Company possesses several primary business attributes which differentiate us from our competitors:

Comprehensive distribution system and national telephone reservation system: Our facilities are part of a comprehensive distribution system encompassing standardized procedures, integrated reporting and information networks and centralized marketing. This distribution system is designed to maximize revenue through pricing and occupancy.

A significant component of our distribution system is our national telephone reservation center, which was implemented in 1996 and 1997 in order to provide added customer service and maximize utilization of available storage space. Customers calling either the toll-free telephone referral system, (800) 44-STORE, or a storage facility, are directed to the national reservation system. A representative discusses with the customer space requirements, price and location preferences and also informs the customer of other products and services provided by the Company and its subsidiaries. We believe that the national telephone reservation system has enhanced our ability to effectively market storage space and is primarily responsible for the occupancy increases since its inception in 1996, as well as increased realized rental rates experienced at the storage facilities over the same period of time.

Containerized storage option: Historically, we offered storage spaces for rent through our traditional storage facilities whereby customers would transport their goods to the facility and rent a space to store their goods. In late 1996, we organized Public Storage Pickup and Delivery, Inc. as a separate corporation and a related partnership (the corporation and partnership are collectively referred to as "PSPUD") to operate storage facilities that rent portable storage containers to customers for storage in central facilities.

The concept of PSPUD is to provide an alternative to a traditional storage facility. PSPUD delivers a storage container(s) to the customer's location where the customer, at his convenience, packs his goods into the storage container. PSPUD will subsequently return to the customer's location to retrieve the storage container(s) for storage in a central facility. At December 31, 2000, PSPUD had 41 facilities in operation.

Retail operations: The Company has historically sold retail items associated with the storage business and rented trucks at its storage facilities. In order to further supplement and strengthen the existing self-storage business by further meeting the needs of storage customers, the Company has expanded its retail activities over the last few years.

In addition, full-service retail stores have been retrofitted to some existing storage facility rental offices or “built-in” as part of the development of new storage facilities, both in high traffic, high visibility locations. The strategic objective of these retail stores is to provide a retail environment to (i) rent spaces for the attached storage facility, (ii) rent spaces for the other Public Storage facilities in adjacent neighborhoods, (iii) sell locks, boxes and packing materials and (iv) rent trucks and other moving equipment.

Economies of scale: We are the largest provider of storage space in the industry. As of December 31, 2000, we operated 1,361 storage facilities in which we have an interest and managed 35 storage facilities for third parties in 37 states. At December 31, 2000, we had over 668,000 spaces rented. The size and scope of the operations have enabled us to achieve a consistently high level of profit margins and low level of administrative costs relative to revenues.

Brand name recognition: Our operations are conducted under the “Public Storage” brand name, which we believe is the most recognized and established name in the storage industry. Our storage operations are conducted in 37 states, giving us national recognition and prominence. We focus our operations within those states in the major metropolitan markets. This concentration establishes us as one of the dominant providers of storage space in each market that we operate in and enables us to use a variety of promotional activities, such as radio advertising as well as targeted discounting and referrals and, to a lesser extent, television advertising, which are generally not economically viable for our competitors.

Growth Strategies

Our growth strategies consist of: (i) improving the operating performance of our stabilized existing traditional self-storage properties, (ii) increasing our ownership of storage facilities through additional investments, (iii) improving the operating performance of the containerized storage operations, and (iv) participating in the growth of PS Business Parks, Inc. Major elements of these strategies are as follows:

Improve the operating performance of existing properties: We seek to increase the net cash flow generated by our existing stabilized traditional self-storage properties by maintaining average occupancy levels and achieving higher levels of realized monthly rents per occupied square foot. We have been able to achieve increasing realized rents per occupied square foot. We believe that our property management personnel and systems combined with the national telephone reservation system will continue to enhance our ability to meet these goals.

Acquire properties operated and partially owned by the Company: In addition to the 618 wholly owned storage facilities, we also operate, on behalf of approximately 46 ownership entities in which we have a partial equity interest, 743 storage facilities under the “Public Storage” name. From time to time, some of these storage facilities or interests in them are available for purchase, providing us with a source of additional acquisition opportunities. We believe these properties include some of the better-located and better-constructed storage facilities in the industry. Because we manage these properties, we have reliable operating information prior to acquisition and these properties are easily integrated into our portfolio.

Acquire properties owned or operated by others: We believe our presence in and knowledge of substantially all of the major markets in the United States enhances our ability to identify attractive acquisition opportunities and capitalize on the overall fragmentation in the storage industry. We maintain local market information on rates, occupancy and competition in each of the markets in which we operate. Of the more than 20,000 storage facilities in the United States, we believe that the ten largest operators manage less than 20% of the total space.

However, with the exception of the March 1999 merger with Storage Trust, our investments in new facilities have primarily been through development, rather than acquisitions of real estate facilities. We believe the development of real estate facilities described below is more attractive under current market conditions.

Develop properties in selected markets: Since 1995, the Company and its joint venture partnerships (described below) have opened a total of 81 facilities, including 19 facilities in 1998, 24 facilities in 1999, and 27 facilities in 2000. As of December 31, 2000, the Company and the second joint venture partnership have a development “pipeline” of 110 self-storage facilities, combination facilities (described below), and expansions to existing storage facilities with an aggregate estimated cost of approximately \$628 million. Development of these facilities is subject to significant contingencies. The Company continues to seek attractive sites for development of additional storage facilities.

In April 1997, we formed a joint venture partnership with an institutional investor to participate in the development of approximately \$220 million of storage facilities. At December 31, 2000, the joint venture had completed construction of 47 storage facilities with a total cost of approximately \$231.5 million and was fully committed. The joint venture is funded solely with equity capital consisting of 30% from the Company and 70% from the institutional investor.

In November 1999, we formed a second joint venture partnership with a joint venture partner whose partners include an institutional investor and B. Wayne Hughes (“Mr. Hughes”), chairman and chief executive officer of the Company, to develop approximately \$100 million of storage facilities. At December 31, 2000, the joint venture had completed construction on 11 storage facilities with a total cost of approximately \$50.8 million, and had six facilities under construction with an aggregate cost incurred of approximately \$23.8 million and total additional estimated cost to complete of approximately \$13.1 million. The joint venture is funded solely with equity capital consisting of 51% from the Company and 49% from the joint venture partner. The term of the joint venture is 15 years. After six years the joint venture partner has the right to cause the Company to purchase the joint venture partner’s interest for an amount necessary to provide it with a maximum return of 10.75% per year or less in certain circumstances. The joint venture partner provides Mr. Hughes with a fixed yield of approximately 8.0% per annum.

Containerized storage: PSPUD operates the containerized storage operations. At December 31, 2000, PSPUD operated 41 facilities: 16 of the facilities are owned by the Company or PSPUD and the remainder of the facilities are leased from third parties. The Company and PSPUD anticipate developing 26 facilities that combine containerized storage and traditional miniwarehouse space in the same location (“Combination Facilities”) to replace existing third-party leased facilities in the next twelve months, which will reduce third-party lease expense. In addition, the Company anticipates converting 19 existing miniwarehouse facilities into Combination Facilities in the next twelve months. We believe that Combination Facilities offer efficiencies and a more effective method to meet customers’ needs than a stand-alone containerized storage facility. We expect that, upon completion of our combination facility development program, substantially all of the containerized storage facilities will be operated in Combination Facilities.

The rate of fill-up varies from facility to facility. As with the traditional self-storage facilities, PSPUD believes that the containerized storage business experiences seasonal fluctuations in occupancy levels with occupancies generally higher in the summer months than in winter months. There can be no assurances as to the level of PSPUD’s expansion, level of gross rentals, level of move-outs or profitability.

Commercial properties: On January 2, 1997, we reorganized our commercial property operations into a separate private REIT. The private REIT contributed its assets to a newly created operating partnership (the “Operating Partnership”) in exchange for a general partnership interest and limited partnership interests. During 1997, the Company and certain partnerships in which the Company has a controlling interest contributed substantially all of their commercial properties to the Operating Partnership in exchange for limited partnership interests or to the private REIT in exchange for common stock. On March 17, 1998, the private REIT merged into Public Storage Properties XI, Inc., a publicly traded REIT and an affiliate of the Company and the name of the surviving corporation was changed to PS Business Parks, Inc. (the REIT and the related Operating Partnership are hereinafter referred to collectively as “PSB”).

At December 31, 2000, PSB owned 140 properties located in 9 states. The Operating Partnership also manages the commercial space owned by the Company and affiliated entities. As of December 31, 2000, the Company and certain partnerships in which the Company has a controlling interest owned approximately 42% of the common equity interest of PSB.

Financing of the Company's Growth Strategies

Permanent Capital: We have and expect to continue to fund our growth strategies primarily through the use of permanent capital. Permanent capital has generally consisted of retained operating cash flows and the issuance of common, preferred and equity stock, and preferred operating partnership units.

Unsecured credit facility: We currently have a \$150 million unsecured credit facility with a bank group led by Wells Fargo Bank, which we use as a temporary source of acquisition financing. We seek to ultimately finance all acquisitions with permanent capital to eliminate refinancing and interest rate risk. As of March 15, 2001, the Company had no outstanding borrowings on this credit facility.

Development Joint Venture Financing: The Company has entered into two separate development joint venture partnerships since 1997 in order to provide development financing.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources."

Investments in Real Estate Facilities

We have invested directly and indirectly in storage facilities, and to a lesser extent in existing commercial properties, containing commercial and industrial rental space. These investments have been made, principally, through the acquisition of wholly-owned properties or the acquisition of ownership interests in entities owning storage facilities and/or commercial properties. The following table outlines our ownership interest in storage facilities and commercial properties:

	At December 31, 2000			
	Number of Real Estate Facilities		Net Rentable Square Feet (in thousands)	
	Storage	Commercial	Storage	Commercial
Consolidated facilities:				
Wholly-owned by the company	618	6	37,853	394
Owned by controlled entities	629	-	36,717	-
	<u>1,247</u>	<u>6</u>	<u>74,570</u>	<u>394</u>
Facilities owned by unconsolidated entities:				
Institutional partnerships	13	-	855	-
Development Joint Venture	47	-	2,879	-
PSB	-	140	-	12,626
Other	54	-	2,998	-
	<u>114</u>	<u>140</u>	<u>6,732</u>	<u>12,626</u>
Totals	<u>1,361</u>	<u>146</u>	<u>81,302</u>	<u>13,020</u>

Facilities Owned by Controlled Entities

In addition to our direct ownership of 618 storage facilities and six commercial facilities, at December 31, 2000, we had controlling ownership interests in 35 partnerships owning in aggregate 629 storage facilities. Because of our controlling interest in each of these partnerships, we consolidate the assets, liabilities, and results of operations of these partnerships on the Company's financial statements.

Facilities Owned by Unconsolidated Entities

At December 31, 2000, we had ownership interests in PSB and 11 limited partnerships (collectively the "Unconsolidated Entities"). Our ownership interest in these entities is less than 50%. Due to the Company's limited ownership interest and control of these entities, we do not consolidate the accounts of these entities for financial reporting purposes and account for such investments using the equity method.

Prohibited Investments and Activities

The Company's Bylaws prohibit the Company from purchasing properties in which the Company's officers or directors have an interest, or from selling properties to such persons, unless the transactions are approved by a majority of the independent directors and are fair to the Company based on an independent appraisal. This Bylaw provision may be changed only upon a vote of the holders of a majority of the shares of (i) Common Stock and (ii) each of the series of Senior Preferred Stock. See "Limitations on Debt" for other restrictions in the Bylaws.

Borrowings

We have an unsecured \$150 million credit facility with a group of commercial banks which expires on July 1, 2002. The expiration date may be extended by one year on each anniversary of the credit agreement. Interest on outstanding borrowings on the credit facility is payable monthly. At our option, the rate of interest charged on borrowings is equal to (i) the prime rate, or (ii) a rate ranging from the London Interbank Offered Rate ("LIBOR") plus 0.40% to LIBOR plus 1.10% depending on the Company's coverage ratios, as defined. In addition, we are required to pay a quarterly commitment fee of 0.250% (per annum). The credit facility also includes a bid feature, for up to \$50 million, which allows us, at our option, to request the group of banks to propose the interest rate they would charge on specific borrowings. However, in no case may the interest rate bid be greater than the amount provided by the credit agreement.

Under covenants of the credit facility, we are required to (i) maintain a balance sheet leverage ratio (as defined) of less than 0.40 to 1.00, (ii) maintain net income of not less than \$1.00 for each fiscal quarter, (iii) maintain certain cash flow and interest coverage ratios (as defined) of not less than 1.0 to 1.0 and 5.0 to 1.0, respectively and (iv) maintain a minimum total shareholders' equity (as defined). In addition, we are limited in our ability to incur additional borrowings (we are required to maintain unencumbered assets with an aggregate book value equal to or greater than three times our unsecured recourse debt) or sell assets. There were no borrowings outstanding under the credit facility at March 15, 2001.

As of December 31, 2000, we had notes payable of approximately \$156.0 million. See Note 7 to the consolidated financial statements for a summary of the Company's borrowings at December 31, 2000.

Subject to a limitation on unsecured borrowings in the Company's Bylaws (described below), we have broad powers to borrow in furtherance of the Company's objectives. We have incurred in the past, and may incur in the future, both short-term and long-term indebtedness to increase our funds available for investment in real estate, capital expenditures and distributions.

Limitations on Debt

The Bylaws provide that the Board of Directors shall not authorize or permit the incurrence of any obligation by the Company which would cause our "Asset Coverage" of our unsecured indebtedness to become less than 300%. Asset Coverage is defined in the Bylaws as the ratio (expressed as a percentage) by which the value of the total assets (as defined in the Bylaws) of the Company less the Company's liabilities (except liabilities for unsecured borrowings) bears to the aggregate amount of all unsecured borrowings of the Company. This Bylaw provision may be changed only upon a vote of the holders of a majority of the shares of (i) Common Stock and (ii) each of the series of Senior Preferred Stock.

The Company's Bylaws prohibit us from issuing debt securities in a public offering unless the Company's "cash flow" (which for this purpose means net income, exclusive of extraordinary items, plus depreciation) for the

most recent 12 months for which financial statements are available, adjusted to give effect to the anticipated use of the proceeds from the proposed sale of debt securities, would be sufficient to pay the interest on such securities. This Bylaw provision may be changed only upon a vote of the holders of a majority of the shares of (i) Common Stock and (ii) each of the series of Senior Preferred Stock.

Without the consent of the holders of a majority of each of the series of Senior Preferred Stock, we will not take any action that would result in a ratio of "Debt" to "Assets" (the "Debt Ratio") in excess of 50%. As of December 31, 2000, the Debt Ratio was approximately 3.0%. "Debt" means the liabilities (other than "accrued and other liabilities" and "minority interest") that should, in accordance with generally accepted accounting principles, be reflected on the Company's consolidated balance sheet at the time of determination. "Assets" means the Company's total assets before a reduction for accumulated depreciation and amortization that should, in accordance with generally accepted accounting principles, be reflected on the consolidated balance sheet at the time of determination.

Our bank and senior unsecured debt agreements contain various financial covenants, including limitations on the level of indebtedness of 30% of total capitalization, as defined, and the prohibition of the payment of dividends upon the occurrence of an event of default, as defined.

Other Business Activities

A corporation owned by Mr. Hughes and members of his family (the "Hughes Family") reinsures policies against losses to goods stored by tenants in the Company's storage facilities. We believe that the availability of insurance reduces the potential liability of the Company to tenants for losses to their goods from theft or destruction. This corporation receives the premiums and bears the risks associated with the re-insurance. The Company has entered into an agreement to acquire this corporation for Common Stock. This agreement is subject to certain conditions.

A subsidiary of the Company sells locks and boxes and rents trucks to the general public and tenants to be used in securing their spaces and moving their goods. We believe that the availability of locks and boxes for sale and the rental of trucks promote the rental of spaces. The Hughes Family owns the balance of the equity of this subsidiary, representing all of the voting stock.

Employees

There are approximately 4,600 persons who render services on behalf of the Company, primarily personnel engaged in property operation, substantially all of whom are employed by a clearing company that provides certain administrative and cost-sharing services to the Company and other owners of properties operated by the Company.

Federal Income Tax

We believe that we have operated, and intend to continue to operate, in such a manner as to qualify as a REIT under the Internal Revenue Code of 1986, but no assurance can be given that it will at all times so qualify. To the extent that we continue to qualify as a REIT, it will not be taxed, with certain limited exceptions, on the taxable income that is distributed to our shareholders.

On December 17, 1999, the Work Incentives Improvement Act of 1999 (the "Act"), which included certain provisions affecting REITs, was enacted. The REIT provisions of the Act generally are effective for taxable years beginning after December 31, 2000. The Act was intended to ease the restrictions on a REIT's ability to own the stock of taxable companies. The Act allows REITs to own up to 100% of the stock of companies that have made a joint election with the REIT to be treated as "taxable REIT subsidiaries" ("TRS"). A TRS will be subject to federal income tax on income as a regular corporation. Under prior law, a REIT generally could not own more than 10% voting securities of other issuers. Under the Act, the prior law 10% voting securities test was expanded so that REITs also are prohibited from owing more than 10% of the value of outstanding securities of any one corporate issuer, except for companies that elect to be treated as TRSs or companies that qualify for certain grandfather provisions in the Act.

An important effect of the Act is that TRSs are permitted to offer noncustomary services to the tenants of the REIT (such services could be provided under prior law only by “independent contractors” from which the REIT could not earn any income). TRSs also are able to engage in other income producing activities that typically had been undertaken by REITs only through entities in which a REIT could have a substantial economic interest, but was limited to a 10% or less voting interest. The Act includes certain limitations that prevent income shifting between a REIT and its TRS, in a effort to ensure that TRSs in fact are taxable on the income that they earn. In addition, under prior law, a REIT could not own securities of any single issuer with a value in excess of 5% of the value of all the assets of the REIT. The Act also relaxed this limitation, so that a REIT may own a TRS (or TRSs), so long as (1) the aggregate value of the TRSs, when combined with all other non-REIT assets, does not exceed 25% of the value of all assets of the REIT. The Company and certain affiliates will jointly make the TRS election.

Insurance

We believe that our properties are adequately insured. Our facilities have historically carried comprehensive insurance, including fire, earthquake, liability and extended coverage from nationally recognized carriers.

ITEM 2. Properties

At December 31, 2000, we had direct and indirect ownership interests in 1,361 storage facilities located in 37 states:

	At December 31, 2000	
	Number of Storage Facilities (a)	Net Rentable Square Feet (in Thousands)
California:		
Northern	138	7,704
Southern	158	10,022
Texas	164	10,766
Florida	137	8,049
Illinois	93	5,647
Georgia	62	3,626
Colorado	50	3,137
Washington	39	2,466
Missouri	37	2,128
Virginia	37	2,247
New Jersey	37	2,178
Maryland	36	2,043
New York	32	1,885
Ohio	31	1,899
Oregon	25	1,171
Tennessee	25	1,494
North Carolina	24	1,266
South Carolina	24	1,082
Kansas	22	1,278
Nevada	22	1,409
Alabama	21	838
Other states (17 states)	147	8,967
Totals	1,361	81,302

- (a) Includes 1,247 facilities owned by the Company and entities controlled by the Company. The remaining 114 facilities are owned by entities in which the Company has an interest; however, the Company doesn't have a controlling interest in such entities. See Schedule III for 2000 for a complete list of properties consolidated by the Company.

Our facilities are generally operated to maximize cash flow through the regular review and, when warranted by market conditions, adjustment of scheduled rents. For the year ended December 31, 2000, the

weighted average occupancy level and the weighted average annual realized rent per rentable square foot for our storage facilities were approximately 89.5% and \$10.47, respectively. Included in the 1,361 storage facilities are 70 recently developed storage facilities, substantially all of which were in the fill-up stage in the year ended December 31, 2000. None of our facilities involves 1% or more of the Company's total assets, gross revenues or net income.

Storage facilities: Storage facilities, which comprise the majority of our investments (approximately 93% based on rental income), are designed to offer accessible storage space for personal and business use at a relatively low cost. A user rents a fully enclosed space which is for the user's exclusive use and to which only the user has access on an unrestricted basis during business hours. On-site operation is the responsibility of resident managers who are supervised by area managers. Some storage facilities also include rentable uncovered parking areas for vehicle storage, as well as space for portable storage containers. Leases for storage facilities space may be on a long-term or short-term basis, although typically spaces are rented on a month-to-month basis. Rental rates vary according to the location of the property and the size of the storage space. All of our storage facilities are operated under the "Public Storage" name.

Users of space in storage facilities include both individuals and large and small businesses. Individuals usually employ this space for storage of furniture, household appliances, personal belongings, motor vehicles, boats, campers, motorcycles and other household goods. Businesses normally employ this space for storage of excess inventory, business records, seasonal goods, equipment and fixtures.

Storage facilities in which we have invested generally consist of three to seven buildings containing an aggregate of between 350 to 750 storage spaces, most of which have between 25 and 400 square feet and an interior height of approximately 8 to 12 feet.

We experience minor seasonal fluctuations in the occupancy levels of storage facilities with occupancies generally higher in the summer months than in the winter months. We believe that these fluctuations result in part from increased moving activity during the summer.

Our storage facilities are geographically diversified and are located primarily in or near major metropolitan markets in 37 states. Generally our storage facilities are located in heavily populated areas and close to concentrations of apartment complexes, single family residences and commercial developments. However, there may be circumstances in which it may be appropriate to own a property in a less populated area, for example, in an area that is highly visible from a major thoroughfare and close to, although not in, a heavily populated area. Moreover, in certain population centers, land costs and zoning restrictions may create a demand for space in nearby less populated areas.

Since our investments are primarily storage facilities, our ability to preserve our investments and achieve our objectives is dependent in large part upon success in this field. Historically, upon stabilization after an initial fill-up period, our storage facility interests have generally shown a high degree of consistency in generating cash flows, despite changing economic conditions. We believe that our storage facilities, upon stabilization, have attractive characteristics consisting of high profit margins, high average occupancy levels, a broad tenant base and low levels of capital expenditures to maintain their condition and appearance.

Commercial Properties: In addition to our interest in 1,361 storage facilities, we have an interest in PSB, which, as of December 31, 2000, owned 140 commercial facilities with 12.6 million net rentable square feet. We also own, either directly or through entities we control, an interest in six commercial properties. We may invest in all types of real estate. Most of our non-storage facilities investments are interests in business parks and low-rise office buildings, primarily through our investment in PSB. A commercial property may include both industrial and office space. Industrial space may be used for, among other things, light manufacturing and assembly, storage and warehousing, distribution and research and development activities. We believe that most of the office space is occupied by tenants who are also renting industrial space. The remaining office space is used for general office purposes. A commercial property may also include facilities for commercial uses such as banks, travel agencies, restaurants, office supply shops, professionals or other tenants providing services to the public. The amount of retail space in a commercial property is not expected to be significant.

Environmental Matters: Our practice is to conduct environmental investigations in connection with property acquisitions. As a result of environmental investigations of our properties, which commenced in 1995, we recorded an amount, which in management's best estimate, will be sufficient to satisfy anticipated costs of known investigation and remediation requirements. Although there can be no assurance, we are not aware of any environmental contamination of any of our facilities which individually or in the aggregate would be material to the Company's overall business, financial condition, or results of operations.

ITEM 3. Legal Proceedings

Marsh/Forest Lockers, Ltd. V. Public Storage, Inc. et al (No. DV9907001 in Judicial District Court of Dallas County, Texas)

In September 1999 Marsh/Forest Lockers, Ltd. commenced an action claiming that a predecessor of the Company had breached a contract with Marsh/Forest Lockers, Ltd. relating to the purchase of a property by failing to pay certain amounts allegedly due under an earn-out clause contained in the contract and by failing to maximize the profits of the property. Although not specified in the pleadings, Marsh/Forest Lockers, Ltd. has recently asserted various tort claims indicating they will seek total actual and punitive damages for up to \$17 million. The Company believes it has meritorious defenses to the claims and is vigorously defending the lawsuit.

The Company is a party to various claims, complaints and other legal actions that have arisen in the normal course of business from time to time. The Company believes the outcome of these pending legal proceedings, in the aggregate, will not have a material adverse effect on the operations or financial position of the Company.

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

The Company did not submit any matter to a vote of security holders in the fourth quarter of the fiscal year ended December 31, 2000.

ITEM 4A. Executive Officers of the Company

The following is a biographical summary of the executive officers of the Company:

B. Wayne Hughes, age 67, has been a director of the Company since its organization in 1980 and was President and Co-Chief Executive Officer from 1980 until November 1991 when he became Chairman of the Board and sole Chief Executive Officer. Mr. Hughes was Chairman of the Board and Chief Executive Officer from 1990 until March 1998 of Public Storage Properties XI, Inc., which was renamed PS Business Parks, Inc. ("PSB"), an affiliated REIT. From 1989-90 until the respective dates of merger, he was Chairman of the Board and Chief Executive Officer of 18 affiliated REITs that were merged into the Company between September 1994 and May 1998 (collectively, the "Merged Public Storage REITs"). Mr. Hughes has been active in the real estate investment field for over 30 years. He is the father of B. Wayne Hughes, Jr., a director of the Company.

Harvey Lenkin, age 64, became President and a director of the Company in November 1991. Mr. Lenkin has been employed by the Company for 23 years. He has been a director of PSB since March 1998 and was President of PSB from 1990 until March 1998. Mr. Lenkin was President of the Merged Public Storage REITs from 1989-90 until the respective dates of merger and was also a director of one of those REITs, Storage Properties, Inc. ("SPI"), from 1989 until June 1996. He is a member of the Board of Governors of the National Association of Real Estate Investment Trusts, Inc. (NAREIT).

Marvin M. Lotz, age 58, became a director of the Company in May 1999. Mr. Lotz has been a Senior Vice President of the Company since November 1995 and President of the Property Management Division since 1988 with overall responsibility for Public Storage's mini-warehouse operations. He had overall responsibility for the Company's property acquisitions from 1983 until 1988.

John Reyes, age 40, a certified public accountant, joined the Company in 1990 and was Controller of the Company from 1992 until December 1996 when he became Chief Financial Officer. He became a Vice President of the Company in November 1995 and a Senior Vice President of the Company in December 1996. From 1983 to 1990, Mr. Reyes was employed by Ernst & Young.

Carl B. Phelps, age 62, became a Senior Vice President of the Company in January 1998 with overall responsibility for property acquisition and development. From June 1991 until joining the Company, he was a partner in the law firm of Andrews & Kurth, L.L.P., which performed legal services for the Company. From December 1982 through May 1991, his professional corporation was a partner in the law firm of Sachs & Phelps, then counsel to the Company.

Bahman Abtahi, age 57, joined the Company in July 1996 and was Senior Vice-President – Construction and Development of the Real Estate Division and a Vice President of the Company until May 2000 when he became a Senior Vice President of the Company. Mr. Abtahi has responsibility for all of Public Storage's construction and maintenance activities. Prior to joining the Company, he was a management consultant.

Obren B. Gerich, age 62, a certified public accountant, has been a Vice President of the Company since 1980 and became Senior Vice President of the Company in November 1995. Mr. Gerich was Chief Financial Officer of the Company until November 1991. Mr. Gerich was Vice President and Secretary of the Merged Public Storage REITs from 1989-90 until the respective dates of merger.

David Goldberg, age 51, became Senior Vice President and General Counsel of the Company in November 1995. Mr. Goldberg joined the Company's legal staff in June 1991. From December 1982 until May 1991, he was a partner in the law firm of Sachs & Phelps, then counsel to the Company.

Ronald L. Harden, age 52, joined the Company in 1987 and became a Senior vice President of the Property Management Division in 1988, an Executive Vice President of the Property Management Division in August 1999 and a Senior Vice President of the Company in May 2000. Mr. Harden has administrative responsibility for Public Storage's overall property management activities in the mini-warehouse facilities system-wide. From 1983 until 1987, he was a partner and Chief Operating Officer for Good Lite Foods. From 1979 until 1983, Mr. Harden was employed by Taco Bell Restaurants, and his last position there was Division Operations Director with responsibility for 175 restaurants.

W. David Ristig, age 52, rejoined the Company in August 1995 and was a Vice President of the Company until May 2000 when he became a Senior Vice President of the Company. Mr. Ristig has responsibility for Public Storage's land acquisition. He was previously employed by the Company from 1980 until 1984 and from 1986 until 1990 and was involved in property acquisition and development. From 1990 until August 1995, Mr. Ristig held positions as a loan officer with three companies in the mortgage banking industry.

A. Timothy Scott, age 49, became Senior Vice President and Tax Counsel of the Company in November 1996. From June 1991 until joining the Company, he practiced tax law as a shareholder of the law firm of Heller, Ehrman, White and McAuliffe, counsel to the Company. Prior to June 1991, his professional corporation was a partner in the law firm of Sachs & Phelps, then counsel to the Company.

David P. Singelyn, age 39, a certified public accountant, has been employed by the Company since 1989 and became Vice President and Treasurer of the Company in November 1995. Mr. Singelyn was Vice President and Controller of SPI from 1991 until June 1996. From 1987 to 1989, he was Controller of Winchell's Donut Houses, L.P.

Sarah Hass, age 45, became Secretary of the Company in February 1992 and a Vice President of the Company in November 1995. She joined the Company's legal department in June 1991. From 1987 until May 1991, her professional corporation was a partner in the law firm of Sachs & Phelps, then counsel to the Company, and from April 1986 until June 1987, she was associated with that firm, practicing in the area of securities law. From September 1979 until September 1995, Ms. Hass was associated with the law firm of Rifkind & Sterling, Incorporated.

PART II

ITEM 5. Market for the Registrant's Common Equity and Related Stockholder Matters

a. Market Price of the Registrant's Common Equity:

The Common Stock (NYSE:PSA) has been listed on the New York Stock Exchange since October 19, 1984 and on the Pacific Exchange since December 26, 1996. The Depositary Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A (NYSE:PSAA) (see section d. below) have been listed on the New York Stock Exchange since February 14, 2000.

The following table sets forth the high and low sales prices of the Common Stock on the New York Stock Exchange composite tapes for the applicable periods.

Year	Quarter	Range	
		High	Low
1999	1 st	\$ 27-7/8	\$ 24-1/4
	2 nd	29-3/8	23-3/16
	3 rd	27-7/8	23-7/8
	4 th	26	21-1/8
2000	1 st	24-13/16	20-7/8
	2 nd	24-7/8	21-1/4
	3 rd	26-15/16	23-3/16
	4 th	24-7/8	21-1/8

The following table sets forth the high and low sales prices of the Depositary Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A on the New York Stock Exchange composite tapes for the applicable periods.

Year	Quarter	Range	
		High	Low
2000	1 st (a)	\$ 20-1/8	\$ 18-15/16
	2 nd	22-3/4	19-1/4
	3 rd	24-5/8	20-3/8
	4 th	24	22-1/16

(a) Commencing February 14, 2000.

As of March 13, 2001, there were approximately 21,168 holders of record of the Common Stock and approximately 15,853 holders of the Depositary Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A.

b. Class B Common Stock

The Class B Common Stock issued in connection with the PSMI Merger (as defined under Item 7 below) has the following characteristics:

- The Class B Common Stock (i) beginning on January 1, 2000, participates in distributions (other than liquidating distributions) at the rate of 97% of the per share distributions on the Common Stock, provided that cumulative distributions of at least \$.22 per quarter per share have been paid on the Common Stock, (ii) does not participate in liquidating distributions, (iii) is not entitled to vote (except as expressly required by California law) and (iv) automatically converts into Common Stock, on a share for share

basis, upon the later to occur of FFO per Common Share aggregating \$3.00 during any period of four consecutive calendar quarters or January 1, 2003.

For these purposes:

1. “FFO” means net income (loss) (computed in accordance with GAAP) before (i) gain (loss) on early extinguishment of debt, (ii) minority interest in income and (iii) gain (loss) on disposition of real estate, adjusted as follows: (A) plus depreciation and amortization (including the Company’s pro-rata share of depreciation and amortization of unconsolidated equity interests and amortization of assets acquired in a merger, including property management agreements and goodwill), and (B) less FFO attributable to minority interest. FFO is a supplemental performance measure for equity REITs as defined by the National Association of Real Estate Investment Trusts, Inc. (“NAREIT”). The NAREIT definition does not specifically address the treatment of minority interest in the determination of FFO or the treatment of the amortization of property management agreements and goodwill. In the case of the Company, FFO represents amounts attributable to its shareholders after deducting amounts attributable to the minority interests and before deductions for the amortization of property management agreements and goodwill. FFO is presented because management, as well as many industry analysts, consider FFO to be one measure of the performance of the Company and it is used in establishing the terms of the Class B Common Stock. FFO does not take into consideration scheduled principal payments on debt, capital improvements, distributions and other obligations of the Company. Accordingly, FFO is not a substitute for the Company’s cash flow or net income as a measure of the Company’s liquidity or operating performance or ability to pay distributions. FFO is not comparable to similarly entitled items reported by other REITs that do not define it exactly as the Company defines it.
2. “FFO per Common Share” means FFO less preferred stock dividends (other than dividends on convertible preferred stock) divided by the outstanding weighted average shares of Common Stock assuming conversion of all outstanding convertible securities and the Class B Common Stock.

For these purposes, FFO per share of Common Stock (as defined) was \$2.59 for the year ended December 31, 2000.

c. Dividends

We have paid quarterly distributions to our shareholders since 1981, our first full year of operations. Overall distributions of Common Stock for 2000 amounted to \$184.1 million which includes a special distribution declared on August 30, 2000 to common shareholders of record as of September 15, 2000. The special distribution was paid in cash.

Holders of Common Stock are entitled to receive distributions when and if declared by the Company’s Board of Directors out of any funds legally available for that purpose. We are required to distribute at least 95% of our net taxable ordinary income prior to the filing of the Company’s tax return and 85%, subject to certain adjustments, during the calendar year, to maintain our REIT status for federal income tax purposes. It is our intention to pay distributions of not less than this required amount.

For Federal tax purposes, distributions to shareholders are treated as ordinary income, capital gains, return of capital or a combination thereof. For 2000, the dividends paid to the common shareholders (\$1.48 per share), on all the various classes of preferred stock, and on Equity Stock, Series A were characterized as ordinary income and long-term capital gain. The quarterly breakdown is as follows:

Treatment of dividends paid for 2000

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
Ordinary Income	96.10%	95.79%	99.04%	99.96%
Long-term Capital Gain	3.90%	4.21%	0.96%	0.04%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

In 1999, distributions to common shareholders were \$1.53 for common shareholders who elected stock in a special dividend declared in 2000 and \$1.50 for common shareholders who elected cash in the special dividend, and were all ordinary income. For 1998, the dividends paid to the common shareholders (\$0.88 per share) and on all the various classes of preferred stock were all ordinary income for the first, third, and fourth quarter distributions. For the second quarter of 1998, 86.110% of the dividends were characterized as ordinary income and the remainder was characterized as capital gain.

d. Equity Stock

The Company is authorized to issue 200,000,000 shares of Equity Stock. The Articles of Incorporation provide that the Equity Stock may be issued from time to time in one or more series and gives the Board of Directors broad authority to fix the dividend and distribution rights, conversion and voting rights, redemption provisions and liquidation rights of each series of Equity Stock.

In January 2000, we issued 4,300,555 depositary shares (2,200,555 shares as part of a special distribution declared on November 15, 1999 and 2,100,000 shares in a separate public offering) each representing 1/1,000 of a share of Equity Stock, Series A (“Equity Stock A”). In addition, in the second quarter of 2000, we issued 52,547 depositary shares of Equity Stock A to a related party in connection with the acquisition of real estate facilities. In December 2000, we issued 1,282,500 depositary shares in a public offering. The Equity Stock A ranks on a parity with common stock and junior to the Senior Preferred Stock with respect to general preference rights and has a liquidation amount which cannot exceed \$24.50 per share. Distributions with respect to each depositary share shall be the lesser of: a) five times the per share dividend on the Common Stock or b) \$2.45 per annum (prorated for the year 2000). Except in order to preserve the Company’s federal income tax status as a REIT, we may not redeem the depositary shares before March 31, 2005 (proposed to be extended to March 31, 2010). On or after March 31, 2005 (proposed to be extended to March 31, 2000), we may, at our option, redeem the depositary shares at \$24.50 per depositary share. If the Company fails to preserve its federal income tax status as a REIT, the depositary shares will be convertible into common stock on a one for one basis. The depositary shares are otherwise not convertible into common stock. Holders of depositary shares vote as a single class with our holders of common stock on shareholder matters, but the depositary shares have the equivalent of one-tenth of a vote per depositary share. We have no obligation to pay distributions on the depositary shares if no distributions are paid to common shareholders.

In June 1997, we contributed \$22,500,000 (225,000 shares) of equity stock, now designated as Equity Stock, Series AA (“Equity Stock AA”) to a partnership in which we are the general partner. As a result of this contribution, we obtained a controlling interest in the partnership and began to consolidate the accounts of the partnership and therefore the equity stock is eliminated in consolidation. The Equity Stock AA ranks on a parity with Common Stock and junior to the Senior Preferred Stock with respect to general preference rights and has a liquidation amount of ten times the amount paid to each Common Share up to a maximum of \$100 per share. Quarterly distributions per share on the Equity Stock AA are equal to the lesser of (i) 10 times the amount paid per Common Stock or (ii) \$2.20. We have no obligation to pay distributions if no distributions are paid to common shareholders.

In November 1999, we sold \$100,000,000 (4,289,544 shares) of Equity Stock, Series AAA (“Equity Stock AAA”) to a newly formed joint venture. We control the joint venture and consolidate the accounts of the joint venture, and accordingly the Equity Stock AAA is eliminated in consolidation. The Equity Stock AAA ranks on a parity with common stock and junior to the Senior Preferred Stock (as

defined below) with respect to general preference rights, and has a liquidation amount equal to 120% of the amount distributed to each common share. Annual distributions per share are equal to the lesser of (i) five times the amount paid per common share or (ii) \$2.1564. We have no obligation to pay distributions if no distributions are paid to common shareholders.

e. Registrant's Preferred Equity

On October 26, 1992, we completed a public offering of 1,825,000 shares (\$25 stated value per share) of 10% Cumulative Preferred Stock, Series A ("Series A Preferred Stock"). The Series A Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2000, we paid dividends totaling \$4,563,000 (\$2.50 per preferred share).

On March 25, 1993, we completed a public offering of 2,386,000 shares (\$25 stated value per share) of 9.20% Cumulative Preferred Stock, Series B ("Series B Preferred Stock"). The Series B Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2000, we paid dividends totaling \$5,488,000 (\$2.300 per preferred share).

On June 30, 1994, we completed a public offering of 1,200,000 shares (\$25 stated value per share) of Adjustable Rate Cumulative Preferred Stock, Series C ("Series C Preferred Stock"). The Series C Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2000, we paid dividends totaling \$2,052,000 (\$1.711 per preferred share).

On September 1, 1994, we completed a public offering of 1,200,000 shares (\$25 stated value per share) of 9.50% Cumulative Preferred Stock, Series D ("Series D Preferred Stock"). The Series D Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2000, we paid dividends totaling \$2,850,000 (\$2.375 per preferred share).

On February 1, 1995, we completed a public offering of 2,195,000 shares (\$25 stated value per share) of 10% Cumulative Preferred Stock, Series E ("Series E Preferred Stock"). The Series E Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2000, we paid dividends totaling \$5,488,000 (\$2.50 per preferred share).

On May 3, 1995, we completed a public offering of 2,300,000 shares (\$25 stated value per share) of 9.75% Cumulative Preferred Stock, Series F ("Series F Preferred Stock"). The Series F Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2000, we paid dividends totaling \$5,606,000 (\$2.437 per preferred share).

On December 13, 1995, we completed a public offering of 6,900,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8-7/8% Cumulative Preferred Stock, Series G ("Series G Preferred Stock"). The Series G Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2000, we paid dividends totaling \$15,309,000 (\$2.219 per preferred depositary share).

On January 25, 1996, we completed a public offering of 6,750,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8.45% Cumulative Preferred Stock, Series H ("Series H Preferred Stock"). The Series H Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2000, we paid dividends totaling \$14,259,000 (\$2.112 per preferred share).

On November 1, 1996, we completed a public offering of 4,000,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8-5/8% Cumulative Preferred Stock, Series I ("Series I Preferred Stock"). The Series I Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2000, we paid dividends totaling \$8,625,000 (\$2.156 per preferred share).

On August 25, 1997, we completed a public offering of 6,000,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8% Cumulative Preferred Stock, Series J (“Series J Preferred Stock”). The Series J Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2000, we paid dividends totaling \$12,000,000 (\$2.00 per preferred share).

On January 19, 1999, we completed a public offering of 4,600,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8-1/4% Cumulative Preferred Stock, Series K (“Series K Preferred Stock”). The Series K Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2000, we paid dividends totaling \$9,488,000 (\$2.063 per preferred share).

On March 10, 1999, we completed a public offering of 4,600,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8-1/4% Cumulative Preferred Stock, Series L (“Series L Preferred Stock”). The Series L Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2000, we paid dividends totaling \$9,488,000 (\$2.063 per preferred share).

On August 17, 1999, we completed a public offering of 2,250,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8.75% Cumulative Preferred Stock, Series M (“Series M Preferred Stock”). The Series M Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2000, we paid dividends totaling \$4,922,000 (\$2.188 per preferred share).

On January 19, 2001, we completed a public offering of 6,900,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8.600% Cumulative Preferred Stock, Series Q (“Series Q Preferred Stock”). The Series Q Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. During 2000, no dividends were paid.

The Series A through Series M and Series Q Preferred Stock are collectively referred to as the “Senior Preferred Stock”.

ITEM 6. Selected Financial Data

	For the year ended December 31,				
	2000(1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)
	(In thousands, except per share data)				
Revenues:					
Rental income	\$702,779	\$627,851	\$535,869	\$434,008	\$294,426
Equity in earnings of real estate entities	36,109	32,183	26,602	17,569	22,121
Interest and other income	18,422	16,700	18,614	17,474	19,829
	<u>757,310</u>	<u>676,734</u>	<u>581,085</u>	<u>469,051</u>	<u>336,376</u>
Expenses:					
Cost of operations	252,086	216,816	205,835	165,714	94,285
Depreciation and amortization	148,967	137,719	111,799	92,750	64,999
General and administrative	21,306	12,491	11,635	13,462	5,698
Interest expense	3,293	7,971	4,507	6,792	8,482
	<u>425,652</u>	<u>374,997</u>	<u>333,776</u>	<u>278,718</u>	<u>173,464</u>
Income before minority interest and disposition gain	331,658	301,737	247,309	190,333	162,912
Minority interest in income (preferred)	(24,859)	-	-	-	-
Minority interest in income (common)	(13,497)	(16,006)	(20,290)	(11,684)	(9,363)
	<u>293,302</u>	<u>285,731</u>	<u>227,019</u>	<u>178,649</u>	<u>153,549</u>
Net income before gain on disposition of real estate	293,302	285,731	227,019	178,649	153,549
Gain on disposition of real estate investments	3,786	2,154	-	-	-
Net income	<u>\$297,088</u>	<u>\$287,885</u>	<u>\$227,019</u>	<u>\$178,649</u>	<u>\$153,549</u>
Per Common Share:					
Distributions	\$1.48	\$1.52	\$0.88	\$0.88	\$0.88
Net income - Basic	\$1.41	\$1.53	\$1.30	\$0.92	\$1.10
Net income - Diluted	\$1.41	\$1.52	\$1.30	\$0.91	\$1.10
Weighted average common shares - Basic	131,566	126,308	113,929	98,446	77,117
Weighted average common shares - Diluted	131,657	126,669	114,357	98,961	77,358
Balance Sheet Data:					
Total assets	\$4,513,941	\$4,214,385	\$3,403,904	\$3,311,645	\$2,572,152
Total debt	\$156,003	\$167,338	\$81,426	\$103,558	\$108,443
Minority interest (common equity)	\$167,918	\$186,600	\$139,325	\$288,479	\$116,805
Minority interest (preferred OP Units)	\$365,000	-	-	-	-
Shareholders' equity	\$3,724,117	\$3,689,100	\$3,119,340	\$2,848,960	\$2,305,437
Other Data:					
Net cash provided by operating activities	\$502,450	\$459,177	\$372,992	\$294,557	\$245,361
Net cash used in investing activities	\$(447,503)	\$(448,529)	\$(355,231)	\$(408,313)	\$(479,626)
Net cash provided by (used in) financing activities	\$(20,605)	\$(6,748)	\$(7,991)	\$128,355	\$180,685
Funds from operations (2)	\$452,155	\$428,962	\$336,363	\$272,234	\$224,476

(1) During 2000, 1999, 1998, 1997 and 1996, we completed several significant business combinations and equity transactions. See Notes 3 and 10 to the Company's consolidated financial statements.

(2) Funds from operations ("FFO"), means net income (loss) (computed in accordance with GAAP) before (i) gain (loss) on early extinguishment of debt, (ii) minority interest in income and (iii) gain (loss) on disposition of real estate, adjusted as follows: (i) plus depreciation and amortization (including the Company's pro-rata share of depreciation and amortization of unconsolidated equity interests and amortization of assets acquired in a merger, including property management agreements and excess purchase cost over net assets acquired), and (ii) less FFO attributable to minority interest. FFO is a supplemental performance measure for equity REITs as defined by the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"). The NAREIT definition does not specifically address the treatment of minority interest in the determination of FFO or the treatment of the amortization of property management agreements and excess purchase cost over net assets acquired. In the case of the Company, FFO represents amounts attributable to its shareholders after deducting amounts attributable to the minority interests and before deductions for the amortization of property management agreements and excess purchase cost over net assets acquired. FFO is presented because management, as well as many analysts, consider FFO to be one measure of the performance of the Company and it is used in certain aspects of the terms of the Class B Common Stock. FFO does not take into consideration scheduled principal payments on debt, capital improvements, distributions and other obligations of the Company. Accordingly, FFO is not a substitute for the Company's cash flow or net income as a measure of the Company's liquidity or operating performance or ability to pay distributions. FFO is not comparable to similarly entitled items reported by other REITs that do not define it exactly as the Company defines it.

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

The following discussion and analysis should be read in conjunction with the Company's consolidated financial statements and notes thereto.

Forward Looking Statements: When used within this document, the words "expects," "believes," "anticipates," "should," "estimates," 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, as amended, and in Section 21F of the Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results and performance of the Company to be materially different from those expressed or implied in the forward looking statements. Such factors include the impact of competition from new and existing storage and commercial facilities which could impact rents and occupancy levels at the Company's facilities; the Company's ability to evaluate, finance, and integrate acquired and developed properties into the Company's existing operations; the Company's ability to effectively compete in the markets that it does business in; the impact of the regulatory environment as well as national, state, and local laws and regulations including, without limitation, those governing Real Estate Investment Trusts; the acceptance by consumers of the containerized storage concept; the impact of general economic conditions upon rental rates and occupancy levels at the Company's facilities; and the availability of permanent capital at attractive rates.

Overview: The storage industry is highly fragmented and is composed predominantly of numerous local and regional operators. Competition in the markets in which we operate is significant and is increasing from additional development of storage facilities in many markets which may negatively impact occupancy levels and rental rates at the storage facilities. However, we believe that we possess several distinguishing characteristics which enable us to compete effectively with other owners and operators.

We are the largest owner and operator of storage facilities in the United States with ownership interests as of December 31, 2000 in 1,361 storage facilities containing approximately 81.3 million net rentable square feet. All of our facilities are operated under the "Public Storage" brand name, which we believe is the most recognized and established name in the storage industry. Located in the major metropolitan markets of 37 states, our storage facilities are geographically diverse, giving us national recognition and prominence. This concentration establishes us as one of the dominant providers of storage space in each market in which we operate and enables us to use a variety of promotional activities, such as radio advertising as well as targeted discounting and referrals and, to a lesser extent, television advertising, which are generally not economically viable to our competitors. In addition, we believe that the geographic diversity of the portfolio reduces the impact from regional economic downturns and provides a greater degree of revenue stability.

We will continue to focus our growth strategies on: (i) improving the operating performance of our existing traditional self-storage properties, (ii) increasing our ownership of storage facilities through additional investments, (iii) improving the operating performance of the containerized storage business and (iv) participating in the growth of PS Business Parks, Inc. Major elements of these strategies are as follows:

- We will continue to focus upon enhancing the operating performance of our existing traditional self-storage properties, primarily through increases in revenues achieved through the telephone reservation center and associated marketing efforts. These increases in revenue levels are expected to result primarily from increases in realized rent per occupied square foot rather than significant increases in occupancy levels.
- We expect to continue our storage facility development program. Over the past three years, the Company and related development joint ventures opened a total of 70 storage facilities at a cost of approximately \$334 million, with 4,475,000 net rentable square feet. The Company and a related development joint venture partnership have a total of 110 projects identified for openings after December 31, 2000 at a total cost of \$628 million. These 110 projects (which includes Combination Facilities) are comprised of 53 storage facilities for which we have acquired the land at December 31, 2000 (total estimated costs upon completion of \$368 million), 25 storage facilities identified for which we have not acquired the land (estimated costs upon completion of approximately \$174 million) and

32 expansions of existing self-storage facilities (total estimated costs upon completion of \$86 million). Generally, the construction period takes nine to 12 months, followed by an 18 to 24 month fill-up process. Throughout the fill-up period, we experience earnings dilution to the extent of our interest in the developed properties.

- We will acquire facilities from third parties and affiliated entities when appropriate. During 2000, we acquired a total of 8 storage properties and two commercial properties from third parties. In addition, during 2000, we acquired 4 storage properties as well as the remaining partnership interest in 13 properties that we did not already own from affiliated entities. We believe that our national telephone reservation system and marketing organization present an opportunity for increased revenues through higher occupancies of the properties acquired, as well as cost efficiencies through greater critical mass.
- We will continue to focus on improving the operations of the containerized storage operations. The Company is developing facilities that combine containerized storage and traditional self-storage ("Combination Facilities") which will replace existing third-party leased facilities and reduce third-party lease expense. We believe that Combination Facilities offer efficiencies and a more effective method to meet customers' needs than a stand-alone containerized storage facility. We expect that, upon completion of our combination facility development program, substantially all of the containerized storage facilities will be operated in Combination Facilities.
- Through our investment in PS Business Parks, Inc., we will continue to participate in the growth of this company's investment in approximately 140 commercial properties.

Results of Operations

Net income and earnings per common share: Net income for 2000, 1999 and 1998 was \$297,088,000, \$287,885,000 and \$227,019,000 respectively. The increase in net income was primarily the result of improved property operations, reduced operating losses from the containerized storage business, and the acquisition of additional real estate investments during 1999 and 2000 (including the acquisition of Storage Trust). The impact of these items was offset partially by an increased allocation of income to minority interests (as a result of the issuance of preferred operating partnership units, referred to below) combined with an increase in general and administration expense.

During 2000, our capital raising activities included the issuance of approximately \$365.0 million in preferred operating partnership units in one of our controlled partnerships. Unlike distributions to preferred shareholders, distributions to preferred unitholders are presented as minority interest in income and a reduction in computing the Company's net income. As a result of these preferred distributions, minority interest in income increased \$24,859,000 in the year ended December 31, 2000 as compared to 1999 and 1998.

Net income allocable to common shareholders for 2000, 1999 and 1998 was \$185,908,000, \$193,092,000 and \$148,644,000, respectively. On a diluted basis, net income was \$1.41 per common share (based on weighted average shares outstanding of 131,657,000) for 2000, \$1.52 per common share (based on weighted average shares outstanding of 126,669,000) for 1999 and \$1.30 per common share (based on weighted average shares outstanding of 114,357,000) for 1998. The decrease in net income per common share in 2000 as compared to 1999 reflects the inclusion of 6,790,000 common equivalent shares related to the Company's Class B common shares in 2000, but not in 1999 or 1998, as described more fully below. The decrease in net income per share also includes increased dilution from uninvested proceeds from the Company's issuance of fixed-rate preferred securities, increased dilution from development activities, increased general and administrative expense, and the impact of the Company's issuance of the Equity Stock, Series A. These factors were offset partially by improved property operations and reduced operating losses from the containerized storage business. The increase in net income per share for 1999 compared to 1998 was principally the result of improved real estate operations and the impact of decreased operating losses of the containerized storage business.

In computing net income allocable to common shareholders for each period, aggregate dividends paid to the holders of the Equity Stock, Series A and preferred equity securities have been deducted in determining net income allocable to the common shareholders. Distributions paid to the holders of the Equity Stock, Series A totaled \$11,042,000 in 2000 (none in 1999 or 1998). Distributions paid to preferred shareholders totaled \$100,138,000 in 2000, \$94,793,000 in 1999 and \$78,375,000 in 1998.

Commencing January 1, 2000, the Company's 7,000,000 Class B common shares outstanding began to participate in distributions of the Company's earnings. Distributions per share of Class B common stock are equal to 97% of the per share distribution paid to the Company's regular common shares. As a result of this participation in distributions of earnings, for purposes of computing net income per common share, the Company began to include 6,790,000 (7,000,000 x 97%) Class B common shares in the weighted average common equivalent shares effective January 1, 2000. Weighted average diluted shares for the years ended 1998 and 1999 do not include any shares with respect to the Class B common stock as these shares did not participate in distributions of the Company's earnings prior to January 1, 2000.

Real Estate Operations

Self - Storage Operations: Our self-storage operations are by far the largest component of our operations, representing approximately 86% of total revenues generated during 2000. At the end of 1997, we had a total of 894 self-storage facilities included in our consolidated financial statements. Since that time we have increased the number of self-storage facilities by 353 (1998 - 57 facilities, 1999 - 250 facilities and 2000 - 46 facilities). As a result of significant acquisitions of self-storage facilities in each of the past three years, year over year comparisons as presented on the consolidated statements of income with respect to our self-storage operations are not meaningful.

To enhance year over year comparisons, the following table summarizes the operating results (before depreciation) of (i) the 891 self-storage facilities that are reflected in the financial statements for the entire three years ended December 31, 2000 (the "Consistent Group") and (ii) all other self-storage facilities for which operations were not reflected in the financial statements for the entire three years ended December 31, 2000 (the "Other Facilities"):

<u>Self - storage operations:</u>	Year Ended December 31,			Year Ended December 31,		
	2000	1999	Percentage Change	1999	1998	Percentage Change
	(Dollar amounts in thousands, except rents per square foot)					
<u>Rental income (a):</u>						
Consistent Group.....	\$508,878	\$487,942	4.3%	\$487,942	\$468,673	4.1%
Other Facilities	144,646	104,677	38.2%	104,677	19,618	433.6%
	<u>653,524</u>	<u>592,619</u>	<u>10.3%</u>	<u>592,619</u>	<u>488,291</u>	<u>21.4%</u>
<u>Cost of operations:</u>						
Consistent Group.....	155,458	146,931	5.8%	146,931	143,068	2.7%
Other Facilities	55,004	37,550	46.5%	37,550	6,308	495.3%
	<u>210,462</u>	<u>184,481</u>	<u>14.1%</u>	<u>184,481</u>	<u>149,376</u>	<u>23.5%</u>
<u>Net operating income:</u>						
Consistent Group.....	353,420	341,011	3.6%	341,011	325,605	4.7%
Other Facilities	89,642	67,127	33.5%	67,127	13,310	404.3%
	<u>443,062</u>	<u>408,138</u>	<u>8.6%</u>	<u>408,138</u>	<u>338,915</u>	<u>20.4%</u>
Depreciation and Amortization.....	<u>141,425</u>	<u>131,118</u>	<u>7.9%</u>	<u>131,118</u>	<u>103,045</u>	<u>27.2%</u>
Operating Income	<u>\$301,637</u>	<u>\$277,020</u>	<u>8.9%</u>	<u>\$277,020</u>	<u>\$235,870</u>	<u>17.4%</u>
<u>Consistent Group data:</u>						
Gross margin	69.5%	69.9%	(0.4)%	69.9%	69.5%	0.4%
Weighted average:						
Occupancy.....	91.9%	92.1%	(0.2)%	92.1%	92.1%	0.0%
Realized annual rent per square foot (b).....	\$10.14	\$9.69	4.6%	\$9.69	\$9.29	4.3%
Scheduled annual rent per square foot	\$11.18	\$10.30	8.5%	\$10.30	\$10.08	2.2%
Number of self-storage facilities (at end of period):						
Consistent group	891	891	0.0%	891	891	0.0%
Other Facilities.....	356	310	14.8%	310	60	416.7%
Net rentable sq. ft. (at end of period):						
Consistent group	52,566	52,566	0.0%	52,566	52,566	0.0%
Other Facilities.....	22,004	18,903	16.4%	18,903	4,543	316.1%

(a) Rental income includes late charges and administrative fees. For the Consistent Group late charges and administrative fees in aggregate totaled \$18,816,000, \$18,825,000 and \$18,730,000 for 2000, 1999 and 1998, respectively.

(b) Realized annual rent per square foot is computed by annualizing rental income excluding late charges and administrative fees divided by the weighted average occupied square footage for the period.

The Consistent Group of facilities experienced increased revenues in 2000 and 1999 of 4.3% and 4.1%, respectively, as compared to the preceding year. The 4.3% increase in revenues in 2000 as compared to 1999 was caused primarily by a 4.6% increase in realized rent per occupied square foot, offset by a 0.2% reduction in average occupancy levels. Similarly, the 4.1% increase in revenues in 1999 as compared to 1998 was caused primarily by a 4.3% increase in realized rent per occupied square foot, with no change in average occupancy levels.

Over the past several months, we have increased scheduled rents (rental rates charged to new customers) throughout the portfolio. Scheduled rental rates for the Consistent Group of facilities are approximately 14.5% higher as of December 31, 2000 than they were at the same time last year. We are currently evaluating the impact of higher rental rates on our move-in and move-out activity. In addition, we are evaluating market supply and demand factors and based on these analysis we may adjust rental rates further, either increasing or decreasing them.

As indicated above, the scheduled rental rates are the rates being charged to new customers. The rental rates charged to our existing customer base, is on average, less than the current scheduled rates. For 2000, the average realized rental rate per square foot was approximately \$1.04 or 9.3% below current scheduled rents. Our rental agreements are generally on a month-by-month basis giving us the flexibility to increase rates to our existing customers. During the first quarter of fiscal 2001, we began to implement higher rental rates to our existing customer base. The amount of increase will depend on a number of factors and may not result in rental rates equal to the level of scheduled rental rates. There can be no assurance that higher rental rates will not adversely affect our occupancies.

Cost of operations includes all direct and indirect costs of operating, marketing and managing the facilities. The following table summarizes major operating expenses with respect to the Consistent Group (in thousands):

	2000	1999	1998
Payroll expense	\$43,833	\$42,637	\$42,152
Property taxes	44,028	44,294	44,356
Repairs and maintenance	14,964	12,193	12,033
Advertising	8,148	7,161	4,940
Telephone reservation center costs	9,159	7,520	6,748
Other	35,326	33,126	32,839
	<u>\$155,458</u>	<u>\$146,931</u>	<u>\$143,068</u>

Increases in advertising cost are principally due to expanded yellow page advertising in telephone directories. Promotional advertising is an important part of our operational strategy. Our advertising activities have increased customer call volume into our national reservation system, where one of our representatives discusses with the customer space requirements, price and location preferences and also informs the customer of other products and services provided by the Company and its subsidiaries. During 2000, call volume averaged approximately 200,000 calls per month, as compared to approximately 185,000 and 180,000 in 1999 and 1998, respectively.

While there can be no assurance, we do not believe that the power crisis experienced currently in California will have any material impact upon our operations; for the year ended December 31, 2000, total Consistent Group utility expense was less than 2% of total revenues.

Telephone reservation center costs have increased due to the expansion of our telephone reservation system. During 2000, we opened our second call center in Plano, Texas. In connection with the national telephone reservation system, we implement various pricing and promotional discount strategies designed to increase rental activity. For the Consistent Group promotional discounts (which are included as a reduction to gross rents to arrive at rental income) were \$13,372,000 in 2000, \$14,374,000 in 1999, and \$14,735,000 in 1998.

During the past three years, we have opened 30 newly developed facilities (24 in 2000, 6 in 1999 and none in 1998) with a total cost of approximately \$145.7 million. Included in the above table, under the caption "Other Facilities", are revenues of \$3,870,000 and \$4,000 for 2000 and 1999, respectively, and cost of operations of \$2,980,000 and \$38,000 for 2000 and 1999, respectively, with respect to these facilities.

Due to the fill-up nature of a newly developed self-storage facility, our earnings have been negatively impacted by our development activities. Unlike many other types of real estate, we do not pre-lease our storage space prior to the opening of a newly developed facility. Generally, it takes approximately 24 months for a newly developed facility to reach a stabilized occupancy level of 90%. At this stabilized occupancy level, operating costs represent approximately 30% of stabilized rental revenues. Since the operating costs are substantially fixed in nature, a newly developed facility will not reach a break-even operating cash flow until it achieves an occupancy level of approximately 30%. At December 31, 2000, the 30 newly developed facilities had an average occupancy level of approximately 40%. We expect that over at least the next twelve months our development activities will continue to have a negative impact to our earnings as additional newly developed facilities are opened. See "Liquidity and Capital Resources – Acquisition and Development of Facilities."

During 2000, the Company acquired 12 operating self-storage facilities for an aggregate cost of \$61.2 million. Included in the above table for 2000, under the caption "Other Facilities", are revenues of \$2,442,000 and cost of operations of \$790,000 with respect to these facilities.

As described in Note 3 to the financial statements, on September 15, 2000, we acquired the remaining ownership interests in a partnership of which we are the general partner, for an aggregate acquisition cost of \$81.2 million, consisting of cash of \$66.8 million and the reduction of our pre-existing investment in the amount of \$14.4 million. Included in the above table, under the caption "Other Facilities", for 2000 are revenues of \$3,242,000 and cost of operations of \$1,051,000, with respect to these facilities.

Commercial Property Operations: Commercial property operations included in the consolidated financial statements include commercial space owned by the Company and Consolidated Entities. Effective April 1, 1998, our investment in PSB is accounted for on the equity method of accounting, and accordingly our share of PSB's earnings is reflected as "Equity in earnings of real estate entities."

During 2000, we acquired two commercial facilities (which are expected to be converted into storage facilities) for an aggregate cost of \$5,930,000. Included within commercial property operations for 2000 with respect to these facilities was revenues of \$475,000 and cost of operations of \$131,000.

The following table sets forth the historical commercial property amounts included in the financial statements:

Commercial Property Operations:

	Year Ended December 31,		Change	Year Ended December 31,		Change
	2000	1999		1999	1998	
	(Amounts in thousands)					
Rental income	\$11,341	\$ 8,204	38.2%	\$ 8,204	\$23,112	(64.5)%
Cost of operations.....	3,826	2,826	35.4%	2,826	7,951	(64.5)%
Net operating income.....	7,515	5,378	39.7%	5,378	15,161	(64.5)%
Depreciation expense.....	2,291	1,686	35.9%	1,686	4,437	(62.0)%
Operating income.....	\$5,224	\$3,692	41.5%	\$3,692	\$10,724	(65.6)%

From the time of PSB's formation through March 31, 1998, we consolidated the accounts of PSB in our financial statements. During the second quarter of 1998, our ownership interest in PSB was reduced below 50% and, as a result, we no longer had a controlling interest in PSB. Accordingly, effective April 1, 1998, we no longer include the accounts of PSB in the consolidated financial statements and have accounted for our investment using the equity method. For all periods after March 31, 1998, the income statement includes our share of income in PSB. Further, commercial property operations for the periods after March 31, 1998 reflect only the commercial property operations of facilities owned by us which have both storage and commercial use combined at the same property location.

Containerized Storage Operations

In August 1996, Public Storage Pickup & Delivery ("PSUD"), a subsidiary of the Company, made its initial entry into the containerized storage business through its acquisition of a single facility operator located in Irvine, California. At December 31, 2000, PSPUD operated 41 facilities in 13 states. The facilities are located in major markets in which we have significant market presence with respect to our traditional storage facilities.

Due to the start-up nature of the business, PSPUD incurred operating losses totaling approximately \$5.1 million, \$7.4 million, and \$28.4 million for the years ended December 31, 2000, 1999 and 1998, respectively, summarized as follows:

Containerized storage:

	Year Ended December 31,		Dollar Change	Year Ended December 31,		Dollar Change
	2000	1999		1999	1998	
	(Dollar amounts in thousand)					
Rental and other income	\$37,914	\$27,028	\$10,886	\$27,028	\$24,466	\$2,562
Cost of operations:						
Direct operating costs	27,849	18,397	9,452	18,397	24,902	(6,505)
Marketing and advertising	1,283	1,333	(50)	1,333	9,206	(7,873)
Facility lease expense	8,666	9,779	(1,113)	9,779	14,400	(4,621)
Total cost of operations	37,798	29,509	8,289	29,509	48,508	(18,999)
Operating gain (loss) prior to depreciation	116	(2,481)	2,597	(2,481)	(24,042)	21,561
Depreciation expense (a)	5,251	4,915	336	4,915	4,317	598
Operating losses	<u>\$(5,135)</u>	<u>\$(7,396)</u>	<u>\$2,261</u>	<u>\$(7,396)</u>	<u>\$(28,359)</u>	<u>\$20,963</u>

(a) Depreciation for 2000 includes \$450,000 with respect to real estate assets.

Rental and other income includes monthly rental charges to customers for storage of the containers and service fees charged for pickup and delivery of containers to customers' homes. Rental income increased to \$37,914,000 in 2000 as compared to \$27,028,000 in 1999 as a result of higher per container rents and an increase in occupied containers. Rental income increased to \$27,028,000 in 1999 compared to \$24,466,000 in 1998 principally as a result in increases in the number of occupied containers. At December 31, 2000, there were approximately 59,443 occupied containers compared to 57,405 at December 31, 1999 and 48,360 at December 31, 1998.

Direct operating costs principally includes payroll, equipment lease expense, utilities and vehicle expenses (fuel and insurance). In addition, during 2000, included in direct operating costs was \$1,853,000 expensed due to the obsolescence of containers.

Marketing and advertising expense decreased to \$1,333,000 in 1999 from \$9,206,000 in 1998 primarily due to the curtailment of television advertising in the second half of 1998.

Substantially all of the facilities in which PSPUD operates are leased from third parties. Over the past three years, facility lease expense has continued to decrease (\$8,666,000 in 2000, \$9,779,000 in 1999, and \$14,400,000 in 1998). The reduction from 1999 to 2000 is principally the result of moving the operations from leased facilities to wholly-owned facilities, and thus eliminating the lease expense paid to third parties. The reduction from 1998 to 1999 is principally the result of the reduction in the number of facilities being operated.

At December 31, 2000, 25 of the 41 containerized storage facilities are leased from third parties. We anticipate developing 45 combination facilities (which includes 14 storage facilities that are being converted to combination facilities) that combine self-storage and containerized storage space in the same location. These facilities are expected to replace 22 of the leased facilities during 2001. We expect that an increasing part of the containerized storage business will be operated from this type of facility. To the extent that these developed combination facilities replace existing third-party leased facilities, lease expense should continue to be reduced.

The containerized storage operations may continue to adversely impact the Company's future earnings and cash flows. There can be no assurance as to the level of the containerized storage business's expansion, level of gross rentals, level of move-outs or profitability.

Equity in earnings of real estate entities: In addition to our ownership of equity interests in PSB, we had general and limited partnership interests in 11 limited partnerships at December 31, 2000 (PSB and the limited partnerships are collectively referred to as the “Unconsolidated Entities”). Due to our limited ownership interest and control of these entities, we do not consolidate the accounts of these entities for financial reporting purposes, and account for such investments using the equity method.

Equity in earnings of real estate entities for the year ended December 31, 2000 consists of our pro rata share of the Unconsolidated Entities based upon our ownership interest for the period. Similar to the Company, the Unconsolidated Entities (other than PSB) generate substantially all of their income from their ownership of storage facilities, which we manage. In the aggregate, the Unconsolidated Entities (including PSB) own a total of 254 real estate facilities, 114 of which are storage facilities. The following table sets forth the significant components of equity in earnings of real estate entities:

Historical summary:	Year Ended December 31,		Dollar Change	Year Ended December 31,		Dollar Change
	2000	1999		1999	1998	
	(Amounts in thousands)					
Property operations:						
PSB	\$42,562	\$35,623	\$6,939	\$35,623	\$23,301	\$12,322
Development Joint Venture.....	4,541	2,346	2,195	2,346	729	1,617
Other investments – primarily storage.....	16,724	18,036	(1,312)	18,036	20,329	(2,293)
	<u>63,827</u>	<u>56,005</u>	<u>7,822</u>	<u>56,005</u>	<u>44,359</u>	<u>11,646</u>
Depreciation:						
PSB	(14,672)	(12,130)	(2,542)	(12,130)	(7,303)	(4,827)
Development Joint Venture.....	(1,887)	(1,320)	(567)	(1,320)	(564)	(756)
Other investments – primarily storage	(5,266)	(6,271)	1,005	(6,271)	(6,017)	(254)
	<u>(21,825)</u>	<u>(19,721)</u>	<u>(2,104)</u>	<u>(19,721)</u>	<u>(13,884)</u>	<u>(5,837)</u>
Other: (1)						
PSB (2).....	(7,150)	(4,505)	(2,645)	(4,505)	(1,220)	(3,285)
Development Joint Venture.....	40	153	(113)	153	97	56
Other investments – primarily storage.....	1,217	251	966	251	(2,750)	3,001
	<u>(5,893)</u>	<u>(4,101)</u>	<u>(1,792)</u>	<u>(4,101)</u>	<u>(3,873)</u>	<u>(228)</u>
Total equity in earnings of real estate entities..	<u>\$36,109</u>	<u>\$32,183</u>	<u>\$3,926</u>	<u>\$32,183</u>	<u>\$26,602</u>	<u>\$5,581</u>

- (1) “Other” reflects the Company’s share of general and administrative expense, interest expense, interest income, and other non-property, non-depreciation related operating results of these entities.
- (2) During 2000, the company also recorded its pro-rata share of gain on disposition of real estate investments totaling \$3,210,000. This gain is included in the line item “Gain on disposition of real estate and real estate investments” on our consolidated statements of income.

The increase in 2000 equity in earnings as compared to 1999 is principally the result of improved operations of PSB, offset partially by the impact of certain business combinations occurring in 2000 and 1999 whereby we obtained a controlling interest in certain entities and began to include the accounts of such entities in the consolidated financial statements. Prior to the inclusion of these entities in the consolidated financial statements, we used the equity method to report our share of the entities’ earnings. Equity in earnings of real estate entities includes income of \$866,000, \$3,539,000, and \$1,034,000 for 2000, 1999 and 1998, respectively, with respect to investments which no longer existed at December 31, 2000.

The increase in 1999 equity in earnings of real estate entities compared to 1998 is principally the result of improved operations of PSB, as well as the impact of the deconsolidation of PSB effective April 1, 1998 whereby 1999’s equity in earnings includes a full year with respect to our interest in the operations of PSB, and 1998 includes nine months of such interest. The increase is partially offset by the impact of certain business combinations occurring in 1998 and 1999 whereby we acquired a controlling interest in certain entities and began to include the accounts of such entities in the consolidated financial statements. Prior to the inclusion of these entities in the consolidated financial statements, we used the equity method to report our share of the entities’ earnings.

Equity in earnings of PSB represents our pro rata share (approximately 42%) of earnings of PS Business Parks, Inc., a publicly traded real estate investment trust. As of December 31, 2000, we owned 5,418,273 common shares and 7,305,352 operating partnership units (units which are convertible into common shares on a one-for-one basis) in PSB. PSB is a publicly traded real estate investment trust organized by the Company on January 2, 1997. At December 31, 2000, PSB owned 140 properties located in 9 states. PSB also manages the commercial properties owned by the Company and affiliated entities

In April 1997, we formed a joint venture partnership (the "Development Joint Venture") with an institutional investor to participate in the development of approximately \$220 million of storage facilities. The venture is funded solely with equity capital consisting of 30% from the Company and 70% from the institutional investor. Equity in earnings from the Development Joint Venture reflects our pro rata share, based upon our ownership interest, of the operations of the Development Joint Venture. Since inception through December 31, 2000, the Development Joint Venture has developed and opened 47 storage facilities with an aggregate cost of approximately \$231.5 million. Generally the construction period takes nine to 12 months followed by a 18 to 24 month fill-up process until the newly constructed facility reaches a stabilized occupancy level of approximately 90%. For fiscal 1997, 1998, and 1999, the majority of the completed facilities are in the fill-up process and had not reached a stabilized occupancy level. We expect that our earnings with respect to our investment in the Development Joint Venture will continue to increase in 2001 as compared to 2000 as the existing properties continue to fill up.

During the first six months of fiscal 2000, we acquired controlling interests in certain entities. As a result of our ownership and control, we began to consolidate the accounts of these entities into our financial statements. Since we no longer account for our investment using the equity method, equity in earnings with respect to the "Other partnerships" has decreased in 2000 as compared 1999.

Other Income and Expense Items

Interest and other income: Interest in other income includes (i) the net operating results from our property management operations, (ii) merchandise sales and consumer truck rentals and (iii) interest income.

Interest and other income has increased in 2000 as compared to 1999 principally as a result of higher cash balances invested in interest bearing accounts. Higher cash balances are primarily due to our issuance of preferred operating partnership units in 2000 and the timing of investing the proceeds into real estate assets.

Depreciation and amortization: Depreciation and amortization expense was \$148,967,000 in 2000, \$137,719,000 in 1999 and \$111,799,000 in 1998. Depreciation expense with respect to the real estate facilities was \$134,857,000 in 2000, \$123,495,000 in 1999 and \$98,173,000 in 1998; the increases are due to the acquisition of additional real estate facilities in 1998 through 2000. Depreciation expense with respect to non real estate assets, primarily depreciation of equipment associated with the containerized storage operations, was \$4,801,000 in 2000, \$4,915,000 in 1999 and \$4,317,000 in 1998. Amortization expense with respect to intangible assets totaled \$9,309,000 for each of the three years ended December 31, 2000.

General and administrative expense: General and administrative expense was \$21,306,000 in 2000, \$12,491,000 in 1999 and \$11,635,000 in 1998. General and administrative costs for each year principally consist of state income taxes, investor relation expenses, certain overhead associated with the acquisition and development of real estate facilities, and overhead associated with the containerized storage business. The increase includes an expansion in our product research and development efforts, as well as costs associated with lease terminations on leased containerized storage facilities which were replaced by newly-developed facilities, and increased consulting fees. The total amount of such expenses was approximately \$5,963,000 in 2000 and \$1,291,000 in 1999 (none in 1998). In addition, during 2000, we experienced an increase in costs relating to our development activities of approximately \$1,447,000 when compared to 1999.

Although we expect that our general and administrative expense for fiscal 2001 will be less than what we experienced in 2000 we expect to exceed the level of general and administrative expense experienced in 1999 due to the following: (i) the growth in the size of the Company, (ii) additional lease termination cost with respect to the leased containerized storage facilities, and (iii) Company's property acquisition and development activities have continued to expand, resulting in certain additional costs incurred in connection with the acquisition of additional real estate facilities.

Interest expense: Interest expense was \$3,293,000 in 2000, \$7,971,000 in 1999 and \$4,507,000 in 1998. Debt and related interest expense remain relatively low compared to our overall asset base. The decrease in interest expense in 2000 compared to 1999 is principally the result of increased capitalized interest. Capitalized interest expense totaled \$9,778,000 in 2000, \$4,509,000 in 1999 and \$3,481,000 in 1998 in connection with our development activities.

The combined interest expense and capitalized interest was \$13,071,000 in 2000, \$12,480,000 in 1999 and \$7,988,000 in 1998. The increase in 2000 as compared to 1999 is due to the carrying the \$100 million of notes payable assumed in the merger with Storage Trust for one full year in 2000 compared to 8.5 months during 1999, partially offset by regular principal amortization. The increase in 1999 as compared to 1998 is due to the \$100 million of notes payable assumed in the merger with Storage Trust.

Minority interest in income: Minority interest in income represents the income allocable to equity interests in Consolidated Entities, which are not owned by the Company. Since 1990, we have acquired portions of these equity interests through our acquisition of limited and general partnership interests in the Consolidated Entities. These acquisitions have resulted in reductions to the "Minority interest in income" from what it would otherwise have been in the absence of such acquisitions, and accordingly, have increased our share of the Consolidated Entities' income.

In fiscal 1999 and 1998, we acquired sufficient ownership interest and control in various partnerships and commenced including the accounts of these partnerships in the consolidated financial statements, resulting in an increase in minority interest in income. The increase in minority interest in income in 2000 compared to 1999 is primarily related to the issuance of preferred operating partnership units in one of our consolidated partnerships (see Note 8 to the consolidated financial statements). The decrease in minority interest in income in 1999 compared to 1998 is the result of the deconsolidation of PSB, partially offset by the consolidation of additional partnerships.

In determining income allocable to the minority interest for 2000, 1999 and 1998 consolidated depreciation and amortization expense of approximately \$7,138,000, \$9,294,000 and \$12,022,000, respectively, was allocated to the minority interest. The changes in depreciation allocated to the minority interest were principally the result of the factors denoted above with respect to minority interest in income.

Supplemental Property Data and Trends

At December 31, 2000, there were approximately 46 ownership entities owning in aggregate 1,361 storage facilities, including the facilities which we own and/or operate. At December 31, 2000, 114 of these facilities were owned by Unconsolidated Entities, entities in which we have an ownership interest and use the equity method for financial statement presentation. The remaining 1,247 facilities are owned by the Company and Consolidated Entities.

The following table summarizes our investment in real estate facilities as of December 31, 2000:

	Number of Facilities in which the Company has an ownership interest			Net Rentable Square Footage (in thousands)		
	Storage Facilities	Commercial Properties	Total	Storage Facilities	Commercial Properties	Total
Wholly-owned facilities	618	6	624	37,853	394	38,247
Facilities owned by Consolidated Entities	629	-	629	36,717	-	36,717
Total consolidated facilities	1,247	6	1,253	74,570	394	74,964
Facilities owned by Unconsolidated Entities	114	140	254	6,732	12,626	19,358
Total facilities in which the Company has an ownership interest	1,361	146	1,507	81,302	13,020	94,322

In order to evaluate how our overall portfolio has performed, we analyze the operating performance of a consistent group of storage facilities representing 949 (55.2 million net rentable square feet) of the 1,361 storage facilities (herein referred to as "Same Store" storage facilities). The 949 facilities represent a consistent pool of properties which have been operated under the "Public Storage" name, at a stabilized level, by the Company since January 1, 1994. From time to time, we remove facilities from the "Same Store" pool as a result of expansions, dispositions or other activities which make such facilities' results not comparable to previous periods.

The Same Store group of properties includes 82 facilities that are not consolidated in the financial statements. Accordingly, rental income and cost of operations with respect to these 82 facilities are not reflected on the consolidated statements of income. As of December 31, 2000, the remaining 867 facilities are included in the consolidated financial statements, however, many of them were not included in the consolidated financial statements throughout each of the three years presented. The following table summarizes the pre-depreciation historical operating results of the Same Store storage facilities:

Same Store storage facilities:

(historical property operations)

	Year Ended December 31,		Percentage Change	Year Ended December 31,		Percentage Change
	2000	1999		1999	1998	
	(Dollar amounts in thousands except rent per square foot)					
Rental income (1).....	\$547,904	\$524,880	4.4%	\$524,880	\$503,274	4.3%
Cost of operations (2).....	164,197	154,974	6.0%	154,974	151,604	2.2%
Net operating income	\$383,707	\$369,906	3.7%	\$369,906	\$351,670	5.2%
Gross profit margin (3).....	70.0%	70.5%	(0.5)%	70.5%	69.9%	0.6%
Weighted Average:						
Occupancy	92.3%	92.5%	(0.2)%	92.5%	92.5%	0.0%
Realized annual rent per sq. ft (4).....	\$10.36	\$9.89	4.8%	\$9.89	\$9.46	4.5%
Scheduled annual rent per sq. ft.....	\$11.46	\$10.50	9.1%	\$10.50	\$10.20	2.9%

- Rental income includes late charges and administrative fees that in aggregate totaled \$19,937,000 in 2000, \$19,908,000 in 1999, and \$19,874,000 in 1998.

2. Cost of operations consists of the following:

	2000	1999	1998
Payroll expense	\$46,460	\$45,293	\$44,807
Property taxes	46,234	46,279	46,833
Repairs and maintenance	15,827	12,933	12,874
Advertising	8,632	7,501	5,187
Telephone reservation center costs	9,560	7,888	7,071
Utilities	11,944	11,646	11,625
Other	25,540	23,434	23,207
	<u>\$164,197</u>	<u>\$154,974</u>	<u>\$151,604</u>

3. Gross profit margin is computed by dividing property net operating income (before depreciation expense) by rental revenues.
4. Realized annual rent per square foot is computed by annualizing rental income excluding late charges and administrative fees divided by weighted average occupied square footage for the year.

In early 1996, we implemented a national telephone reservation system designed to provide added customer service for all the storage facilities under management. We believe that the improved operating results, as indicated in the above table, in large part are due to the success of the national telephone reservation system.

Rental income for the Same Store facilities was net of promotional discounts totaling \$14,035,000 in 2000 compared to \$14,830,000 in 1999 and \$15,048,000 in 1998.

The storage facilities experience minor seasonal fluctuations in occupancy levels with occupancies generally higher in the summer months than in the winter months. The Company believes that these fluctuations result in part from increased moving activities during the summer.

Same-Store Operating Trends by Region (Dollar amounts in thousands, except weighted average amounts)

	Northern California		Southern California		Texas		Florida		Illinois		Other states		Total	
	Amount	% change from prior year	Amount	% change from prior year	Amount	% change from prior year	Amount	% change from prior year	Amount	% change from prior year	Amount	% change from prior year	Amount	% change from prior year
<u>Rental income:</u>														
2000	\$82,081	5.3%	\$105,848	7.5%	\$46,242	1.4%	\$32,664	3.2%	\$38,592	4.9%	\$242,477	3.4%	\$547,904	4.4%
1999	\$77,973	2.9%	\$98,460	8.2%	\$45,601	2.1%	\$31,649	2.4%	\$36,779	6.0%	\$234,418	3.6%	\$524,880	4.3%
1998	\$75,771	10.2%	\$90,978	10.1%	\$44,670	6.0%	\$30,896	6.0%	\$34,709	9.5%	\$226,250	5.9%	\$503,274	7.6%
<u>Cost of operations:</u>														
2000	\$19,033	6.9%	\$24,485	7.8%	\$18,097	1.0%	\$11,588	3.7%	\$14,366	6.9%	\$76,628	6.5%	\$164,197	6.0%
1999	\$17,803	1.2%	\$22,711	2.1%	\$17,915	4.4%	\$11,177	3.2%	\$13,437	(5.5)%	\$71,931	3.5%	\$154,974	2.2%
1998	\$17,598	9.8%	\$22,252	7.6%	\$17,166	11.7%	\$10,835	5.8%	\$14,222	7.0%	\$69,531	5.0%	\$151,604	6.9%
<u>Net operating income:</u>														
2000	\$63,048	4.8%	\$81,363	7.4%	\$28,145	1.7%	\$21,076	3.0%	\$24,226	3.8%	\$165,849	2.1%	\$383,707	3.7%
1999	\$60,170	3.4%	\$75,749	10.2%	\$27,686	0.7%	\$20,472	2.0%	\$23,342	13.9%	\$162,487	3.7%	\$369,906	5.2%
1998	\$58,173	10.4%	\$68,726	11.0%	\$27,504	2.7%	\$20,061	6.1%	\$20,487	11.2%	\$156,719	6.3%	\$351,670	7.8%
<u>Weighted avg. occupancy:</u>														
2000	94.60%	1.4%	95.70%	0.8%	90.40%	(1.6)%	89.40%	(0.7)%	91.80%	(0.8)%	91.50%	(0.4)%	92.30%	(0.2)%
1999	93.20%	(1.5)%	94.90%	0.6%	92.00%	(0.6)%	90.10%	(0.5)%	92.60%	(0.1)%	91.90%	0.3%	92.50%	0.0%
1998	94.70%	(1.4)%	94.30%	2.8%	92.60%	0.7%	90.60%	0.6%	92.70%	0.8%	91.60%	0.7%	92.50%	0.8%
<u>Weighted avg. annual realized rents per occupied sq. ft.:</u>														
2000	\$13.14	3.9%	\$12.70	6.7%	\$7.30	3.5%	\$8.94	4.2%	\$11.49	5.8%	\$9.68	4.0%	\$10.36	4.8%
1999	\$12.65	4.8%	\$11.90	7.9%	\$7.05	2.9%	\$8.58	2.8%	\$10.86	6.1%	\$9.31	3.2%	\$9.89	4.5%
1998	\$12.07	12.3%	\$11.03	7.6%	\$6.85	5.5%	\$8.35	5.4%	\$10.24	8.2%	\$9.02	5.3%	\$9.46	6.9%
Number of facilities														
	121		136		107		70		56		459		949	

Liquidity and Capital Resources

We believe that our internally generated net cash provided by operating activities will continue to be sufficient to enable us to meet our operating expenses, capital improvements, debt service requirements and distributions to shareholders for the foreseeable future.

Operating as a real estate investment trust (“REIT”), our ability to retain cash flow for reinvestment is restricted. In order for us to maintain our REIT status, a substantial portion of our operating cash flow must be used to make distributions to our shareholders (see “*REIT status*” below). However, despite the significant distribution requirements, we have been able to retain a significant amount of our operating cash flow. The following table summarizes our ability to make the minority interests’ distributions, dividend payments to the preferred shareholders and capital improvements to maintain our facilities through the use of cash provided by operating activities. The remaining cash flow generated is available to make both scheduled and optional principal payments on debt and for reinvestment.

	For the Year Ended December 31,		
	(Amount in thousands)		
	2000	1999	1998
Net income	\$297,088	\$287,885	\$227,019
Depreciation and amortization (A)	148,967	137,719	111,799
Depreciation from equity investments	21,825	19,721	13,884
Less – Gain on sale of real estate.....	(3,786)	(2,154)	-
Minority interest in income	38,356	16,006	20,290
Net cash provided by operating activities	502,450	459,177	372,992
Allocable to minority interests (Preferred OP Units).....	(24,859)	-	-
Allocable to minority interests (Common equity)	(20,635)	(25,300)	(32,312)
Cash from operations allocable to the Company’s shareholders	456,956	433,877	340,680
Less: preferred stock dividends	(100,138)	(94,793)	(78,375)
Less: Equity Stock, Series A dividends	(11,042)	-	-
Cash from operations available to common shareholders.....	345,776	339,084	262,305
Capital improvements to maintain facilities:			
Storage facilities.....	(33,023)	(29,023)	(29,677)
Commercial properties.....	-	-	(2,037)
Add back: minority interest share of capital improvements to maintain facilities	728	1,269	2,476
Cash available for principal payments on debt, common dividends and reinvestment.....	313,481	311,330	233,067
Regular cash distributions to common and Class B shareholders	(115,460)	(113,297)	(100,726)
Cash available for principal payments on debt and reinvestment prior to special distribution	198,021	198,033	132,341
Special distributions to common shareholders (B)	(78,673)	(82,086)	-
Cash available for principal payments on debt and reinvestment	\$119,348	\$115,947	\$132,341

(A) Depreciation and amortization includes \$4,801,000, \$4,915,000 and \$4,317,000, respectively, with respect to non-real estate assets in 2000, 1999 and 1998, respectively.

(B) The special distribution for 2000 was declared August 2000 and paid September 2000. The special distribution for 1999 was declared in 1999 and paid in January 2000. In each instance, the special distribution enabled the Company to maintain its REIT status with respect to the distribution requirements.

Our financial profile is characterized by a low level of debt to total capitalization, increasing net income, increasing cash flow from operations, and a conservative dividend payout ratio with respect to the common stock. We expect to fund our growth strategies with cash on hand at December 31, 2000, internally generated retained cash flows, proceeds from issuing equity securities and borrowings under our credit facility. We intend to repay amounts borrowed under the credit facility from undistributed operating cash flow or, as market conditions permit and are determined to be advantageous, from the public or private placement of equity securities.

As of December 31, 2000, there were no outstanding borrowings under our \$150.0 million bank line of credit. Outstanding debt at December 31, 2000 totaled \$156.0 million, consisting of mortgage debt of \$26.7 million and unsecured debt of \$129.3 million. By comparison, our real estate facilities had a net book value of \$3.7 billion at December 31, 2000 accordingly, our portfolio of real estate facilities is substantially unencumbered.

We have generally only increased our debt in connection with the acquisition of real estate facilities. Over the past three years we have funded substantially all of our acquisitions with permanent capital (both common and preferred stock). We have elected to use preferred stock as a form of leverage despite the fact that the dividend rates of our preferred stock exceeds current interest rates on conventional debt. We have chosen this method of financing for the following reasons: (i) our perpetual preferred stock has no sinking fund requirement, or maturity date and does not require redemption, all of which eliminate any future refinancing risks, (ii) preferred stock allows us to leverage the common stock without the attendant interest rate or refinancing risks of debt, and (iii) like interest payments, dividends on the preferred stock can be applied to our REIT distributions requirements, which have helped us to maintain a low common stock dividend payout ratio and retain cash flow. Our credit ratings on our Senior Preferred Stock by each of the three major credit agencies are “baa2” by Moody’s and BBB+ by Standard and Poor’s and Fitch IBCA.

We believe that our size and financial flexibility enables us to access capital when appropriate. During 2000, despite difficult capital markets, we privately issued \$365.0 million of preferred partnership units as follows: \$240.0 million of 9.5% Series N Cumulative Redeemable Perpetual Preferred Units (issued March 17, 2000), \$75.0 million of 9.125% Series O Cumulative Redeemable Perpetual Preferred Units (issued March 29, 2000), and \$50.0 million of 8.75% Series P Cumulative Redeemable Perpetual Preferred Units (issued August 11, 2000). In addition, in December, 2000, we publicly issued \$28.5 million of Equity Stock, Series A.

Subsequent to December 31, 2000, we issued approximately \$172.5 million of our 8.600% Series Q Cumulative Perpetual Preferred Stock.

Distribution requirements: We have operated, and intend to continue to operate, in such a manner as to qualify as a REIT under the Internal Revenue Code of 1986, but no assurance can be given that we will at all times so qualify. To the extent that the Company continues to qualify as a REIT, we will not be taxed, with certain limited exceptions, on the taxable income that is distributed to our shareholders, provided that at least 95% of our taxable income is so distributed prior to filing of the Company’s tax return. We have satisfied the REIT distribution requirement since 1980.

During 2000, we paid regular quarterly distributions of \$0.22 per common share. In addition, during the quarter ended September 30, 2000, a special distribution in the amount of \$0.60 per common share (an aggregate of \$78.7 million) was declared and paid. Distributions with respect to the Common Stock and Equity Stock, Series A will be determined based upon our REIT distribution requirements after taking into consideration distributions to the preferred shareholders. We expect to increase our common distribution in 2001 and beyond from the level of our regularly quarterly distribution level of \$0.22 per common share assuming a continuation of our increasing level of taxable income. These increased distributions will be in the form of special distributions of cash or securities, an increase in the regular quarterly common distribution, or a combination thereof.

With respect to the depositary shares of Equity Stock, Series A, we have no obligation to pay distributions if no distributions are paid to the common shareholders. To the extent that we do pay common distributions in any year, the holders of the depositary shares receive the lesser of (i) five times the per share dividend on the common stock or (ii) \$2.45. The depositary shares are noncumulative, and have no preference over our Common Stock either as to dividends or in liquidation.

During 2000, we paid dividends totaling \$100.1 million to the holders of our Senior Preferred Stock, \$184.1 million to the holders of our Common Stock, \$10.0 million to the holders of our Class B Common Stock and \$11.0 million to the holders of our Equity Stock, Series A. We estimate that the distribution requirements for fiscal 2001 with respect to Senior Preferred Stock outstanding at December 31, 2000 will be approximately \$100.1 million. We estimate the annual distribution requirement with respect to the Series Q Cumulative Perpetual Preferred Stock to be approximately \$14.8 million per year.

Our conservative distribution policy has been the principal reason for our ability to retain significant operating cash flows which have been used to make additional investments and reduce debt. During 1998, 1999 and 2000, we paid regular distributions to common and Class B shareholders of approximately 38%, 33% and 33% of our cash available from operations allocable to common shareholders, respectively. Including the special distributions paid in 1999 and 2000, we paid total distributions to common and Class B shareholders of 58% and 56%, respectively, of our cash available from operations allocable to common shareholders.

Capital improvement requirements: During 2001, we have budgeted approximately \$26.8 million for capital improvements.

Debt Service requirements: We do not believe we have any significant refinancing risks with respect to our mortgage debt, all of which is fixed rate. At December 31, 2000, we had total outstanding notes payable of approximately \$156.0 million. See Note 7 to the consolidated financial statements for approximate principal maturities of such borrowings. We anticipate that our retained operating cash flow will continue to be sufficient to enable us to make scheduled principal payments.

Growth Strategies: During 2001, we intend to continue to expand our asset and capital base through the acquisition of real estate assets and interests in real estate assets from both unaffiliated and affiliated parties through direct purchases, mergers, tender offers or other transactions and through the development of additional storage facilities. In addition to 618 wholly owned storage facilities, we operate, on behalf of approximately 46 ownership entities in which we have an interest, 629 storage facilities under the "Public Storage" name in which we have a partial equity interest. From time to time, some of these storage facilities or interests in them are available for purchase, providing us with a source of additional acquisition opportunities.

Acquisition and Development of Facilities: During 2000, we have acquired two commercial facilities and 12 storage facilities at an aggregate cost of approximately \$67.1 million. In addition, on September 15, 2000, we acquired the remaining ownership interests in a partnership, of which we were the general partner, for an aggregate acquisition cost of \$81.2 million. This partnership owned 13 self-storage facilities.

As previously announced, in April 1997, we formed a joint venture partnership with an institutional investor for the purpose of developing up to \$220.0 million of self-storage facilities. The joint venture is funded solely with equity capital consisting of 30% from us and 70% from the institutional investor. Our share of the cost of the real estate in the joint venture is approximately \$69 million at December 31, 2000. As of December 31, 2000, the joint venture had 47 operating facilities, with 2,878,000 net rentable square feet and total development costs of approximately \$231.5 million.

In November 1999, we formed a second joint venture partnership for the development of approximately \$100 million of self-storage facilities. The venture is funded solely with equity capital consisting of 51% from us and 49% from the joint venture partner. The term of the joint venture is 15 years. After six years, the joint venture partner has the right to cause the company to purchase the joint venture partner's interest for an amount necessary to provide them with a maximum return of 10.75% or less in certain circumstances. At December 31, 2000, this development joint venture was committed to develop 17 facilities (approximately 1,229,000 net rentable sq. ft.) with an estimated development cost of approximately \$36.9 million, of which 11 facilities (approximately 714,000 net rentable sq. ft.) were completed at an aggregate cost of approximately \$50.8 million. As of December 31, 2000, the second development joint venture is developing six additional projects (approximately 515,000 net rentable square feet) that were in process, with total costs incurred of \$23.8 million and estimated remaining costs to complete of \$13.1 million. We have submitted 5 additional facilities for approval with total estimated costs of approximately \$22.4 million; we have incurred approximately \$8.5 million through December 31, 2000 with respect to these 5

projects. Upon approval, these projects will be transferred to the joint venture and the joint venture partner will contribute its 49% share.

We currently have a development “pipeline” of 110 self storage facilities, combination facilities, and expansions to existing self storage facilities with an aggregate estimated cost of approximately \$628.2 million. Approximately \$238.6 million of development cost is incurred as of December 31, 2000. We have acquired the land for 78 of these projects, which have an aggregate estimated cost of approximately \$425.9 million, and costs incurred as of December 31, 2000 of approximately \$234.3 million. The remaining 32 facilities represent identified sites where we have an agreement in place to acquire the land generally within one year.

The development and fill-up of these storage facilities is subject to significant contingencies. We estimate that the amount remaining to be spent of approximately \$373.9 million will be incurred over the next 24 – 28 months. The following table sets forth our development pipeline and a range of estimated opening dates for these projects:

	Number of Facilities	Total Estimated Cost of Development	Total Cost Incurred through December 31, 2000	Estimated time Frames of Facility Openings
<u>Development - Land Acquired at 12/31/00</u>				
Self-storage facilities.....	31	\$ 183,459	\$ 115,483	Q1 '01 – Q1 '02
Expansions of existing self-storage facilities.....	25	73,337	39,243	Q1 '01 – Q1 '02
Combination facilities	22	169,103	79,607	Q1 '01 – Q1 '02
Total	78	425,899	234,333	
<u>Potential Development - Land to be Acquired After 12/31/00</u>				
Self-storage facilities – development starts estimated by 6/30/01	16	106,299	2,532	Q2 '02 – Q3 '02
Self-storage facilities – development starts estimated after 6/30/01	5	40,863	542	After Q3 '02
Expansions of existing self-storage facilities.....	7	12,421	388	Q1 '02 – Q3 '02
Combination facilities	4	27,046	792	Q1 '02 – Q3 '02
Total	32	186,629	4,254	
Totals.....	110	\$ 612,528	\$ 238,587	

Stock Repurchase Program: As previously announced, the Company’s Board of Directors authorized the repurchase from time to time of up to 15,000,000 shares of the Company’s common stock on the open market or in privately negotiated transactions. On March 15, 2001, the Board of Directors increased the repurchase authorization to 20,000,000 shares. During 2000, we repurchased a total of 3,417,700 shares, for a total aggregate cost of approximately \$77.8 million. From the inception of the repurchase program through December 31, 2000, we have repurchased a total of 10,826,527 shares of common stock at an aggregate cost of approximately \$257.0 million. From January 1, 2001 until March 14, 2001, the Company repurchased a total of 3,961,800 shares at an aggregate cost of approximately \$102.2 million.

Funds from Operations: Total funds from operations or “FFO” increased to \$452.2 million for the year ended 2000 compared to \$429.0 million for the year ended 1999 and \$336.4 million in 1998. FFO available to common shareholders (after deducting preferred stock dividends) increased to \$340.9 million for the year ended December 31, 2000 compared to \$334.2 million in 1999 and \$258.0 million in 1998. FFO means net income (loss) (computed in accordance with generally accepted accounting principles) before (i) gain (loss) on early extinguishment of debt, (ii) minority interest in income and (iii) gain (loss) on disposition of real estate, adjusted as follows: (i) plus depreciation and amortization related to real estate assets (including the Company’s pro-rata share

of depreciation and amortization of unconsolidated equity interests and amortization of assets acquired in a merger, including property management agreements and goodwill), and (ii) less FFO attributable to minority interests.

FFO is a supplemental performance measure for equity REITs as defined by the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"). The NAREIT definition does not specifically address the treatment of minority interest in the determination of FFO or the treatment of the amortization of property management agreements and goodwill. In the case of the Company, FFO represents amounts attributable to its shareholders after deducting amounts attributable to the minority interests and before deductions for the amortization of property management agreements and goodwill. FFO is presented because management, as well as many industry analysts, consider FFO to be one measure of the performance of the Company and it is used in establishing the terms of the Class B Common Stock. FFO does not take into consideration capital improvements, scheduled principal payments on debt, distributions and other obligations of the Company. Accordingly, FFO is not a substitute for the Company's cash flow or net income (as discussed above) as a measure of the Company's liquidity or operating performance. FFO is not comparable to similarly entitled items reported by other REITs that do not define it exactly as we have defined it.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

To limit our exposure to market risk, we principally finance our operations and growth with permanent equity capital consisting either of common or preferred stock. At December 31, 2000, the Company's debt as a percentage of total shareholders' equity (based on book values) was 4.2%.

Our preferred stock is not redeemable at the option of the holders. Except under certain conditions relating to the Company's qualification as a REIT, the Senior Preferred Stock is not redeemable by the Company prior to the following dates: Series A – September 30, 2002, Series B – March 31, 2003, Series C – June 30, 1999, Series D – September 30, 2004, Series E – January 31, 2005, Series F – April 30, 2005, Series G – December 31, 2000, Series H – January 31, 2001, Series I – October 31, 2001, Series J – August 31, 2002, Series K – January 19, 2004, Series L – March 10, 2004, Series M – August 17, 2004 and Series Q – January 19, 2006. On or after the respective dates, each of the series of Senior Preferred Stock will be redeemable at the option of the Company, in whole or in part, at \$25 per share (or depositary share in the case of the Series G, Series H, Series I, Series J, Series K, Series L and Series M), plus accrued and unpaid dividends.

Our market risk sensitive instruments include notes payable which totaled \$156,003,000 at December 31, 2000. All of our notes payable bear interest at fixed rates. See Note 7 to the financial statements for terms, valuations and approximate principal maturities of the notes payable as of December 31, 2000.

ITEM 8. Financial Statements and Supplementary Data

The financial statements of the Company at December 31, 2000 and December 31, 1999 and for each of the three years in the period ended December 31, 2000 and the report of Ernst & Young LLP, Independent Auditors, thereon and the related financial statement schedule, are included elsewhere herein. Reference is made to the Index to Financial Statements and Schedules in Item 14.

ITEM 9. Disagreements on Accounting and Financial Disclosure

Not applicable.

PART III

ITEM 10. Directors and Executive Officers of the Registrant

The information required by this item with respect to directors is hereby incorporated by reference to the material appearing in the Company's definitive proxy statement to be filed in connection with the annual shareholders' meeting to be held in 2001 (the "Proxy Statement") under the caption "Proposal No. 1 – Election of Directors." Information required by this item with respect to executive officers is provided in Item 4A of this report. See "Executive Officers of the Company."

ITEM 11. Executive Compensation

The information required by this item is hereby incorporated by reference to the material appearing in the Proxy Statement under the captions "Compensation" and "Compensation Committee Interlocks and Insider Participation."

ITEM 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this item is hereby incorporated by reference to the material appearing in the Proxy Statement under the captions "Proposal No. 1 – Election of Directors – Security Ownership of Certain Beneficial Owners" and "– Security Ownership of Management."

ITEM 13. Certain Relationships and Related Transactions

The information required by this item is hereby incorporated by reference to the material appearing in the Proxy Statement under the caption "Compensation Committee Interlocks and Insider Participation – Certain Relationships and Related Transactions."

PART IV

ITEM 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

a. 1. Financial Statements

The financial statements listed in the accompanying Index to Financial Statements and Schedules hereof are filed as part of this report.

2. Financial Statement Schedules

The financial statements schedules listed in the accompanying Index to Financial Statements and Schedules are filed as part of this report.

3. Exhibits

See Index to Exhibits contained herein.

b. Reports on Form 8-K

The Company filed a Current Report on Form 8-K dated November 29, 2000 (filed November 30, 2000), pursuant to Item 5, which filed certain exhibits relating to the Company's public offering of Depositary Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A.

c. Exhibits:

See Index to Exhibits contained herein.

d. Financial Statement Schedules

Not applicable.

PUBLIC STORAGE, INC.

INDEX TO EXHIBITS

(Items 14(a)(3) and 14(c))

- 3.1 Restated Articles of Incorporation. Filed with Registrant's Registration Statement No. 33-54557 and incorporated herein by reference.
- 3.2 Certificate of Determination for the 10% Cumulative Preferred Stock, Series A. Filed with Registrant's Registration Statement No. 33-54557 and incorporated herein by reference.
- 3.3 Certificate of Determination for the 9.20% Cumulative Preferred Stock, Series B. Filed with Registrant's Registration Statement No. 33-54557 and incorporated herein by reference.
- 3.4 Amendment to Certificate of Determination for the 9.20% Cumulative Preferred Stock, Series B. Filed with Registrant's Registration Statement No. 33-56925 and incorporated herein by reference.
- 3.5 Certificate of Determination for the 8.25% Convertible Preferred Stock. Filed with Registrant's Registration Statement No. 33-54557 and incorporated herein by reference.
- 3.6 Certificate of Determination for the Adjustable Rate Cumulative Preferred Stock, Series C. Filed with Registrant's Registration Statement No. 33-54557 and incorporated herein by reference.
- 3.7 Certificate of Determination for the 9.50% Cumulative Preferred Stock, Series D. Filed with Registrant's Form 8-A/A Registration Statement relating to the 9.50% Cumulative Preferred Stock, Series D and incorporated herein by reference.
- 3.8 Certificate of Determination for the 10% Cumulative Preferred Stock, Series E. Filed with Registrant's Form 8-A/A Registration Statement relating to the 10% Cumulative Preferred Stock, Series E and incorporated herein by reference.
- 3.9 Certificate of Determination for the 9.75% Cumulative Preferred Stock, Series F. Filed with Registrant's Form 8-A/A Registration Statement relating to the 9.75% Cumulative Preferred Stock, Series F and incorporated herein by reference.
- 3.10 Certificate of Determination for the Convertible Participating Preferred Stock. Filed with Registrant's Registration Statement No. 33-63947 and incorporated herein by reference.
- 3.11 Certificate of Amendment of Articles of Incorporation, Filed with Registrant's Registration Statement No. 33-63947 and incorporated herein by reference.
- 3.12 Certificate of Determination for the 8-7/8% Cumulative Preferred Stock, Series G. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000th of a Share of 8-7/8% Cumulative Preferred Stock, Series G and incorporated herein by reference.
- 3.13 Certificate of Determination for the 8.45% Cumulative Preferred Stock, Series H. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000th of a Share of 8.45% Cumulative Preferred Stock, Series H and incorporated herein by reference.

- 3.14 Certificate of Determination for the Convertible Preferred Stock, Series CC. Filed with Registrant's Registration Statement No. 333-03749 and incorporated herein by reference.
- 3.15 Certificate of Correction of Certificate of Determination for the Convertible Participating Preferred Stock. Filed with Registrant's Registration Statement No. 333-08791 and incorporated herein by reference.
- 3.16 Certificate of Determination for 8-5/8% Cumulative Preferred Stock, Series I. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depository Shares Each Representing 1/1,000 of a Share of 8-5/8% Cumulative Preferred Stock, Series I and incorporated herein by reference.
- 3.17 Certificate of Amendment of Articles of Incorporation. Filed with Registrant's Registration Statement No. 333-18395 and incorporated herein by reference.
- 3.18 Certification of Determination for Equity Stock, Series A. Filed with Registrant's Form 10-Q for the quarterly period ended June 30, 1997 and incorporated herein by reference.
- 3.19 Certificate of Determination for Equity Stock, Series AA. Filed with Registrant's Form 10-Q for the quarterly period ended September 30, 1999 and incorporated herein by reference.
- 3.20 Certificate Decreasing Shares Constituting Equity Stock, Series A. Filed with Registrant's Form 10-Q for the quarterly period ended September 30, 1999 and incorporated herein by reference.
- 3.21 Certificate of Determination for Equity Stock, Series A. Filed with Registrant's Form 10-Q for the quarterly period ended September 30, 1999 and incorporated herein by reference.
- 3.22 Certification of Determination for 8% Cumulative Preferred Stock, Series J. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depository Shares Each Representing 1/1,000 of a Share of 8% Cumulative Preferred Stock, Series J and incorporated herein by reference.
- 3.23 Certificate of Correction of Certificate of Determination for the 8.25% Convertible Preferred Stock. Filed with Registrant's Registration Statement No. 333-61045 and incorporated herein by reference.
- 3.24 Certification of Determination for 8-1/4% Cumulative Preferred Stock, Series K. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depository Shares Each Representing 1/1,000 of a Share of 8-1/4% Cumulative Preferred Stock, Series K and incorporated herein by reference.
- 3.25 Certificate of Determination for 8-1/4% Cumulative Preferred Stock, Series L. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depository Shares Each Representing 1/1,000 of a Share of 8-1/4% Cumulative Preferred Stock, Series L and incorporated herein by reference.
- 3.26 Certificate of Determination for 8.75% Cumulative Preferred Stock, Series M. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depository Shares Each Representing 1/1,000 of a Share of 8.75% Cumulative Preferred Stock, Series M and incorporated herein by reference.
- 3.27 Certificate of Determination for Equity Stock, Series AAA. Filed with Registrant's Current Report on Form 8-K dated November 15, 1999 and incorporated herein by reference.
- 3.28 Certification of Determination for 9.5% Cumulative Preferred Stock, Series N. Filed with Registrant's Annual Report on Form 10-K for the year ended December 31, 1999 and incorporated herein by reference.

- 3.29 Certification of Determination for 9.125% Cumulative Preferred Stock, Series O. Filed with Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2000 and incorporated herein by reference.
- 3.30 Certificate of Determination for 8.75% Cumulative Preferred Stock, Series P. Filed with Registrant's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2000 and incorporated herein by reference.
- 3.31 Certificate of Determination for 8.600% Cumulative Preferred Stock, Series Q. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depository Shares Each Representing 1/1,000 of a Share of 8.600% Cumulative Preferred Stock, Series Q and incorporated herein by reference.
- 3.32 Bylaws, as amended. Filed with Registrant's Registration Statement No. 33-64971 and incorporated herein by reference.
- 3.33 Amendment to Bylaws adopted on May 9, 1996. Filed with Registrant's Registration Statement No. 333-03749 and incorporated herein by reference.
- 3.34 Amendment to Bylaws adopted on June 26, 1997. Filed with Registrant's Registration Statement No. 333-41123 and incorporated herein by reference.
- 3.35 Amendment to Bylaws adopted on January 6, 1998. Filed with Registrant's Registration Statement No. 333-41123 and incorporated herein by reference.
- 3.36 Amendment to Bylaws adopted on February 10, 1998. Filed with Registrant's Current Report on Form 8-K dated February 10, 1998 and incorporated herein by reference.
- 3.37 Amendment to Bylaws adopted on March 4, 1999. Filed with Registrant's Current Report on Form 8-K dated March 4, 1999 and incorporated herein by reference.
- 3.38 Amendment to Bylaws adopted on May 6, 1999. Filed with Registrant's Form 10-Q for the quarterly period ended March 31, 1999 and incorporated herein by reference.
- 10.1 Second Amended and Restated Management Agreement by and among Registrant and the entities listed therein dated as of November 16, 1995. Filed with PS Partners, Ltd.'s Annual Report on Form 10-K for the year ended December 31, 1996 and incorporated herein by reference.
- 10.2 Amended Management Agreement between Registrant and Public Storage Commercial Properties Group, Inc. dated as of February 21, 1995. Filed with Registrant's Annual Report on Form 10-K for the year ended December 31, 1994 and incorporated herein by reference.
- 10.3 Loan Agreement between Registrant and Aetna Life Insurance Company dated as of July 11, 1988. Filed with Registrant's Current Report on Form 8-K dated July 14, 1988 and incorporated herein by reference.
- 10.4 Amendment to Loan Agreement between Registrant and Aetna Life Insurance Company dated as of September 1, 1993. Filed with Registrant's Annual Report on Form 10-K for the year ended December 31, 1993 and incorporated herein by reference.
- 10.5 Second Amended and Restated Credit Agreement by and among Registrant, Wells Fargo Bank, National Association, as agent, and the financial institutions party thereto dated as of February 25, 1997. Filed with Registrant's Registration Statement No. 333-22665 and incorporated herein by reference.

- 10.6 Note Assumption and Exchange Agreement by and among Public Storage Management, Inc., Public Storage, Inc., Registrant and the holders of the notes dated as of November 13, 1995. Filed with Registrant's Registration Statement No. 33-64971 and incorporated herein by reference.
- 10.7* Registrant's 1990 Stock Option Plan. Filed with Registrant's Annual Report on Form 10-K for the year ended December 31, 1994 and incorporated herein by reference.
- 10.8* Registrant's 1994 Stock Option Plan. Filed with Registrant's Annual Report on Form 10-K for the year ended December 31, 1997 and incorporated herein by reference.
- 10.9* Registrant's 1996 Stock Option and Incentive Plan. Filed herewith.
- 10.10 Deposit Agreement dated as of December 13, 1995, among Registrant, The First National Bank of Boston, and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 8-7/8 Cumulative Preferred Stock, Series G. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1000th of a Share of 8-7/8 Cumulative Preferred Stock, Series G and incorporated herein by reference.
- 10.11 Deposit Agreement dated as of January 25, 1996, among Registrant, The First National Bank of Boston, and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 8.45% Cumulative Preferred Stock, Series H. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1000th of a Share of 8.45% Cumulative Preferred Stock, Series H and incorporated herein by reference.
- 10.12** Employment Agreement between Registrant and B. Wayne Hughes dated as of November 16, 1995. Filed with Registrant's Annual Report on Form 10-K for the year ended December 31, 1995 and incorporated herein by reference.
- 10.13 Deposit Agreement dated as of November 1, 1996, among Registrant, The First National Bank of Boston, and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 8-5/8% Cumulative Preferred Stock, Series I. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1000th of a Share of 8-5/8% Cumulative Preferred Stock, Series I and incorporated herein by reference.
- 10.14 Limited Partnership Agreement of PSAF Development Partners, L. P. between PSAF Development, Inc. and the Limited Partner dated as of April 10, 1997. Filed with Registrant's Form 10-Q for the quarterly period ended March 31, 1997 and incorporated herein by reference.
- 10.15 Deposit Agreement dated as of August 28, 1997 among Registrant, The First National Bank of Boston, and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 8% Cumulative Preferred Stock, Series J. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8% Cumulative Preferred Stock, Series J and incorporated herein by reference.
- 10.16 Agreement of Limited Partnership of PS Business Parks, L. P. dated as of March 17, 1998. Filed with PS Business Parks, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1998 and incorporated herein by reference.
- 10.17 Deposit Agreement dated as of January 19, 1999 among Registrant, BankBoston, N. A. and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 8-1/4% Cumulative Preferred Stock, Series K. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8-1/4% Cumulative Preferred Stock, Series K and incorporated herein by reference.

- 10.18 Agreement and Plan of Merger among Storage Trust Realty, Registrant and Newco Merger Subsidiary, Inc. dated as of November 12, 1998. Filed with Registrant's Registration Statement No. 333-68543 and incorporated herein by reference.
- 10.19 Amendment No. 1 to Agreement and Plan of Merger among Storage Trust Realty, Registrant, Newco Merger Subsidiary, Inc. and STR Merger Subsidiary, Inc. dated as of January 19, 1999. Filed with Registrant's Registration Statement No. 333-68543 and incorporated herein by reference.
- 10.20 Amended and Restated Agreement of Limited Partnership of Storage Trust Properties, L. P., dated as of March 12, 1999. Filed with Registrant's Form 10-Q for the quarterly period ended June 30, 1999 and incorporated herein by reference.
- 10.21* Storage Trust Realty 1994 Share Incentive Plan. Filed with Storage Trust Realty's Annual Report on Form 10-K for the year ended December 31, 1997 and incorporated herein by reference.
- 10.22 Amended and Restated Storage Trust Realty Retention Bonus Plan effective as of November 12, 1998. Filed with Registrant's Registration Statement No. 333-68543 and incorporated herein by reference.
- 10.23 Deposit Agreement dated as of March 10, 1999 among Registrant, Bank Boston, N.A. and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 8-1/4% Cumulative Preferred Stock, Series L. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8-1/4% Cumulative Preferred Stock, Series L and incorporated herein by reference.
- 10.24 Note Purchase Agreement and Guaranty Agreement with respect to \$100,000,000 of Senior Notes of Storage Trust Properties, L.P. Filed with Storage Trust Realty's Annual Report on Form 10-K for the year ended December 31, 1996 and incorporated herein by reference.
- 10.25 Deposit Agreement dated as of August 17, 1999 among Registrant, Bank Boston, N.A. and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 8.75% Cumulative Preferred Stock, Series M. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8.75% Cumulative Preferred Stock, Series M and incorporated herein by reference.
- 10.26 Limited Partnership Agreement of PSAC Development Partners, L.P. among PS Texas Holdings, Ltd., PS Pennsylvania Trust and PSAC Storage Investors, L.L.C. dated as November 15, 1999. Filed with Registrant's Current Report on Form 8-K dated November 15, 1999 and incorporated herein by reference.
- 10.27 Agreement of Limited Liability Company of PSAC Storage Investors, L.L.C. dated as of November 15, 1999. Filed with Registrant's Current Report on Form 8-K dated November 15, 1999 and incorporated herein by reference.
- 10.28 Deposit Agreement dated as of January 14, 2000 among Registrant, BankBoston, N.A. and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of Equity Stock, Series A and incorporated herein by reference.
- 10.29 Amended and Restated Agreement of Limited Partnership of PSA Institutional Partners, L.P. among PS Texas Holdings, Ltd. and the Limited Partners dated as of March 29, 2000. Filed with Registrant's Annual Report on Form 10-K for the year ended December 31, 1999 and incorporated herein by reference.

- 10.30 Amended and Restated Agreement of Limited Partnership of PSA Institutional Partners, L.P. among PS Texas Holdings, Ltd. and the Limited Partners dated as of August 11, 2000. Filed with Registrant's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2000 and incorporated herein by reference.
- 10.31* Registrant's 2000 Non-Executive/Non-Director Stock Option and Incentive Plan. Filed with Registrant's Registration Statement No. 333-52400 and incorporated herein by reference.
- 10.32 Deposit Agreement dated as of January 19, 2001 among Registrant, Fleet National Bank and the holders of the depositary receipts evidencing the Depositary Shares Each Representing 1/1,000 of a Share of 8.600% Cumulative Preferred Stock, Series Q. Filed with Registrant's Form 8-A/A Registration Statement relating to the Depositary Shares Each Representing 1/1,000 of a Share of 8.600% Cumulative Preferred Stock, Series Q and incorporated herein by reference.
- 11 Statement Re Computation of Earnings Per Share. Filed herewith.
- 12 Statement Re Computation of Ratio of Earnings to Fixed Charges. Filed herewith.
- 23 Consent of Independent Auditors. Filed herewith.

* Compensatory benefit plan.

** Management contract.

PUBLIC STORAGE, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SCHEDULES

(Item 14 (a))

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For each of the three years in the period ended December 31, 2000:	
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Consolidated statements of cash flows	F-5 – F-6
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Schedule:	
III – Real estate and accumulated depreciation	F-29 – F-69

All other schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements or notes thereto.

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Shareholders
Public Storage, Inc.

We have audited the accompanying consolidated balance sheets of Public Storage, Inc. as of December 31, 2000 and 1999, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2000. Our audits also included the financial statement schedule listed in the Index at Item 14 (a). These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Public Storage, Inc. at December 31, 2000 and 1999, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States. 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.

ERNST & YOUNG L L P

Los Angeles, California

February 23, 2001

PUBLIC STORAGE, INC.
CONSOLIDATED BALANCE SHEETS
December 31, 2000 and 1999
(amounts in thousands, except share data)

	December 31, 2000	December 31, 1999
<u>ASSETS</u>		
Cash and cash equivalents.....	\$ 89,467	\$ 55,125
Real estate facilities, at cost:		
Land.....	1,107,867	1,036,958
Buildings.....	3,026,550	2,785,475
	4,134,417	3,822,433
Accumulated depreciation.....	(668,018)	(533,412)
	3,466,399	3,289,021
Construction in process.....	238,587	140,764
	3,704,986	3,429,785
Investment in real estate entities.....	448,928	457,529
Intangible assets, net.....	185,017	194,326
Mortgage notes receivable from affiliates.....	26,238	18,798
Other assets.....	59,305	58,822
Total assets.....	\$ 4,513,941	\$ 4,214,385
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Notes payable.....	\$ 156,003	\$ 167,338
Distributions payable.....	-	82,086
Accrued and other liabilities.....	100,903	89,261
Total liabilities.....	256,906	338,685
Minority interest:		
Preferred partnership interests.....	365,000	-
Other.....	167,918	186,600
Commitments and contingencies		
Shareholders' equity:		
Preferred Stock, \$0.01 par value, 50,000,000 shares authorized, 11,141,100 shares issued and outstanding, at liquidation preference:		
Cumulative Preferred Stock, issued in series.....	1,155,150	1,155,150
Common Stock, \$0.10 par value, 200,000,000 shares authorized, 123,703,874 shares issued and outstanding (126,697,023 at December 31, 1999).....	12,370	12,671
Equity Stock, Series A, \$0.01 par value, 200,000,000 shares authorized, 5,635.602 shares issued and outstanding (none issued and outstanding at December 31, 1999).....	-	-
Class B Common Stock, \$0.10 par value, 7,000,000 shares authorized and issued.....	700	700
Paid-in capital.....	2,506,736	2,463,193
Cumulative net income.....	1,387,061	1,089,973
Cumulative distributions paid.....	(1,337,900)	(1,032,587)
Total shareholders' equity.....	3,724,117	3,689,100
Total liabilities and shareholders' equity.....	\$ 4,513,941	\$ 4,214,385

See accompanying notes.

PUBLIC STORAGE, INC.
CONSOLIDATED STATEMENTS OF INCOME
For each of the three years in the period ended December 31, 2000
(amounts in thousands, except per share data)

	<u>2000</u>	<u>1999</u>	<u>1998</u>
Revenues:			
Rental income:			
Self-storage facilities.....	\$ 653,524	\$ 592,619	\$ 488,291
Commercial properties	11,341	8,204	23,112
Containerized storage facilities	37,914	27,028	24,466
Equity in earnings of real estate entities.....	36,109	32,183	26,602
Interest and other income	18,422	16,700	18,614
	<u>757,310</u>	<u>676,734</u>	<u>581,085</u>
Expenses:			
Cost of operations:			
Storage facilities.....	210,462	184,481	149,376
Commercial properties	3,826	2,826	7,951
Containerized storage facilities	37,798	29,509	48,508
Depreciation and amortization	148,967	137,719	111,799
General and administrative.....	21,306	12,491	11,635
Interest expense	3,293	7,971	4,507
	<u>425,652</u>	<u>374,997</u>	<u>333,776</u>
Income before minority interest and gain on disposition of real estate and real estate investments.....	331,658	301,737	247,309
Minority interest in income:			
Preferred partnership interests	(24,859)	-	-
Other Partnership interests	(13,497)	(16,006)	(20,290)
Net income before gain on disposition of real estate	293,302	285,731	227,019
Gain on disposition of real estate and real estate investments.....	3,786	2,154	-
Net income.....	<u>\$ 297,088</u>	<u>\$ 287,885</u>	<u>\$ 227,019</u>
Net income allocation:			
Allocable to preferred shareholders	\$ 100,138	\$ 94,793	\$ 78,375
Allocable to Equity Stock, Series A.....	11,042	-	-
Allocable to common shareholders.....	185,908	193,092	148,644
	<u>\$ 297,088</u>	<u>\$ 287,885</u>	<u>\$ 227,019</u>
Per common share:			
Basic net income per share	<u>\$1.41</u>	<u>\$1.53</u>	<u>\$1.30</u>
Diluted net income per share	<u>\$1.41</u>	<u>\$1.52</u>	<u>\$1.30</u>
Basic weighted average common shares outstanding	<u>131,566</u>	<u>126,308</u>	<u>113,929</u>
Diluted weighted average common shares outstanding.....	<u>131,657</u>	<u>126,669</u>	<u>114,357</u>

See accompanying notes.

PUBLIC STORAGE, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For each of the three years in the period ended December 31, 2000
(Amounts in thousands, except share and per share amounts)

	Preferred Stock		Common	Class B Common	Paid-in	Cumulative	Cumulative	Total
	Cumulative	Convertible	Stock	Stock	Capital	Net Income	Distributions	Shareholders' Equity
Balances at December 31, 1997	\$ 868,900	\$ 53,308	\$ 10,511	\$ 700	\$ 1,903,782	\$ 575,069	\$ (563,310)	\$ 2,848,960
Issuance of Common Stock (10,093,648 shares)	-	-	1,010	-	293,708	-	-	294,718
Conversion of Convertible Preferred Stock into Common Stock (3,589,552 shares)	-	(53,308)	359	-	52,949	-	-	-
Repurchase of Common Stock (2,819,400 shares)	-	-	(282)	-	(71,974)	-	-	(72,256)
Net income	-	-	-	-	-	227,019	-	227,019
Distributions to shareholders:								
Preferred Stock	-	-	-	-	-	-	(78,375)	(78,375)
Common Stock, \$0.88 per share	-	-	-	-	-	-	(100,726)	(100,726)
Balances at December 31, 1998	868,900	-	11,598	700	2,178,465	802,088	(742,411)	3,119,340
Issuance of Preferred Stock, net of issuance costs:								
Series K (4,600 shares)	115,000	-	-	-	(3,723)	-	-	111,277
Series L (4,600 shares)	115,000	-	-	-	(3,723)	-	-	111,277
Series M (2,250 shares)	56,250	-	-	-	(1,872)	-	-	54,378
Issuance of Common Stock (15,320,505 shares)	-	-	1,532	-	402,152	-	-	403,684
Repurchase of Common Stock (4,589,427 shares)	-	-	(459)	-	(108,106)	-	-	(108,565)
Net income	-	-	-	-	-	287,885	-	287,885
Distributions to shareholders:								
Preferred Stock	-	-	-	-	-	-	(94,793)	(94,793)
Common Stock regular distribution, \$0.88 per share...	-	-	-	-	-	-	(113,297)	(113,297)
Common Stock special distribution	-	-	-	-	-	-	(82,086)	(82,086)
Balances at December 31, 1999	1,155,150	-	12,671	700	2,463,193	1,089,973	(1,032,587)	3,689,100
Issuance of Equity Stock, Series A (5,635.602 shares)	-	-	-	-	113,354	-	-	113,354
Issuance of Common Stock (498,451 shares)	-	-	50	-	11,387	-	-	11,437
Repurchase of Common Stock (3,491,600 shares)	-	-	(351)	-	(77,448)	-	-	(77,799)
Costs in connection with issuance of preferred operating partnership units (see Note 8)	-	-	-	-	(3,750)	-	-	(3,750)
Net income	-	-	-	-	-	297,088	-	297,088
Distributions to shareholders:								
Preferred Stock	-	-	-	-	-	-	(100,138)	(100,138)
Equity Stock, Series A	-	-	-	-	-	-	(11,042)	(11,042)
Common Stock regular distribution, \$0.88 per share...	-	-	-	-	-	-	(115,460)	(115,460)
Common Stock special distribution	-	-	-	-	-	-	(78,673)	(78,673)
Balances at December 31, 2000	\$ 1,155,150	\$ -	\$ 12,370	\$ 700	\$ 2,506,736	\$ 1,387,061	\$ (1,337,900)	\$ 3,724,117

See accompanying notes.

PUBLIC STORAGE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For each of the three years in the period ended December 31, 2000
(amounts in thousands)

	2000	1999	1998
Cash flows from operating activities:			
Net income	\$ 297,088	\$ 287,885	\$ 227,019
Adjustments to reconcile net income to net cash provided by operating activities:			
Less gain on disposition of real estate and real estate investments.....	(3,786)	(2,154)	-
Depreciation and amortization.....	148,967	137,719	111,799
Depreciation included in equity in earnings of real estate entities.....	21,825	19,721	13,884
Minority interest in income.....	38,356	16,006	20,290
Total adjustments	205,362	171,292	145,973
Net cash provided by operating activities	502,450	459,177	372,992
Cash flows from investing activities:			
Principal payments received on mortgage notes receivable.....	7,650	28,837	46,897
Acquisition of minority interests	(31,271)	(36,846)	(22,845)
Notes receivable from affiliates	(11,400)	(30,594)	(33,000)
Acquisition of real estate facilities.....	(62,938)	(26,640)	(46,064)
Acquisition cost of business combinations	(66,776)	(180,216)	(85,883)
Reduction in cash due to the deconsolidation of PS Business			
Parks, Inc. (See Note 2).....	-	-	(11,260)
Investment in containerized storage business	-	-	(2,571)
Investments in real estate entities	(75,146)	(77,656)	(99,934)
Construction in process.....	(232,918)	(109,047)	(79,132)
Capital improvements to real estate facilities	(33,023)	(29,023)	(31,714)
Proceeds from the sale of real estate facilities and real estate investments.....	58,319	12,656	10,275
Net cash used in investing activities.....	(447,503)	(448,529)	(355,231)
Cash flows from financing activities:			
Net paydown on revolving line of credit	-	-	(7,000)
Net proceeds from the issuance of preferred stock	-	276,932	-
Net proceeds from the issuance of preferred partnership units.....	361,250	-	-
Net proceeds from the issuance of Equity Stock, Series A.....	68,318	-	-
Net proceeds from the issuance of common stock.....	4,608	10,000	237,860
Repurchase of the Company's common stock.....	(77,799)	(108,565)	(72,256)
Principal payments on mortgage notes payable.....	(11,335)	(14,088)	(15,131)
Distributions paid to shareholders	(343,388)	(208,090)	(179,101)
Distributions paid to minority interests.....	(45,494)	(25,300)	(32,312)
Investment by minority interests.....	17,871	61,928	54,809
Other	5,364	435	5,140
Net cash used in financing activities	(20,605)	(6,748)	(7,991)
Net increase in cash and cash equivalents.....	34,342	3,900	9,770
Cash and cash equivalents at the beginning of the year	55,125	51,225	41,455
Cash and cash equivalents at the end of the year	\$ 89,467	\$ 55,125	\$ 51,225

See accompanying notes.

PUBLIC STORAGE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For each of the three years in the period ended December 31, 2000
(amounts in thousands)

(Continued)

	2000	1999	1998
Supplemental schedule of non cash investing and financing activities:			
Business combinations (Note 3):			
Real estate facilities.....	(82,163)	\$ (727,925)	\$ (224,999)
Construction in process	-	(11,449)	-
Investment in real estate entities	14,393	66,334	86,966
Mortgage notes receivable	-	(6,739)	-
Other assets	(183)	(3,295)	(670)
Accrued and other liabilities	1,177	23,434	3,793
Minority interest.....	-	32,201	35,210
Notes payable.....	-	100,000	-
Effect of the deconsolidation of PS Business Parks (Note 2):			
Investments in real estate entities	-	-	(219,225)
Real estate facilities, net of accumulated depreciation	-	-	433,446
Other assets.....	-	-	2,048
Accrued and other liabilities.....	-	-	(10,106)
Notes payable	-	-	(14,526)
Minority interest	-	-	(202,897)
Acquisition of real estate facilities in exchange for minority interests, common stock, the assumption of mortgage notes payable, the cancellation of mortgage notes receivable, the reduction of investment in real estate entities and other assets.....			
	(19,281)	(55,120)	(42,047)
Assumption of notes payable in exchange for real estate facilities	-	-	14,526
Other assets given in exchange for real estate facilities	-	3,800	-
Minority interest (acquired) issued in exchange for the purchase of (sale of) real estate facilities	(6,427)	-	1,206
Cancellation of mortgage notes receivable to acquire real estate facilities .	-	5,573	2,495
Reduction of investment in real estate entities in exchange for real estate facilities	3,144	-	527
Disposition of real estate facilities in exchange for notes receivable, other assets, and investment in real estate entities			
	20,265	29,675	-
Notes receivable issued in connection with real estate dispositions.....	(3,690)	(10,460)	-
Other assets received in connection with real estate dispositions	-	(3,800)	-
Investment in real estate entities.....	-	(15,415)	(17,133)
Acquisition of minority interest in exchange for common stock.....	(22,988)	(37,560)	(25,460)
Distributions payable.....	(82,086)	82,086	-
Cumulative distributions paid	-	(82,086)	-
Issuance of Common Stock:			
In connection with business combinations	-	347,223	13,817
To acquire minority interests.....	6,829	46,461	25,908
Acquire partnership interests in real estate entities	-	-	17,133
In connection with conversion of Convertible Preferred Stock.....	-	-	53,308
Issuance of equity stock, Series A in connection with special distribution to common shareholders and in connection with acquisition of real estate facilities			
	45,037	-	-
Conversion of Convertible Preferred Stock	-	-	(53,308)

See accompanying notes.

PUBLIC STORAGE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2000

1. Description of the business

Public Storage, Inc. (the "Company") is a California corporation, which was organized in 1980. We are a fully integrated, self-administered and self-managed real estate investment trust ("REIT") whose principal business activities include the acquisition, development, ownership and operation of storage facilities which offer storage spaces and containers for lease, usually on a month-to-month basis, for personal and business use. In addition, to a much lesser extent, we have interests in commercial properties.

In 1996 and 1997, we organized Public Storage Pickup and Delivery, Inc., as a separate corporation and partnership (the corporation and partnership are collectively referred to as "PSPUD") to operate storage facilities that rent portable storage containers to customers for storage in central warehouses. At December 31, 2000, PSPUD had 41 facilities in operation in 13 states.

We invest in real estate facilities by acquiring wholly owned facilities or by acquiring interests in real estate entities which also own real estate facilities. At December 31, 2000, we had direct and indirect equity interests in 1,507 properties located in 38 states, including 1,361 self-storage facilities and 146 commercial properties. The Company under the "Public Storage" name operates all of the self-storage facilities.

2. Summary of significant accounting policies

Basis of presentation

The consolidated financial statements include the accounts of the Company and 35 controlled entities (the "Consolidated Entities"). Collectively, the Company and these entities own a total of 1,253 real estate facilities, consisting of 1,247 storage facilities and six commercial properties.

At December 31, 2000, we had equity investments in 11 limited partnerships in which we do not have a controlling interest. These limited partnerships collectively own 114 self-storage facilities, which are managed by the Company. In addition, we own approximately 42% of the common interest in PS Business Parks, Inc. ("PSB"), which owns and operates 140 commercial properties. We do not control these entities, accordingly, our investments in these limited partnerships and PSB are accounted for using the equity method.

From the time of PSB's formation through March 31, 1998, we consolidated the accounts of PSB in our financial statements. During the second quarter of 1998, our ownership interest in PSB was reduced below 50% and, accordingly, we ceased to have a controlling interest in PSB. Accordingly, effective April 1, 1998, we no longer included the accounts of PSB in our consolidated financial statements and have accounted for our investment using the equity method. For all periods after March 31, 1998, the income statement includes the Company's equity in income of PSB. Further, commercial property operations for the periods after March 31, 1998 reflect only the commercial property operations of facilities owned by the Company.

Use of estimates

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

Income taxes

For all taxable years subsequent to 1980, the Company qualified and intends to continue to qualify as a REIT, as defined in Section 856 of the Internal Revenue Code. As a REIT, we are not taxed on that portion of our taxable income which is distributed to our shareholders provided that we meet certain tests. We believe we have met these tests during 2000, 1999 and 1998; accordingly, no provision for income taxes has been made in the accompanying financial statements.

PUBLIC STORAGE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2000

Financial instruments

The methods and assumptions used to estimate the fair value of financial instruments is described below. We have estimated the fair value of our financial instruments using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop estimates of market value. Accordingly, estimated fair values are not necessarily indicative of the amounts that could be realized in current market exchanges.

For purposes of financial statement presentation, we consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Due to the short period to maturity of our cash and cash equivalents, accounts receivable, other assets, and accrued and other liabilities, the carrying values as presented on the consolidated balance sheets are reasonable estimates of fair value. The carrying amount of mortgage notes receivable approximates fair value because the aggregate mortgage notes receivable's applicable interest rates approximate market rates for these loans. A comparison of the carrying amount of notes payable to our estimated fair value is included in Note 7, "Notes Payable."

Financial assets that are exposed to credit risk consist primarily of cash and cash equivalents, accounts receivable, and notes receivable. Cash and cash equivalents, which consist of short-term investments, including commercial paper, are only invested in entities with an investment grade rating. Notes receivable are substantially all secured by real estate facilities that we believe are valued in excess of the related note receivable. Accounts receivable are not a significant portion of total assets and are comprised of a large number of individual customers.

Real estate facilities

Real estate facilities are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the buildings and improvements, which are generally between 5 and 25 years.

Evaluation of asset impairment

In 1995, the Financial Accounting Standards Board issued Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Asset to be Disposed Of" which requires impairment losses to be recorded on long-lived assets. We annually evaluate long-lived assets (including goodwill), by identifying indicators of impairment and by comparing the sum of the estimated undiscounted future cash flows for each asset to the asset's carrying amount. When indicators of impairment are present and the sum of the undiscounted cash flows is less than the carrying value of such asset, an impairment loss is recorded equal to the difference between the asset's current carrying value and its value based upon discounting its estimated future cash flows. Statement No. 121 also addresses the accounting for long-lived assets that are expected to be disposed of. Such assets are to be reported at the lower of their carrying amount or fair value, less cost to sell. Our evaluations have indicated no impairment in the carrying amount of our assets.

Other assets

Other assets primarily consist of furniture, fixtures, equipment, and other such assets associated with the containerized storage business as well as accounts receivable, prepaid expenses, and other such assets of the Company. Included in other assets with respect to the containerized storage business is furniture, fixtures, and equipment (net of accumulated depreciation) of \$28,544,000 and \$34,704,000 at December 31, 2000 and 1999, respectively. Included in depreciation and amortization expense is \$4,801,000, \$4,915,000, and \$4,317,000 in the years ended December 31, 2000, 1999 and 1998, respectively, of depreciation of furniture, fixtures, and equipment of the containerized storage business.

PUBLIC STORAGE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2000

Intangible assets

Intangible assets consist of property management contracts (\$165,000,000) and the cost over the fair value of net tangible and identifiable intangible assets (\$67,726,000) acquired. Intangible assets are amortized straight-line over 25 years. At December 31, 2000 and 1999, intangible assets are net of accumulated amortization of \$47,709,000 and \$38,400,000, respectively. Included in depreciation and amortization expense is \$9,309,000 in each of the three fiscal years ended December 31, 2000 with respect to the amortization of intangible assets.

Revenue and expense recognition

Property rents are recognized as earned. Equity in earnings of real estate entities are recognized based on our ownership interest in the earnings of each of the unconsolidated real estate entities. Advertising costs of \$11,987,000, \$10,160,000 and \$14,332,000 for 2000, 1999 and 1998, respectively, were expensed as incurred.

Environmental costs

Our policy is to accrue environmental assessments and/or remediation cost when it is probable that such efforts will be required and the related costs can be reasonably estimated. Our current practice is to conduct environmental investigations in connection with property acquisitions. Although there can be no assurance, we are not aware of any environmental contamination of any of our facilities which individually or in the aggregate would be material to our overall business, financial condition, or results of operations.

Net income per common share

Basic net income per share is computed using the weighted average common shares (prior to the dilutive impact of stock options outstanding). Diluted net income per common share is computed using the weighted average common shares outstanding (adjusted for the dilutive impact of stock options outstanding). Commencing January 1, 2000, the Company's 7,000,000 Class B common shares outstanding began to participate in distributions of the Company's earnings. Distributions per share of Class B common stock are equal to 97% of the per share distribution paid to the Company's regular common shares. As a result of this participation in distribution of earnings, for purposes of computing net income per common share, we began to include 6,790,000 (7,000,000 x 97%) Class B common shares in the weighted average common equivalent shares for the year ended December 31, 2000. Weighted average shares for the years ended December 31, 1999 and 1998 do not include any shares with respect to the Class B common stock as these shares did not participate in distributions of the Company's earnings prior to January 1, 2000. In addition, the inclusion of the convertible preferred stock (for periods prior to conversion) in the determination of net income per common share has been determined to be anti-dilutive.

In computing earnings per common share, preferred stock dividends totaling \$100,138,000, \$94,793,000 and \$78,375,000 for the years ended December 31, 2000, 1999 and 1998, respectively, reduced income available to common stockholders in the determination of net income allocable to common stockholders.

Net income allocated to our common shareholders has been further allocated among our two classes of common stock; our regular common stock and our Equity Stock, Series A. The allocation among each class was based upon the two-class method. Under the two-class method, earnings per share for each class of common stock is determined according to dividends declared (or accumulated) and participation rights in undistributed earnings. Under the two-class method, the Equity Stock, Series A for the year ended December 31, 2000 was allocated approximately \$11,042,000 of net income and the remaining \$185,908,000 was allocated to the regular common shares.

PUBLIC STORAGE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2000

Stock-based compensation

In October 1995, the Financial Accounting Standards Board issued Statement No. 123 "Accounting for Stock-Based Compensation" which provides companies an alternative to accounting for stock-based compensation as prescribed under APB Opinion No. 25 (APB 25). Statement 123 encourages, but does not require companies to recognize expense for stock-based awards based on their fair value at date of grant. Statement No. 123 allows companies to continue to follow existing accounting rules (fair value method under APB 25) provided that pro-forma disclosures are made of what net income and earnings per share would have been had the new fair value method been used. We have elected to adopt the disclosure requirements of Statement No. 123 but will continue to account for stock-based compensation under APB 25.

Reclassifications

Certain reclassifications have been made to the consolidated financial statements for 1999 and 1998 in order to conform to the 2000 presentation.

3. Business combinations

Mergers

On March 12, 1999, we completed a merger with Storage Trust Realty, Inc. ("Storage Trust"). All the outstanding stock of Storage Trust was exchanged for 13,009,485 shares of the Company's common stock and an additional 1,011,963 shares were reserved for issuance upon conversion of limited partnership units in Storage Trust's operating partnership. The aggregate acquisition cost of the merger was approximately \$575,676,000, consisting of the issuance of the Company's common stock of approximately \$347,223,000, cash of approximately \$105,239,000, the assumption of debt in the amount of \$100,000,000, and the Company's pre-existing investment in Storage Trust of approximately \$23,214,000.

During 1998, we completed mergers with two affiliated public REITs. We acquired all the outstanding stock of the REITs for an aggregate cost of \$37,132,000, consisting of the issuance of 433,526 shares of the Company's common stock (\$13,817,000), a \$18,571,000 reduction of the Company's pre-existing investment and \$4,744,000 in cash.

Partnership acquisitions

During 2000, we acquired the remaining ownership interests in a partnership, of which we are the general partner, for an aggregate acquisition cost of \$81,169,000, consisting of cash of \$66,776,000 and the reduction of our pre-existing investment in the amount of \$14,393,000. Prior to the acquisition, we accounted for our investment in the partnership using the equity method of accounting.

During 1999, we acquired all of the limited partner interests in fourteen partnerships, which owned an aggregate of 40 storage facilities. Prior to the acquisitions, we accounted for our investment in each of these partnerships using the equity method. As a result of increasing our ownership interest and obtaining control of the partnerships, we began to consolidate the accounts of the partnerships in the consolidated financial statements. The aggregate amount of the interests acquired totaled \$118,453,000 consisting of a \$43,476,000 reduction of the Company's pre-existing investment and cash of \$74,977,000.

During 1998, we increased our ownership interest in three limited partnerships in which the Company is the general partner. Prior to the acquisitions, we accounted for our investment in each of the three partnerships using the equity method. As a result, we began to consolidate the accounts of these partnerships for financial statement purposes. The aggregate amount of the interests acquired totaled \$149,534,000 consisting of a \$68,395,000 reduction of the Company's pre-existing investment and cash of \$81,139,000.

PUBLIC STORAGE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2000

The mergers were structured as tax-free transactions. The mergers and acquisitions of affiliated limited partner interests have been accounted for using the purchase method. Accordingly, allocations of the total acquisition cost to the net assets acquired were made based upon the fair value of such assets and liabilities assumed with respect to the transactions occurring in 2000, 1999, and 1998 are summarized as follows:

	Partnership Acquisitions	Storage Trust Merger	REIT Mergers	Total
	(Amounts in thousands)			
<u>2000 business combinations:</u>				
Real estate facilities	\$ 82,163	\$ -	\$ -	\$ 82,163
Other assets	183	-	-	183
Accrued and other liabilities	(1,177)	-	-	(1,177)
	<u>\$ 81,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,169</u>
<u>1999 business combinations:</u>				
Real estate facilities	\$ 129,348	\$ 598,577	\$ -	\$ 727,925
Construction in process	-	11,449	-	11,449
Investment in real estate entities	-	356	-	356
Mortgage notes receivable	-	6,739	-	6,739
Other assets	386	2,909	-	3,295
Accrued liabilities	(6,089)	(17,345)	-	(23,434)
Minority interest	(5,192)	(27,009)	-	(32,201)
	<u>\$ 118,453</u>	<u>\$ 575,676</u>	<u>\$ -</u>	<u>\$ 694,129</u>
<u>1998 business combinations:</u>				
Real estate facilities	\$ 151,028	\$ -	\$ 73,971	\$ 224,999
Other assets	399	-	271	670
Accrued and other liabilities	(1,513)	-	(2,280)	(3,793)
Minority interest	(380)	-	(34,830)	(35,210)
	<u>\$ 149,534</u>	<u>\$ -</u>	<u>\$ 37,132</u>	<u>\$ 186,666</u>

The historical operating results of the above acquisitions prior to each respective acquisition date have not been included in the Company's historical operating results. Pro forma data (unaudited) for the two years ended December 31, 2000 as though the business combinations above had been effective at the beginning of fiscal 1999 are as follows:

	For the Year Ended December 31,	
	2000	1999
	(in thousands except per share data)	
Revenues	\$764,237	\$710,727
Net income	295,147	288,592
Net income per common share (Basic)	1.40	1.50
Net income per common share (Diluted)	1.40	1.50

The pro forma data does not purport to be indicative either of results of operations that would have occurred had the transactions occurred at the beginning of fiscal 1999 or future results of operations of the Company. Certain pro forma adjustments were made to the combined historical amounts to reflect (i) expected reductions in general and administrative expenses, (ii) estimated increased interest expense from bank borrowings to finance the cash portion of the acquisition cost and (iii) estimated increase in depreciation and amortization expense.

PUBLIC STORAGE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2000

4. Real estate facilities

Activity in real estate facilities during 2000, 1999 and 1998 is as follows:

	2000	1999	1998
	(Amounts in thousands)		
Operating facilities, at cost:			
Beginning balance.....	\$ 3,822,433	\$ 2,962,291	\$ 3,077,529
Property acquisitions:			
Business combinations (Note 3)	82,163	727,925	224,999
Other acquisitions.....	67,107	36,013	64,818
Disposition of facilities	(20,516)	(26,021)	-
Facilities contributed to unconsolidated real estate entities.....	-	(15,415)	-
Newly developed facilities opened for operations.....	135,095	62,870	38,629
Acquisition of minority interest (Note 8)	15,112	45,747	23,293
Capital improvements	33,023	29,023	31,714
PSB deconsolidation (see below)	-	-	(498,691)
Ending balance	<u>4,134,417</u>	<u>3,822,433</u>	<u>2,962,291</u>
Accumulated depreciation:			
Beginning balance.....	(533,412)	(411,176)	(378,248)
Additions during the year	(134,857)	(123,495)	(98,173)
Disposition of facilities	251	1,259	-
PSB deconsolidation (see below)	-	-	65,245
Ending balance	<u>(668,018)</u>	<u>(533,412)</u>	<u>(411,176)</u>
Construction in process:			
Beginning balance.....	140,764	83,138	42,635
Current development	232,918	109,047	79,132
Property acquisitions - merger with Storage Trust	-	11,449	-
Newly developed facilities opened for operations.....	(135,095)	(62,870)	(38,629)
Ending balance	<u>238,587</u>	<u>140,764</u>	<u>83,138</u>
Total real estate facilities.....	<u>\$ 3,704,986</u>	<u>\$ 3,429,785</u>	<u>\$ 2,634,253</u>

Operating Facilities

During 2000, we acquired a total of 13 facilities for an aggregate cost of \$82,163,000 in connection with a business combination (Note 3). In addition, we acquired 12 storage facilities and 2 industrial facilities for an aggregate cost of \$67,107,000, consisting of \$62,938,000 cash, the issuance of the Company's Equity Stock, Series A (\$1,025,000) and an existing investment (\$3,144,000). In addition, we opened 24 facilities we had developed and completed various expansions of existing storage facilities at an aggregate cost of \$135,095,000.

During 2000, we disposed of eight storage facilities to a buyer whom we had previously granted an option to purchase, and two plots of land for an aggregate of \$20,561,000, consisting of cash (\$10,444,000), the acquisition of minority interest (\$6,427,000), and a note receivable (\$3,690,000). An aggregate gain of \$296,000 was recorded on these dispositions.

During 1999, we acquired a total of 253 real estate facilities for an aggregate cost of \$727,925,000 in connection with certain business combinations (Note 3). In addition, we also acquired three storage facilities and two industrial facilities for an aggregate cost of \$36,013,000, consisting of the cancellation of mortgage notes receivable (\$5,573,000), other assets (\$3,800,000), and cash (\$26,640,000).

PUBLIC STORAGE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2000

In April 1999, we sold six properties for approximately \$10,500,000 (composed of \$1,460,000 cash, notes receivable of \$5,240,000, and other assets of \$3,800,000) and granted the buyer an option to acquire an additional eight properties.

In addition, during 1999, we disposed of an industrial facility, two storage facilities through condemnation proceedings, and four plots of land for an aggregate of approximately \$16,416,000, composed of \$11,196,000 cash and \$5,220,000 mortgage notes receivable. In aggregate, we recorded a gain upon sale of \$2,154,000, representing the difference between the proceeds received and the net book value of the real estate.

During 1998, we acquired a total of 53 real estate facilities for an aggregate cost of \$224,999,000 in connection with certain business combinations (Note 3). We also acquired two storage facilities for an aggregate cost of \$9,384,000, consisting of the cancellation of mortgage notes receivable (\$2,495,000), the Company's existing investment (\$527,000), and cash (\$6,362,000). In addition, three commercial facilities were acquired for an aggregate cost of \$55,434,000 consisting of the assumption of mortgage notes payable (\$14,526,000), the issuance of minority interests (\$1,206,000) and cash (\$39,702,000).

Effective April 1, 1998, we no longer included the accounts of PSB in our consolidated financial statements (Note 2). As a result of this change, real estate facilities and accumulated depreciation were reduced by \$498,691,000 and \$65,245,000, respectively, reflecting our historical cost of the PSB real estate facilities which are no longer included in the consolidated financial statements.

A substantial number of the real estate facilities acquired during 2000, 1999, and 1998 were acquired from affiliates in connection with business combinations with an aggregate acquisition cost of approximately \$82,163,000, \$129,348,000, and \$224,999,000 respectively.

Construction in Process

Construction in process consists of land and development costs relating to the development of storage facilities. In April 1997, the Company and an institutional investor created a joint venture for the purpose of developing up to \$220 million of storage facilities. We own 30% of the joint venture interest and the institutional investor owns the remaining 70% interest. We periodically transferred newly developed properties, the cost of which were included in real estate, to the partnership as part of our capital contribution to the partnership. Due to our ownership of less than 50%, our investment in the joint venture is accounted for using the equity method (See Note 5).

In November 1999, we formed a second joint venture with a joint venture partner whose partners include an institutional investor and B. Wayne Hughes, chairman and chief executive officer of the Company to participate in the development of approximately \$100 million of storage facilities and to purchase \$100 million of the Company's Equity Stock, Series AAA. The joint venture is funded solely with equity capital consisting of 51% from the Company and 49% from the joint venture partner. This joint venture is consolidated in the Company's financial statements. The term of the joint venture is 15 years. After six years the joint venture partner has the right to cause the Company to purchase the joint venture partner's interest for an amount necessary to provide it with a maximum return of 10.75% per year or less in certain circumstances. The joint venture partner provides Mr. Hughes with a fixed yield of approximately 8.0% per annum.

Construction in process consists primarily of 53 new facilities and 25 expansions of existing facilities with total incurred costs of approximately \$234.3 million (of which 6 facilities with total incurred costs of approximately \$23.8 million are held by the second joint venture), as well as costs associated with facilities we have not acquired the land for.

At December 31, 2000, the unaudited adjusted basis of real estate facilities for Federal income tax purposes was approximately \$3.0 billion.

PUBLIC STORAGE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2000

5. Investments in real estate entities

Summarized combined financial data with respect to those real estate entities in which the Company had an ownership interest at December 31, 2000 are as follows:

	Other Equity Investments	Development Joint Venture	PSB	Total
	(Amounts in thousands)			
For the year ended December 31, 2000:				
Rental income	\$ 41,240	\$ 25,548	\$ 144,171	\$ 210,959
Other income	1,880	699	6,463	9,042
Total revenues.....	<u>43,120</u>	<u>26,247</u>	<u>150,634</u>	<u>220,001</u>
Cost of operations	10,469	9,346	39,290	59,105
Depreciation and amortization.....	4,437	6,290	35,637	46,364
Other expenses.....	5,700	1,641	5,890	13,231
Total expenses.....	<u>20,606</u>	<u>17,277</u>	<u>80,817</u>	<u>118,700</u>
Net income before minority interest and gain on real estate investments.....	22,514	8,970	69,817	101,301
Minority interest	-	-	(26,741)	(26,741)
Income before gain on real estate investments	22,514	8,970	43,076	74,560
Gain on real estate investments.....	-	-	8,105	8,105
Net income.....	<u>\$ 22,514</u>	<u>\$ 8,970</u>	<u>\$ 51,181</u>	<u>\$ 82,665</u>
<u>At December 31, 2000:</u>				
Real estate, net	\$ 67,580	\$ 219,043	\$ 864,711	\$ 1,151,334
Total assets.....	\$ 100,129	\$ 222,670	\$ 930,756	\$ 1,253,555
Total liabilities.....	\$ 40,332	\$ 3,899	\$ 59,935	\$ 104,166
Preferred equity	\$ -	\$ -	\$ 199,750	\$ 199,750
Total common/partners' equity.....	\$ 59,797	\$ 218,771	\$ 671,071	\$ 949,639
The Company's investment (book value) at December 31, 2000	\$ 123,743	\$ 65,631	\$ 259,554	\$ 448,928
The Company's effective average ownership interest at December 31, 2000 (A).....	44%	30%	42%	

(A) Reflects our ownership interest with respect to total common/partners' equity.

At December 31, 2000, our investments in real estate entities consist of ownership interests in 11 partnerships, which principally own self-storage facilities, and an ownership interest in PSB. Such interests are non-controlling interests of less than 50% and are accounted for using the equity method of accounting. Accordingly, earnings are recognized based upon our ownership interest in each of the partnerships. The accounting policies of these entities are similar to the Company's. During 2000, 1999 and 1998, we recognized earnings from our investments of \$36,109,000, \$32,183,000 and \$26,602,000, respectively, and received cash distributions totaling \$16,984,000, \$15,949,000 and \$17,968,000, respectively. In addition, during 2000, we recognized a gain of \$3,210,000, representing our share of PSB's gains on sale of real estate and real estate investments; this gain is presented as "Gain on the disposition of real estate and real estate investments".

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During 2000, we disposed of investments in real estate entities, for total proceeds of \$47,875,000. We recorded a net gain of \$280,000 as "Gain on the disposition of real estate and real estate investments" representing the difference between our cost and the proceeds received.

During 2000 and 1999, our investment in real estate entities reflected decreases as a result of business combinations whereby the Company eliminated approximately \$14,393,000 and \$66,690,000, respectively, of pre-existing investments in real estate entity investments. Offsetting these decreases are additional investments made by the Company in other unconsolidated entities totaling \$75,146,000 and \$77,656,000 in 2000 and 1999, respectively.

In April 1997, the Company and an institutional investor formed a joint venture partnership for the purpose of developing up to \$220 million of storage facilities. As of December 31, 2000, the joint venture partnership had completed construction on 47 storage facilities with a total cost of approximately \$231.5 million. The partnership is funded solely with equity capital consisting of 30% from the Company and 70% from the institutional investor.

6. Revolving line of credit

The credit agreement (the "Credit Facility") has a borrowing limit of \$150 million and an expiration date of July 1, 2002. The expiration date may be extended by one year on each anniversary of the credit agreement. Interest on outstanding borrowings is payable monthly. At our option, the rate of interest charged is equal to (i) the prime rate or (ii) a rate ranging from the London Interbank Offered Rate ("LIBOR") plus 0.40% to LIBOR plus 1.10% depending on the Company's credit ratings and coverage ratios, as defined. In addition, the Company is required to pay a quarterly commitment fee of 0.250% (per annum). The Credit Facility allows us, at our option, to request the group of banks to propose the interest rate they would charge on specific borrowings not to exceed \$50 million; however, in no case may the interest rate proposal be greater than the amount provided by the Credit Facility.

Under covenants of the Credit Facility, we are required to (i) maintain a balance sheet leverage ratio of less than 0.40 to 1.00, (ii) maintain net income of not less than \$1.00 for each fiscal quarter, (iii) maintain certain cash flow and interest coverage ratios (as defined) of not less than 1.0 to 1.0 and 5.0 to 1.0, respectively and (iv) maintain a minimum total shareholders' equity (as defined). In addition, we are limited in its ability to incur additional borrowings (we are required to maintain unencumbered assets with an aggregate book value equal to or greater than three times our unsecured recourse debt) or sell assets. We were in compliance with the covenants of the Credit Facility at December 31, 2000.

7. Notes payable

Notes payable at December 31, 2000 and 1999 consist of the following:

	2000		1999	
	Carrying amount	Fair value	Carrying amount	Fair value
	(Amounts in thousands)			
7.08% to 7.66% unsecured senior notes, due at varying dates between November 2003 and January 2007	\$ 129,250	\$ 129,250	\$ 138,000	\$ 138,000
Mortgage notes payable:				
10.55% mortgage notes secured by real estate facilities, principal and interest payable monthly, due August 2004	23,820	25,105	26,231	27,438
7.134% to 10.5% mortgage notes secured by real estate facilities, principal and interest payable monthly, due at varying dates between May 2004 and September 2028.....	2,933	2,933	3,107	3,107
	<u>\$ 156,003</u>	<u>\$ 157,288</u>	<u>\$ 167,338</u>	<u>\$ 168,545</u>

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All of our notes payable are fixed rate. The senior notes require interest and principal payments to be paid semi-annually and have various restrictive covenants, all of which have been met at December 31, 2000.

The 10.55% mortgage notes consist of five notes, which are cross-collateralized by 19 properties and are due to a life insurance company. Although there is a negative spread between the carrying value and the estimated fair value of the notes, the notes provide for the prepayment of principal subject to the payment of penalties, which exceed this negative spread. Accordingly, prepayment of the notes at this time would not be economically practicable.

Mortgage notes payable are secured by 24 real estate facilities having an aggregate net book value of approximately \$48.0 million at December 31, 2000.

At December 31, 2000, approximate principal maturities of notes payable are as follows:

	Unsecured Senior Notes	Mortgage debt (in thousands)	Total
2001.....	\$ 9,500	\$ 2,910	\$ 12,410
2002.....	24,450	3,530	27,980
2003.....	35,900	3,585	39,485
2004.....	25,800	15,063	40,863
2005.....	11,200	156	11,356
Thereafter.....	22,400	1,509	23,909
	<u>\$ 129,250</u>	<u>\$ 26,753</u>	<u>\$ 156,003</u>
Weighted average rate.....	<u>7.5%</u>	<u>10.2%</u>	<u>7.9%</u>

Interest paid (including interest related to the borrowings on the Credit Facility) during 2000, 1999 and 1998 was \$13,071,000, \$12,528,000, and \$7,690,000, respectively. In addition, in 2000, 1999 and 1998, the Company capitalized interest totaling \$9,778,000, \$4,509,000, and \$3,481,000, respectively, related to construction of real estate facilities.

8. Minority interest

In consolidation, we classify ownership interests in the net assets of each of the Consolidated Entities, other than our own, as minority interest on the consolidated financial statements. Minority interest in income consists of the minority interests' share of the operating results of the Company relating to the consolidated operations of the Consolidated Entities.

During 2000, one of our operating partnerships issued in aggregate \$365.0 million of preferred partnership units: March 17, 2000, - \$240.0 million of 9.5% Series N Cumulative Redeemable Perpetual Preferred Units, March 29, 2000 - \$75.0 million of 9.125% Series O Cumulative Redeemable Perpetual Preferred Units, and August 11, 2000 - \$50.0 million of 8.75% Series P Cumulative Redeemable Perpetual Preferred Units. These preferred units are not redeemable during the first 5 years, thereafter, at our option, we can call the units for redemption at the issuance amount plus any unpaid distributions. The units are not redeemable by the holder. Subject to certain conditions, the Series N preferred units are convertible into shares of 9.5% Series N Cumulative Preferred Stock, the Series O preferred units are convertible into shares of 9.125% Series O Cumulative Preferred Stock and the Series P preferred units are convertible into shares of 8.75% Series P Cumulative Preferred Stock of the Company. We incurred approximately \$3,750,000 in costs in connection with the issuances; these costs were recorded as a reduction to Paid in Capital. These transactions had the effect of increasing minority interest by \$365.0 million. For the year ended December 31, 2000, the holders of these preferred units were paid in aggregate approximately \$24,859,000 in distributions and received an equivalent allocation of minority interest in earnings.

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In November 1999, we formed a second development joint venture with a joint venture partner to develop \$100 million of storage facilities and to purchase \$100 million of the Company's Equity Stock, Series AAA. The joint venture is consolidated and, accordingly, the Equity Stock, Series AAA is eliminated in consolidation. Included in minority interest at December 31, 2000 is approximately \$77,126,000 relative to the joint venture, primarily representing total contributions received by our joint venture partner since inception of the partnership, net of distributions. Minority interest increased by \$21,392,000 as a result of contributions by our joint venture partner since December 31, 1999 and decreased by \$7,871,000 as a result of distributions to our joint venture partner.

In 1999, in connection with the merger with Storage Trust, minority interest increased by approximately \$27,009,000, reflecting the fair value of 1,011,963 operating partnership units ("OP Units") in Storage Trust's operating partnership owned by minority interest. As of December 31, 2000, there were approximately 237,935 OP Units which are convertible on a one-for-one basis (subject to certain limitations) into common shares of the Company at the option of the unitholder. Minority interest in income with respect to OP Units reflects the OP Units' share of the net income of the Company, with net income allocated to minority interests with respect to weighted average outstanding OP Units on a per unit basis equal to diluted earnings per common share. During the year ended December 31, 2000, 277,104 OP Units were redeemed in connection with the sale of real estate facilities (reducing minority interest by \$6,427,000) and 255,853 OP Units were converted into shares of the Company's common stock (reducing minority interest by \$6,829,000). During the year ended December 31, 1999, 241,071 OP Units were exchanged for an equal number of shares of the Company's common stock, for a total cost of approximately \$6,434,000. These transactions had the effect of reducing minority interest by approximately \$6,434,000.

In addition to the OP Unit redemptions noted above, during fiscal 2000 we acquired minority interests in the Consolidated Entities for an aggregate cash cost of \$31,271,000; these acquisitions had the effect of reducing minority interest by \$16,159,000, with the excess of cost over underlying book value (\$15,112,000) allocated to real estate.

During 1999, in addition to the OP Unit redemptions noted above, we acquired limited partnership interests in certain of the Consolidated Entities in several transactions for an aggregate cost of \$76,873,000, consisting of approximately \$36,846,000 in cash and \$40,027,000 in the issuance of common stock. These transactions had the effect of reducing minority interest by approximately \$31,126,000. The excess of the cost over the underlying book value (\$45,747,000) has been allocated to real estate facilities in consolidation.

During 1999 and 1998, in connection with certain business combinations (Note 3) minority interest was increased by \$32,201,000 and \$35,210,000, respectively, representing the remaining partners' equity interests in the aggregate net assets of the Consolidated Entities.

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9. Shareholders' equity

Preferred Stock

At December 31, 2000 and 1999, we had the following series of Preferred Stock outstanding:

Series	Dividend Rate	Shares Outstanding	Carrying Amount (in thousands)
Series A	10.000%	1,825,000	\$ 45,625
Series B	9.200%	2,386,000	59,650
Series C	Adjustable	1,200,000	30,000
Series D	9.500%	1,200,000	30,000
Series E	10.000%	2,195,000	54,875
Series F	9.750%	2,300,000	57,500
Series G	8.875%	6,900	172,500
Series H	8.450%	6,750	168,750
Series I	8.625%	4,000	100,000
Series J	8.000%	6,000	150,000
Series K	8.250%	4,600	115,000
Series L	8.250%	4,600	115,000
Series M	8.750%	2,250	56,250
		<u>11,141,100</u>	<u>\$1,155,150</u>
Total Senior Preferred Stock			

The Series A through Series M (collectively the "Cumulative Senior Preferred Stock") have general preference rights with respect to liquidation and quarterly distributions. Holders of the preferred stock, except under certain conditions and as noted above, will not be entitled to vote on most matters. In the event of a cumulative arrearage equal to six quarterly dividends or failure to maintain a Debt Ratio (as defined) of 50% or less, holders of all outstanding series of preferred stock (voting as a single class without regard to series) will have the right to elect two additional members to serve on the Company's Board of Directors until events of default have been cured. At December 31, 2000, there were no dividends in arrears and the Debt Ratio was 3.0%.

Except under certain conditions relating to the Company's qualification as a REIT, the Senior Preferred Stock is not redeemable prior to the following dates: Series A - September 30, 2002, Series B - March 31, 2003, Series C - June 30, 1999, Series D - September 30, 2004, Series E - January 31, 2005, Series F - April 30, 2005, Series G - December 31, 2000, Series H - January 31, 2001, Series I - October 31, 2001, Series J - August 31, 2002, Series K - January 19, 2004, Series L - March 10, 2004, Series M - August 17, 2004. On or after the respective dates, each of the series of Senior Preferred Stock will be redeemable, at the option of the Company, in whole or in part, at \$25 per share (or depositary share in the case of the Series G, Series H, Series I, Series J, Series K, Series L and Series M), plus accrued and unpaid dividends.

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Common stock

During 2000, 1999 and 1998, we issued and repurchased shares of our common stock as follows:

	2000		1999		1998	
	Shares	Amount	Shares	Amount	Shares	Amount
Public offerings	-	\$ -	-	\$ -	7,951,821	\$ 234,521
In connection with mergers (Note 3) ..	-	-	13,009,485	347,223	433,526	13,817
Exercise of stock options.....	242,598	4,608	511,989	10,000	219,596	3,339
Issuance to affiliates	-	-	-	-	853,700	26,362
Conversion of OP Units.....	255,853	6,829	241,071	6,434	-	-
Conversion of Convertible Preferred Stock	-	-	-	-	3,589,552	53,308
Acquisition of interests in real estate entities (a)	-	-	1,557,960	40,027	635,005	16,679
Repurchases of stock	(3,491,600)	(77,799)	(4,589,427)	(108,565)	(2,819,400)	(72,256)
	<u>(2,993,149)</u>	<u>\$ (66,362)</u>	<u>10,731,078</u>	<u>\$ 295,119</u>	<u>10,863,800</u>	<u>\$ 275,770</u>

(a) The amounts for 1999 include the conversion of 241,071 OP Units with an approximate value of \$6,434,000.

Shares of common stock issued to affiliates in 1998 were in exchange for interests in real estate entities. All the shares of common stock, with the exception of the shares issued in connection with the exercise of stock options, were issued at the prevailing market price at the time of issuance.

On June 12, 1998, we announced that the Board of Directors authorized the repurchase from time to time of up to 10,000,000 shares of the Company's common stock on the open market or in privately negotiated transactions. On March 4, 2000, the Board of Directors increased the authorized number of shares which the Company could repurchase to 15,000,000. On March 15, 2001, the Board of Directors increased the authorized number of shares the Company could repurchase to 20,000,000. Cumulatively through December 31, 2000, we repurchased a total of 10,900,427 shares of common stock at an aggregate cost of approximately \$258,620,000.

On March 12, 1999, we issued 13,009,485 shares of common stock pursuant to the merger with Storage Trust Realty.

At December 31, 2000, the Company had 6,445,747 shares of common stock reserved in connection with the Company's stock option plans (Note 11), 7,000,000 shares of common stock reserved for the conversion of the Class B Common Stock and 237,935 shares reserved for the conversion of OP Units.

Class B Common Stock

Commencing January 1, 2000, the Class B Common Stock participates in distributions at the rate of 97% of the per share distributions on the Common Stock, provided that cumulative distributions of at least \$0.22 per quarter per share have been paid on the Common Stock. The Class B Common Stock will (i) not participate in liquidating distributions, (ii) not be entitled to vote (except as expressly required by California law) and (iii) automatically convert into Common Stock, on a share for share basis, upon the later to occur of FFO per common share aggregating \$3.00 during any period of four consecutive calendar quarters or January 1, 2003.

For these purposes, FFO means net income (loss) (computed in accordance with generally accepted accounting principles) before (i) gain (loss) on early extinguishment of debt, (ii) minority interest in income and (iii) gain (loss) on disposition of real estate, adjusted as follows: (i) plus depreciation and amortization (including the Company's pro-rata share of depreciation and amortization of unconsolidated equity interests and amortization of assets acquired in a merger, including property management agreements and goodwill), and (ii)

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less FFO attributable to minority interest. For these purposes, FFO per Common Share means FFO less preferred stock dividends (other than dividends on convertible preferred stock) divided by the outstanding weighted average shares of Common Stock assuming conversion of all outstanding convertible securities and the Class B Common Stock.

For these purposes, FFO per share of Common Stock (as defined) was \$2.59 for the year ended December 31, 2000.

Equity Stock

The Company is authorized to issue 200,000,000 shares of Equity Stock. The Articles of Incorporation provide that the Equity Stock may be issued from time to time in one or more series and gives the Board of Directors broad authority to fix the dividend and distribution rights, conversion and voting rights, redemption provisions and liquidation rights of each series of Equity Stock.

During fiscal 2000 we issued shares of Equity Stock as follows:

- In January 2000, we issued 4,300,555 depositary shares (2,200,555 shares with a value of \$44,011,000 as part of a special distribution declared on November 15, 1999 and 2,100,000 shares with net proceeds of \$39,800,000 in a separate public offering) each representing 1/1,000 of a share of Equity Stock, Series A ("Equity Stock A").
- In the first half of 2000, we issued 52,547 depositary shares of Equity Stock A with an aggregate value of \$1,025,000 to a related party in connection with the acquisition of real estate facilities.
- In December 2000, we issued publicly 1,282,500 depositary shares (\$28,518,000) each representing 1/1,000 of a share of Equity Stock A.

The Equity Stock A ranks on a parity with common stock and junior to the Senior Preferred Stock with respect to general preference rights and has a liquidation amount which cannot exceed \$24.50 per share. Distributions with respect to each depositary share shall be the lesser of: a) five times the per share dividend on the Common Stock or b) \$2.45 per annum (prorated for the year 2000). Except in order to preserve the Company's federal income tax status as a REIT, we may not redeem the depositary shares before March 31, 2005. On or after March 31, 2005, we may, at our option, redeem the depositary shares at \$24.50 per depositary share. If the Company fails to preserve its federal income tax status as a REIT, the depositary shares will be convertible into common stock on a one for one basis. The depositary shares are otherwise not convertible into common stock. Holders of depositary shares vote as a single class with our holders of common stock on shareholder matters, but the depositary shares have the equivalent of one-tenth of a vote per depositary share. We have no obligation to pay distributions if no distributions are paid to common shareholders.

In November 1999, we sold \$100,000,000 (4,289,544 shares) of Equity Stock, Series AAA ("Equity Stock AAA") to a newly formed joint venture. We control the joint venture and consolidate the accounts of the joint venture, and accordingly the Equity Stock AAA is eliminated in consolidation. The Equity Stock AAA ranks on a parity with Common Stock and junior to the Senior Preferred Stock (as defined below) with respect to general preference rights, and has a liquidation amount equal to 120% of the amount distributed to each common share. Annual distributions per share are equal to the lesser of (i) five times the amount paid per common share or (ii) \$2.1564. We have no obligation to pay distributions if no distributions are paid to common shareholders.

In June 1997, we contributed \$22,500,000 (225,000 shares) of equity stock, designated as Equity Stock, Series AA ("Equity Stock AA") to a partnership in which the Company is the general partner. As a result of this contribution, the Company obtained a controlling interest in the partnership and began to

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consolidate the accounts of the partnership and therefore the equity stock is eliminated in consolidation. The Equity Stock AA ranks on a parity with Common Stock and junior to the Senior Preferred Stock with respect to general preference rights and has a liquidation amount of ten times the amount paid to each Common Share up to a maximum of \$100 per share. Quarterly distributions per share on the Equity Stock AA are equal to the lesser of (i) 10 times the amount paid per Common Stock or (ii) \$2.20. We have no obligation to pay distributions if no distributions are paid to common shareholders.

Dividends

The unaudited characterization of dividends for Federal income tax purposes is made based upon earnings and profits of the Company, as defined by the Internal Revenue Code. Distributions declared by the Board of Directors (including distributions to the holders of preferred stock) in 2000 were characterized as follows:

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
Ordinary income	96.10%	95.79%	99.04%	99.96%
Long-term Capital Gain	3.90%	4.21%	0.96%	0.04%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

On August 30, 2000, the Board of Directors declared a special distribution to the common shareholders of \$0.60 per common share in cash which was paid on September 30, 2000. On November 4, 1999, the Board of Directors declared a special distribution to the common shareholders. The special distribution is comprised of (i) \$0.65 per common share payable in depositary shares, representing interests in Equity Stock, Series A, with cash being paid in lieu of fractional shares or (ii) at the election of each common shareholder, \$0.62 per common share payable in cash. The special distribution was accrued at December 31, 1999, and paid on January 14, 2000 to shareholders of record as of November 15, 1999.

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The following summarizes dividends during 2000, 1999 and 1998:

	2000		1999		1998	
	Per Share	Total	Per share	Total	Per share	Total
	(in thousands, except per share data)					
<u>Preferred Stock</u>						
Series A	\$2.500	\$4,563	\$2.500	\$4,563	\$2.500	\$4,563
Series B	\$2.300	5,488	\$2.300	5,488	\$2.300	5,488
Series C	\$1.711	2,052	\$1.688	2,024	\$1.688	2,024
Series D	\$2.375	2,850	\$2.375	2,850	\$2.375	2,850
Series E	\$2.500	5,488	\$2.500	5,488	\$2.500	5,488
Series F	\$2.437	5,606	\$2.437	5,606	\$2.437	5,606
Series G	\$2.219	15,309	\$2.219	15,309	\$2.219	15,309
Series H	\$2.112	14,259	\$2.112	14,259	\$2.112	14,259
Series I	\$2.156	8,625	\$2.156	8,625	\$2.156	8,625
Series J	\$2.000	12,000	\$2.000	12,000	\$2.000	12,000
Series K	\$2.063	9,488	\$1.965	9,040	-	-
Series L	\$2.063	9,488	\$1.673	7,695	-	-
Series M	\$2.188	4,922	\$0.820	1,846	-	-
Convertible		-		-	\$1.032	2,163
		100,138		94,793		78,375
<u>Common Stock</u>						
Equity Stock, Series A	\$2.363	11,042	-	-	-	-
Common Stock (A)	\$1.480	184,084	\$1.520	195,383	\$0.880	100,726
Class B Common Stock	\$1.436	10,049	-	-	-	-
		\$305,313		\$290,176		\$179,101

(A) \$82,086,000 (\$0.64 per share) of the common dividend in 1999 was accrued at December 31, 1999, of which \$38,075,000 was paid on January 14, 2000 in cash and \$44,011,000 was paid in the issuance of depository shares of the Company's Equity Stock, Series A.

The dividend rate on the Series C Preferred Stock is adjusted quarterly and is equal to the highest of one of three U.S. Treasury indices (Treasury Bill Rate, Ten Year Constant Maturity Rate, and Thirty Year Constant Maturity Rate) multiplied by 110%. However, the dividend rate for any dividend period will not be less than 6.75% per annum nor greater than 10.75% per annum. The dividend rate with respect to the first quarter of 2001 will be equal to 6.75% per annum.

10. Stock options

The Company has a 1990 Stock Option (the "1990 Plan") which provides for the grant of non-qualified stock options. The Company has a 1994 Stock Option Plan (the "1994 Plan"), a 1996 Stock Option and Incentive Plan (the "1996 Plan") and a 2000 Non-Executive/Non-Director Stock Option and Incentive Plan (the "2000 Plan"), each of which provides for the grant of non-qualified options and incentive stock options. (The 1990 Plan, the 1994 Plan, the 1996 Plan and the 2000 Plan are collectively referred to as the "PSI Plans"). Under the PSI Plans, the Company has granted non-qualified options to certain directors, officers and key employees to purchase shares of the Company's common stock at a price equal to the fair market value of the common stock at the date of grant. Generally, options under the Plans vest over a three-year period from the date of grant at the rate of one-third per year and expire (i) under the 1990 Plan, five years after the date they became exercisable and (ii) under the 1994 Plan, the 1996 Plan and the 2000 Plan, ten years after the date of grant. The 1996 Plan and the 2000 Plan also provide for the grant of restricted stock to officers, key employees and service providers on terms determined by an authorized committee of the Board of Directors; no shares of restricted stock have been granted. In connection with the Storage Trust merger in March 1999, we assumed the outstanding non-qualified options under the Storage Trust Realty 1994 Share Incentive Plan (the "Storage

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Trust Plan”), which were converted into non-qualified options to purchase our common stock (the PSI Plans and the Storage Trust Plan are collectively referred to as the “Plans.”) The Company determined there was no material impact from the use of the fair value method for the years ended December 31, 2000, 1999 and 1998.

Information with respect to the Plans during 2000, 1999, and 1998 is as follows:

	2000		1999		1998	
	Number of Options	Average Price per Share	Number of Options	Average Price per Share	Number of Options	Average Price per Share
Options outstanding January 1	3,024,274	\$24.08	2,054,285	\$22.85	1,696,215	\$20.03
Granted or assumed	3,762,500	23.06	1,576,626	24.39	590,000	28.23
Exercised	(242,598)	18.99	(511,989)	19.53	(219,596)	15.20
Canceled	(131,600)	26.01	(94,648)	27.28	(12,334)	28.66
Options outstanding December 31	6,412,576	23.65	3,024,274	\$24.08	2,054,285	\$22.85
		\$14.125		\$9.375		\$9.375
Option price range at December 31 (A)		to \$33.563		to \$33.563		to \$33.563
Options exercisable at December 31	1,680,083	\$23.83	1,259,771	\$21.97	1,044,249	\$19.94
Options available for grant at December 31	33,171		1,683,505		2,881,337	

(A) Approximately 5,772,160, 2,210,695 and 1,037,500 of options outstanding at December 31, 2000, 1999 and 1998, respectively, had exercise prices in excess of \$23.

In 1996, the Company adopted the disclosure requirement provision of SFAS 123 in accounting for stock-based compensation issued to employees. As of December 31, 2000, 1999, and 1998 there were 6,372,741, 2,935,338 and 1,900,837 options outstanding, respectively, that were subject to SFAS 123 disclosure requirements. The fair value of these options was estimated utilizing the Black-Scholes method with a risk-free interest rate of 5.63% for 1998, 5.55% for 1999 and 6.16% for 2000, an expected life of 5 years for each of 1998, 1999 and 2000, an expected volatility of .192 for 1998, .201 for 1999 and .191 for 2000, and an expected dividend yield of 7% for each of 1998, 1999 and 2000. Based upon the results of such estimates, the Company determined that there was no material impact from the use of the fair value method for the years ended December 31, 2000, 1999 and 1998. The remaining contractual lives were 8.9 years, 8.2 years, and 7.8 years, respectively, at December 31, 2000, 1999, and 1998.

11. Disclosures regarding Segment Reporting

In July 1997, the Financial Accounting Standards Board issued Statement No. 131, “Disclosures about Segments of an Enterprise and Related Information” (“FAS 131”), which establishes standards for the way that public business enterprises report information about operating segments. This statement is effective for financial statements for periods beginning after December 15, 1997. We adopted this standard effective for the year ended December 31, 1998.

Description of each reportable segment

Our reportable segments reflect significant operating activities that are evaluated separately by management. We have three reportable segments: self-storage operations, containerized storage operations, and commercial property operations.

The self-storage segment comprises the direct ownership, development, and operation of traditional storage facilities, and the ownership of equity interests in entities that own storage properties. PSPUD operates

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the containerized storage segment. The commercial property segment reflects our interest in the ownership, operation, and management of commercial properties. The vast majority of the commercial property operations are conducted through PSB, and to a much lesser extent the Company and certain of its unconsolidated subsidiaries own commercial space, managed by PSB, within facilities that combine storage and commercial space for rent.

Measurement of segment profit or loss

We evaluate performance and allocate resources based upon the net segment income of each segment. Net segment income represents net income in conformity with generally accepted accounting principles and our significant accounting policies as denoted in Note 2, before interest and other income, depreciation of real estate facilities, amortization expense, interest expense, corporate general and administrative expense, and minority interest in income. The accounting policies of the reportable segments are the same as those described in the Summary of Significant Accounting Policies.

Interest and other income, depreciation of real estate facilities, amortization expense, interest expense, corporate general and administrative expense, and minority interest in income are not allocated to segments because management does not utilize them to evaluate the results of operations of each segment.

Measurement of segment assets

No segment data relative to assets or liabilities is presented, because we do not evaluate performance based upon the assets or liabilities of the segments. We believe that the historical cost of the Company's real property does not have any significant bearing upon the performance of the commercial property and storage segments. In the same manner, management believes that the book value of investment in real estate entities as having no bearing upon the results of those investments. The only other types of assets that might be allocated to individual segments are trade receivables, payables, and other assets which arise in the ordinary course of business, but they are also not a significant factor in the measurement of segment performance. We perform post-acquisition analysis of various investments; however, such evaluations are beyond the scope of FAS 131.

Presentation of Segment Information

Our income statement provides most of the information required in order to determine the performance of each of the Company's three segments. The following tables reconcile the performance of each segment, in terms of segment revenues and segment income, to our consolidated revenues and net income. It further provides detail of the segment components of the income statement item, "Equity in earnings of real estate entities."

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	<u>Year Ended December 31,</u>		<u>Change</u>	<u>Year Ended December 31,</u>		<u>Change</u>
	<u>2000</u>	<u>1999</u>		<u>1999</u>	<u>1998</u>	
	(Dollar amounts in thousands)					
<u>Reconciliation of Revenues by Segment:</u>						
<u>Self-storage</u>						
Storage property rentals	\$ 653,524	\$ 592,619	\$ 60,905	\$ 592,619	\$ 488,291	\$ 104,328
Equity in earnings - storage property operations.....	21,265	20,382	883	20,382	21,058	(676)
Equity in earnings – Depreciation (self - storage).....	(7,153)	(7,591)	438	(7,591)	(6,581)	(1,010)
Self Storage segment revenues.....	<u>667,636</u>	<u>605,410</u>	<u>62,226</u>	<u>605,410</u>	<u>502,768</u>	<u>102,642</u>
<u>Containerized storage</u>	37,914	27,028	10,886	27,028	24,466	2,562
<u>Commercial properties</u>						
Commercial property rentals.....	11,341	8,204	3,137	8,204	23,112	(14,908)
Equity in earnings – commercial property operations.....	42,562	35,623	6,939	35,623	23,301	12,322
Equity in earnings – Depreciation (commercial properties).....	(14,672)	(12,130)	(2,542)	(12,130)	(7,303)	(4,827)
Commercial properties segment revenues..	<u>39,231</u>	<u>31,697</u>	<u>7,534</u>	<u>31,697</u>	<u>39,110</u>	<u>(7,413)</u>
<u>Other items not allocated to segments</u>						
Equity in earnings – general and administrative and other.....	(5,893)	(4,101)	(1,792)	(4,101)	(3,873)	(228)
Interest and other income.....	18,422	16,700	1,722	16,700	18,614	(1,914)
Total other items not allocated to segments...	<u>12,529</u>	<u>12,599</u>	<u>(70)</u>	<u>12,599</u>	<u>14,741</u>	<u>(2,142)</u>
Total consolidated revenues.....	<u>\$ 757,310</u>	<u>\$ 676,734</u>	<u>\$ 80,576</u>	<u>\$ 676,734</u>	<u>\$ 581,085</u>	<u>\$ 95,649</u>

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	Year Ended December 31,			Year Ended December 31,		
	2000	1999	Change	1999	1998	Change
	(Dollar amounts in thousands)					
<u>Reconciliation of Net Income by Segment:</u>						
<u>Self-storage</u>						
Storage properties.....	\$443,062	\$408,138	\$34,924	\$408,138	\$338,915	\$69,223
Depreciation and amortization – storage real estate.....	(141,425)	(131,118)	(10,307)	(131,118)	(103,045)	(28,073)
Equity in earnings - storage property operations	21,265	20,382	883	20,382	21,058	(676)
Equity in earnings - depreciation (storage)	(7,153)	(7,591)	438	(7,591)	(6,581)	(1,010)
Total self-storage segment income	<u>316,304</u>	<u>289,811</u>	<u>25,938</u>	<u>289,811</u>	<u>250,347</u>	<u>39,464</u>
<u>Containerized storage</u>						
Containerized storage	116	(2,481)	2,597	(2,481)	(24,042)	21,561
Depreciation	(5,251)	(4,915)	(336)	(4,915)	(4,317)	(598)
Total containerized storage segment loss	<u>(5,135)</u>	<u>(7,396)</u>	<u>2,261</u>	<u>(7,396)</u>	<u>(28,359)</u>	<u>20,963</u>
<u>Commercial properties</u>						
Commercial properties	7,515	5,378	2,137	5,378	15,161	(9,783)
Depreciation and amortization - commercial properties	(2,291)	(1,686)	(605)	(1,686)	(4,437)	2,751
Equity in earnings - commercial property operations	42,562	35,623	6,939	35,623	23,301	12,322
Equity in earnings - depreciation (commercial properties)	(14,672)	(12,130)	(2,542)	(12,130)	(7,303)	(4,827)
Total commercial property segment income	<u>33,114</u>	<u>27,185</u>	<u>5,929</u>	<u>27,185</u>	<u>26,722</u>	<u>463</u>
<u>Other items not allocated to segments</u>						
Equity in earnings - general and administrative and other	(5,893)	(4,101)	(1,792)	(4,101)	(3,873)	(228)
Interest and other income	18,422	16,700	1,722	16,700	18,614	(1,914)
Corporate general and administrative	(21,306)	(12,491)	(8,815)	(12,491)	(11,635)	(856)
Interest expense	(3,293)	(7,971)	4,678	(7,971)	(4,507)	(3,464)
Minority interest in income	(38,356)	(16,006)	(22,350)	(16,006)	(20,290)	4,284
Gain on disposition of real estate	3,786	2,154	1,632	2,154	-	2,154
Total other items not allocated to segments	<u>(46,640)</u>	<u>(21,715)</u>	<u>(24,925)</u>	<u>(21,715)</u>	<u>(21,691)</u>	<u>(24)</u>
Total consolidated company net income ..	<u>\$297,088</u>	<u>\$287,885</u>	<u>\$9,203</u>	<u>\$287,885</u>	<u>\$227,019</u>	<u>\$60,866</u>

12. Events subsequent to December 31, 2000 (Unaudited)

On January 19, 2001, we completed a public offering of 6,900,000 depositary shares (\$25 stated value per depositary share) each representing 1/1,000 of a share of 8.600% Cumulative Preferred Stock, Series Q (“Series Q Preferred Stock”). The Series Q Preferred Stock has general preference rights over the Common Stock with respect to distributions and liquidation proceeds. Except in certain conditions relating to the Company’s qualification as a REIT, the Series Q preferred stock is not redeemable prior to January 19, 2006. After January 19, 2006, the Series Q preferred stock will be redeemable at the option of the Company, in whole or in part, at \$25 per depositary share, plus accrued and unpaid dividends.

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On March 15, 2001, the Company's disinterested directors approved the acquisition of PS Insurance Company ("PSIC"). PSIC is currently owned by B. Wayne Hughes (Chairman) and members of his family. PSIC is engaged in the business of reinsuring risks relating to damage, destruction, or other loss of goods stored by tenants in self-storage facilities owned and operated by the Company. In the transaction the Company will acquire all of the capital stock of PSIC from the Hughes family in exchange for 1,243,298 shares of the Company's Common Stock, subject to adjustment for changes in PSIC's working capital. PSIC owns 301,032 shares of the Company's Common Stock, which would continue to be owned by PSIC after the transaction. The transaction (1) is conditioned on, among other things, adoption of changes to California's tax laws that would permit the Company to acquire PSIC and (2) is scheduled to close on December 31, 2001, although there can be no assurance.

13. Recent Accounting Pronouncements and Guidance

Accounting for Derivative Instruments and Hedging Activities

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities," as amended in June 2000 by Statement of Financial Accounting Standards No. 138 ("SFAS 138"), "Accounting for Certain Derivative Instruments and Certain Hedging Activities," which requires companies to recognize all derivatives as either assets or liabilities in the balance sheet and measure such instruments at fair value. As amended by Statement of Financial Accounting Standards No. 137 ("SFAS 137"), "Accounting for Derivative Instruments and Hedging Activities – Deferral of the Effective Date of FASB Statement No. 133," the provisions of SFAS 133 will require adoption by the Company on January 1, 2001. The Company adopted SFAS 133, as amended by SFAS 138, on January 1, 2001, and the adoption had no material impact on the Company's consolidated financial statements.

Emerging Issues Task Force Discussion of Capitalization of Acquisition Costs

In March 1998, The Emerging Issues Task Force ("EITF") of the Financial Accounting Standards Board issued guidance (the "97-11 Guidance") with respect to Issue No. 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions." The 97-11 Guidance provides that a company shall expense internal preacquisition costs (such as costs of an internal acquisitions department) related to the purchase of an operating property. We do not capitalize such internal preacquisition costs with respect to the acquisition of operating real estate facilities. Accordingly, the 97-11 Guidance had no impact upon the consolidated financial statements and would have had no impact upon financial statements for periods prior to the issuance of the 97-11 Guidance.

14. Commitments and Contingencies

Lease obligations

As of December 31, 2000, we leased 28 containerized storage facilities from third parties; in addition, certain trucks and related equipment are leased. Total lease expense for the facilities and equipment, comprised entirely of minimum lease payments, was approximately \$10.7 million, \$13.6 million, and \$19.2 million for the years ended December 31, 2000, 1999, and 1998, respectively. Future minimum lease payments at December 31, 2000 under these non-cancelable operating leases are as follows (in thousands):

2001	\$ 10,635
2002	6,699
2003	2,329
2004	1,273
2005	558
Thereafter	405
	\$ 21,899

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16. Supplementary quarterly financial data (unaudited)

	Three months ended			
	March 31, 2000	June 30, 2000	September 30, 2000	December 31, 2000
	(in thousands, except per share data)			
Revenues	\$ 176,595	\$ 188,150	\$ 195,966	\$ 196,599
Net income	\$ 72,561	\$ 74,303	\$ 75,652	\$ 74,572
Per Common Share (Note 2):				
Net income - Basic	\$ 0.34	\$ 0.35	\$ 0.37	\$ 0.35
Net income - Diluted	\$ 0.34	\$ 0.35	\$ 0.37	\$ 0.35

	Three months ended			
	March 31, 1999	June 30, 1999	September 30, 1999	December 31, 1999
	(in thousands, except per share data)			
Revenues	\$ 148,015	\$ 172,237	\$ 178,963	\$ 177,519
Net income	\$ 61,842	\$ 73,651	\$ 76,752	\$ 75,640
Per Common Share (Note 2):				
Net income - Basic	\$ 0.34	\$ 0.39	\$ 0.41	\$ 0.39
Net income - Diluted	\$ 0.34	\$ 0.39	\$ 0.40	\$ 0.39

PUBLIC STORAGE, INC.
SCHEDULE III - REAL ESTATE
AND ACCUMULATED DEPRECIATION

Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
Storage Facilities										
1/1/81	Newport News / Jefferson Avenue	673,000	108,000	1,071,000	503,000	-	108,000	1,574,000	1,682,000	1,278,000
1/1/81	Virginia Beach / Diamond Springs	749,000	186,000	1,094,000	577,000	-	186,000	1,671,000	1,857,000	1,301,000
8/1/81	San Jose / Snell	-	312,000	1,815,000	335,000	-	312,000	2,150,000	2,462,000	1,710,000
10/1/81	Tampa / Lazy Lane	-	282,000	1,899,000	583,000	-	282,000	2,482,000	2,764,000	1,929,000
6/1/82	San Jose / Tully	957,000	645,000	1,579,000	433,000	-	645,000	2,012,000	2,657,000	1,500,000
6/1/82	San Carlos / Storage	1,187,000	780,000	1,387,000	501,000	-	780,000	1,888,000	2,668,000	1,436,000
6/1/82	Mountain View	1,704,000	1,180,000	1,182,000	523,000	-	1,180,000	1,705,000	2,885,000	1,328,000
6/1/82	Cupertino / Storage	1,320,000	572,000	1,270,000	398,000	-	572,000	1,668,000	2,240,000	1,230,000
10/1/82	Sorrento Valley	1,184,000	1,002,000	1,343,000	240,000	-	1,002,000	1,583,000	2,585,000	1,165,000
10/1/82	Northwood	1,844,000	1,034,000	1,522,000	229,000	-	1,034,000	1,751,000	2,785,000	1,271,000
12/82	Port/Halsey	-	357,000	1,150,000	(417,000)	326,000	357,000	1,059,000	1,416,000	552,000
12/82	Sacto/Folsom	-	396,000	329,000	619,000	323,000	396,000	1,271,000	1,667,000	713,000
1/83	Platte	-	409,000	953,000	314,000	428,000	409,000	1,695,000	2,104,000	892,000
1/83	Semoran	-	442,000	1,882,000	216,000	720,000	442,000	2,818,000	3,260,000	1,536,000
1/83	Raleigh/Yonkers	-	203,000	914,000	382,000	425,000	203,000	1,721,000	1,924,000	988,000
3/83	Blackwood	-	213,000	1,559,000	242,000	595,000	213,000	2,396,000	2,609,000	1,271,000
4/83	Vailsgate	-	103,000	990,000	421,000	505,000	103,000	1,916,000	2,019,000	1,007,000
5/83	Delta Drive	-	67,000	481,000	195,000	241,000	68,000	916,000	984,000	480,000
6/83	Ventura	-	658,000	1,734,000	185,000	583,000	658,000	2,502,000	3,160,000	1,326,000
8/83	Hobart	-	215,000	1,491,000	550,000	838,000	215,000	2,879,000	3,094,000	1,439,000
9/83	Southington	-	124,000	1,233,000	317,000	546,000	123,000	2,097,000	2,220,000	1,065,000
9/83	Southhampton	-	331,000	1,738,000	626,000	806,000	331,000	3,170,000	3,501,000	1,693,000
9/83	Webster/Keystone	-	449,000	1,688,000	725,000	813,000	449,000	3,226,000	3,675,000	1,765,000
9/83	Dover	-	107,000	1,462,000	436,000	627,000	107,000	2,525,000	2,632,000	1,303,000
9/83	Newcastle	-	227,000	2,163,000	405,000	817,000	227,000	3,385,000	3,612,000	1,787,000
9/83	Newark	-	208,000	2,031,000	303,000	746,000	208,000	3,080,000	3,288,000	1,595,000
9/83	Langhorne	-	263,000	3,549,000	441,000	1,445,000	263,000	5,435,000	5,698,000	2,815,000
9/83	Ft. Wayne/W. Coliseum	-	160,000	1,395,000	216,000	535,000	160,000	2,146,000	2,306,000	1,082,000

PUBLIC STORAGE, INC.
SCHEDULE III - REAL ESTATE
AND ACCUMULATED DEPRECIATION

Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
9/83	Ft. Wayne/Bluffton	-	88,000	675,000	162,000	285,000	88,000	1,122,000	1,210,000	583,000
10/83	Orlando J. Y. Parkway	-	383,000	1,512,000	335,000	622,000	383,000	2,469,000	2,852,000	1,294,000
11/83	Aurora	-	505,000	758,000	264,000	341,000	505,000	1,363,000	1,868,000	718,000
11/83	Campbell	-	1,379,000	1,849,000	(579,000)	474,000	1,379,000	1,744,000	3,123,000	888,000
11/83	Col Springs/Ed (Coulter)	-	471,000	1,640,000	113,000	554,000	471,000	2,307,000	2,778,000	1,259,000
11/83	Col Springs/Mv (Coulter)	-	320,000	1,036,000	177,000	441,000	320,000	1,654,000	1,974,000	887,000
11/83	Thorton (Coulter)	-	418,000	1,400,000	83,000	536,000	418,000	2,019,000	2,437,000	1,086,000
11/83	Oklahoma City (Coulter)	-	454,000	1,030,000	739,000	620,000	454,000	2,389,000	2,843,000	1,261,000
11/83	Tucson (Coulter)	-	343,000	778,000	571,000	420,000	343,000	1,769,000	2,112,000	901,000
11/83	Webster/Nasa	-	1,570,000	2,457,000	1,197,000	1,372,000	1,571,000	5,025,000	6,596,000	2,669,000
12/83	Charlotte	-	165,000	1,274,000	370,000	442,000	165,000	2,086,000	2,251,000	1,168,000
12/83	Greensboro/Market	-	214,000	1,653,000	533,000	794,000	214,000	2,980,000	3,194,000	1,640,000
12/83	Greensboro/Electra	-	112,000	869,000	316,000	382,000	112,000	1,567,000	1,679,000	846,000
12/83	Columbia	-	171,000	1,318,000	473,000	492,000	171,000	2,283,000	2,454,000	1,293,000
12/83	Richmond	-	176,000	1,360,000	345,000	468,000	176,000	2,173,000	2,349,000	1,206,000
12/83	Augusta	-	97,000	747,000	289,000	324,000	97,000	1,360,000	1,457,000	743,000
12/83	Tacoma	-	553,000	1,173,000	371,000	487,000	553,000	2,031,000	2,584,000	1,133,000
1/84	Fremont/Albrae	-	636,000	1,659,000	454,000	532,000	636,000	2,645,000	3,281,000	1,524,000
1/84	Belton	-	175,000	858,000	533,000	378,000	175,000	1,769,000	1,944,000	987,000
1/84	Gladstone	-	275,000	1,799,000	430,000	640,000	275,000	2,869,000	3,144,000	1,569,000
1/84	Hickman/112	-	257,000	1,848,000	440,000	618,000	257,000	2,906,000	3,163,000	1,612,000
1/84	Holmes	-	289,000	1,333,000	344,000	455,000	289,000	2,132,000	2,421,000	1,140,000
1/84	Independence	-	221,000	1,848,000	331,000	609,000	221,000	2,788,000	3,009,000	1,533,000
1/84	Merriam	-	255,000	1,469,000	361,000	480,000	255,000	2,310,000	2,565,000	1,280,000
1/84	Olathe	-	107,000	992,000	285,000	361,000	107,000	1,638,000	1,745,000	911,000
1/84	Shawnee	-	205,000	1,420,000	411,000	502,000	205,000	2,333,000	2,538,000	1,269,000
1/84	Topeka	-	75,000	1,049,000	231,000	356,000	75,000	1,636,000	1,711,000	894,000
2/84	Unicorn/Nkoxville	-	662,000	1,887,000	498,000	692,000	662,000	3,077,000	3,739,000	1,703,000
2/84	Central/Knoxville	-	449,000	1,281,000	361,000	455,000	449,000	2,097,000	2,546,000	1,119,000
3/84	Marrietta/Cobb	-	73,000	542,000	272,000	259,000	73,000	1,073,000	1,146,000	579,000
3/84	Manassas	-	320,000	1,556,000	354,000	553,000	320,000	2,463,000	2,783,000	1,354,000

PUBLIC STORAGE, INC.
SCHEDULE III - REAL ESTATE
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
3/84	Pico Rivera	-	743,000	807,000	328,000	321,000	743,000	1,456,000	2,199,000	840,000
4/84	Providence	-	92,000	1,087,000	338,000	423,000	92,000	1,848,000	1,940,000	1,030,000
4/84	Milwaukie/Oregon	-	289,000	584,000	238,000	311,000	289,000	1,133,000	1,422,000	619,000
5/84	Raleigh/Departure	-	302,000	2,484,000	471,000	788,000	302,000	3,743,000	4,045,000	2,059,000
5/84	Virginia Beach	-	509,000	2,121,000	660,000	776,000	499,000	3,567,000	4,066,000	1,913,000
5/84	Philadelphia/Grant	-	1,041,000	3,262,000	441,000	971,000	1,040,000	4,675,000	5,715,000	2,611,000
5/84	Garland	-	356,000	844,000	217,000	360,000	356,000	1,421,000	1,777,000	730,000
6/84	Lorton	-	435,000	2,040,000	509,000	682,000	435,000	3,231,000	3,666,000	1,785,000
6/84	Baltimore	-	382,000	1,793,000	638,000	634,000	382,000	3,065,000	3,447,000	1,654,000
6/84	Laurel	-	501,000	2,349,000	637,000	824,000	501,000	3,810,000	4,311,000	2,115,000
6/84	Delran	-	279,000	1,472,000	266,000	573,000	279,000	2,311,000	2,590,000	1,201,000
6/84	Orange Blossom	-	226,000	924,000	200,000	398,000	226,000	1,522,000	1,748,000	789,000
6/84	Safe Place (Cincinnati)	-	402,000	1,573,000	509,000	672,000	402,000	2,754,000	3,156,000	1,436,000
6/84	Safe Place (Florence)	-	185,000	740,000	364,000	376,000	185,000	1,480,000	1,665,000	773,000
7/84	Trevoze/Old Lincoln	-	421,000	1,749,000	373,000	582,000	421,000	2,704,000	3,125,000	1,481,000
8/84	Medley	-	584,000	1,016,000	329,000	464,000	584,000	1,809,000	2,393,000	943,000
8/84	Oklahoma City	-	340,000	1,310,000	441,000	652,000	340,000	2,403,000	2,743,000	1,216,000
8/84	Newport News	-	356,000	2,395,000	595,000	1,013,000	356,000	4,003,000	4,359,000	2,072,000
8/84	Kaplan (Irving)	-	677,000	1,592,000	338,000	639,000	677,000	2,569,000	3,246,000	1,345,000
8/84	Kaplan (Walnut Hill)	-	971,000	2,359,000	708,000	1,041,000	971,000	4,108,000	5,079,000	2,099,000
9/84	Cockrell Hill	-	380,000	913,000	1,038,000	675,000	380,000	2,626,000	3,006,000	1,393,000
11/84	Omaha	-	109,000	806,000	418,000	399,000	109,000	1,623,000	1,732,000	879,000
11/84	Hialeah	-	886,000	1,784,000	266,000	672,000	886,000	2,722,000	3,608,000	1,419,000
12/84	Austin (Ben White)	-	325,000	474,000	187,000	(274,000)	211,000	501,000	712,000	246,000
12/84	Austin (Lamar)	-	643,000	947,000	358,000	443,000	643,000	1,748,000	2,391,000	888,000
12/84	Pompano	-	399,000	1,386,000	584,000	698,000	399,000	2,668,000	3,067,000	1,313,000
12/84	Fort Worth	-	122,000	928,000	13,000	303,000	122,000	1,244,000	1,366,000	650,000
12/84	Montgomeryville	-	215,000	2,085,000	298,000	776,000	215,000	3,159,000	3,374,000	1,597,000
1/85	Cranston	-	175,000	722,000	288,000	267,000	175,000	1,277,000	1,452,000	695,000
1/85	Bossier City	-	184,000	1,542,000	360,000	656,000	184,000	2,558,000	2,742,000	1,268,000
2/85	Simi Valley	-	737,000	1,389,000	313,000	520,000	737,000	2,222,000	2,959,000	1,122,000

PUBLIC STORAGE, INC.
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
2/85	Hurst	-	231,000	1,220,000	222,000	480,000	231,000	1,922,000	2,153,000	960,000
3/85	Chattanooga	-	202,000	1,573,000	353,000	683,000	202,000	2,609,000	2,811,000	1,293,000
3/85	Portland	-	285,000	941,000	219,000	438,000	285,000	1,598,000	1,883,000	795,000
3/85	Fern Park	-	144,000	1,107,000	204,000	432,000	144,000	1,743,000	1,887,000	876,000
3/85	Fairfield	-	338,000	1,187,000	372,000	527,000	338,000	2,086,000	2,424,000	1,026,000
3/1/85	Houston / Westheimer	571,000	850,000	1,179,000	691,000	-	850,000	1,870,000	2,720,000	1,194,000
4/85	Laguna Hills	-	1,224,000	3,303,000	401,000	1,213,000	1,224,000	4,917,000	6,141,000	2,482,000
4/85	Austin/ S. First	-	778,000	1,282,000	308,000	168,000	778,000	1,758,000	2,536,000	1,028,000
4/85	Cincinnati/ E. Kemper	-	232,000	1,573,000	231,000	220,000	232,000	2,024,000	2,256,000	1,201,000
4/85	Cincinnati/ Colerain	-	253,000	1,717,000	283,000	224,000	253,000	2,224,000	2,477,000	1,318,000
4/85	Florence/ Tanner Lane	-	218,000	1,477,000	297,000	207,000	218,000	1,981,000	2,199,000	1,171,000
5/85	Longwood	-	355,000	1,645,000	256,000	669,000	355,000	2,570,000	2,925,000	1,275,000
5/85	Columbus (Busch Blvd.)	-	202,000	1,559,000	287,000	592,000	202,000	2,438,000	2,640,000	1,190,000
5/85	Columbus (Kinnear Rd.)	-	241,000	1,865,000	301,000	771,000	241,000	2,937,000	3,178,000	1,401,000
5/85	Worthington	-	221,000	1,824,000	283,000	709,000	221,000	2,816,000	3,037,000	1,364,000
5/85	Arlington	-	201,000	1,497,000	345,000	618,000	201,000	2,460,000	2,661,000	1,192,000
5/85	Tacoma/ Phillips Rd.	-	396,000	1,204,000	233,000	165,000	396,000	1,602,000	1,998,000	929,000
5/85	Milwaukie/ Mccloughlin II	-	458,000	742,000	320,000	207,000	458,000	1,269,000	1,727,000	726,000
5/85	Manchester/ S. Willow II	-	371,000	2,129,000	(196,000)	197,000	371,000	2,130,000	2,501,000	1,266,000
6/85	Grove City/ Marlane Drive	-	150,000	1,157,000	276,000	471,000	150,000	1,904,000	2,054,000	937,000
6/85	Reynoldsburg	-	204,000	1,568,000	302,000	598,000	204,000	2,468,000	2,672,000	1,199,000
6/85	N. Hollywood/ Raymer	-	967,000	848,000	244,000	144,000	967,000	1,236,000	2,203,000	744,000
7/85	Columbus (Morse Rd.)	-	195,000	1,510,000	299,000	670,000	195,000	2,479,000	2,674,000	1,166,000
7/85	Columbus (Kenney Rd.)	-	199,000	1,531,000	339,000	598,000	199,000	2,468,000	2,667,000	1,193,000
7/85	Westerville	-	199,000	1,517,000	353,000	620,000	199,000	2,490,000	2,689,000	1,216,000
7/85	Springfield	-	90,000	699,000	226,000	332,000	90,000	1,257,000	1,347,000	611,000
7/85	Dayton (Needmore Road)	-	144,000	1,108,000	308,000	460,000	144,000	1,876,000	2,020,000	929,000
7/85	Dayton (Executive Blvd.)	-	160,000	1,207,000	329,000	569,000	159,000	2,106,000	2,265,000	1,047,000
7/85	Lilburn	-	331,000	969,000	204,000	424,000	330,000	1,598,000	1,928,000	761,000
7/85	San Diego/ Kearny Mesa Rd	-	783,000	1,750,000	310,000	266,000	783,000	2,326,000	3,109,000	1,390,000
7/85	Scottsdale/ 70th St	-	632,000	1,368,000	226,000	168,000	632,000	1,762,000	2,394,000	1,031,000

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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
7/85	Concord/ Hwy 29	-	150,000	750,000	315,000	185,000	150,000	1,250,000	1,400,000	725,000
9/85	Madison/ Cops Ave.	-	450,000	1,150,000	384,000	151,000	450,000	1,685,000	2,135,000	967,000
9/85	Columbus/ Sinclair	-	307,000	893,000	244,000	105,000	307,000	1,242,000	1,549,000	709,000
9/85	Philadelphia/ Tacony St	-	118,000	1,782,000	260,000	187,000	118,000	2,229,000	2,347,000	1,268,000
10/85	N. Hollywood/ Whitsett (A)	-	1,524,000	2,576,000	347,000	335,000	1,524,000	3,258,000	4,782,000	1,871,000
10/85	Portland/ SE 82nd St	-	354,000	496,000	284,000	94,000	354,000	874,000	1,228,000	535,000
10/85	Perrysburg/ Helen Dr.	-	110,000	1,590,000	(90,000)	138,000	110,000	1,638,000	1,748,000	944,000
10/85	Columbus/ Ambleside	-	124,000	1,526,000	(86,000)	133,000	124,000	1,573,000	1,697,000	880,000
10/85	Indianapolis/ Pike Place	-	229,000	1,531,000	214,000	215,000	229,000	1,960,000	2,189,000	1,119,000
10/85	Indianapolis/ Beach Grove	-	198,000	1,342,000	217,000	176,000	198,000	1,735,000	1,933,000	988,000
10/85	Hartford/ Roberts	-	219,000	1,481,000	316,000	318,000	219,000	2,115,000	2,334,000	1,174,000
10/85	Wichita/ S. Rock Rd.	-	501,000	1,478,000	102,000	133,000	642,000	1,572,000	2,214,000	892,000
10/85	Wichita/ E. Harry	-	313,000	1,050,000	53,000	101,000	313,000	1,204,000	1,517,000	719,000
10/85	Wichita/ S. Woodlawn	-	263,000	905,000	10,000	84,000	263,000	999,000	1,262,000	604,000
10/85	Wichita/ E. Kellogg	-	185,000	658,000	(61,000)	55,000	185,000	652,000	837,000	391,000
10/85	Wichita/ S. Tyler	-	294,000	1,004,000	53,000	152,000	294,000	1,209,000	1,503,000	779,000
10/85	Wichita/ W. Maple	-	234,000	805,000	(72,000)	67,000	234,000	800,000	1,034,000	448,000
10/85	Wichita/ Carey Lane	-	192,000	674,000	(7,000)	61,000	192,000	728,000	920,000	408,000
10/85	Wichita/ E. Macarthur	-	220,000	775,000	(132,000)	92,000	220,000	735,000	955,000	424,000
10/85	Joplin/ S. Range Line	-	264,000	904,000	48,000	87,000	264,000	1,039,000	1,303,000	634,000
10/85	San Antonio/ Wetmore Rd.	-	306,000	1,079,000	392,000	73,000	306,000	1,544,000	1,850,000	946,000
10/85	San Antonio/ Callaghan	-	288,000	1,016,000	330,000	51,000	288,000	1,397,000	1,685,000	875,000
10/85	San Antonio/ Zarzamora	-	364,000	1,281,000	405,000	44,000	364,000	1,730,000	2,094,000	1,060,000
10/85	San Antonio/ Hackberry	-	388,000	1,367,000	359,000	49,000	388,000	1,775,000	2,163,000	1,093,000
10/85	San Antonio/ Fredericksburg	-	287,000	1,009,000	353,000	64,000	287,000	1,426,000	1,713,000	906,000
10/85	Dallas/ S. Westmoreland	-	474,000	1,670,000	155,000	103,000	474,000	1,928,000	2,402,000	1,188,000
10/85	Dallas/ Alvin St.	-	359,000	1,266,000	153,000	73,000	359,000	1,492,000	1,851,000	925,000
10/85	Fort Worth/ W. Beach St.	-	356,000	1,252,000	152,000	49,000	356,000	1,453,000	1,809,000	907,000
10/85	Fort Worth/ E. Seminary	-	382,000	1,346,000	174,000	42,000	382,000	1,562,000	1,944,000	980,000
10/85	Fort Worth/ Cockrell St.	-	323,000	1,136,000	158,000	72,000	323,000	1,366,000	1,689,000	845,000
11/85	Everett/ Evergreen	-	706,000	2,294,000	442,000	109,000	706,000	2,845,000	3,551,000	1,850,000

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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
11/85	Seattle/ Empire Way	-	1,652,000	5,348,000	577,000	205,000	1,652,000	6,130,000	7,782,000	3,832,000
12/85	Milpitas	-	1,623,000	1,577,000	235,000	276,000	1,623,000	2,088,000	3,711,000	1,205,000
12/85	Pleasanton/ Santa Rita (A)	-	1,226,000	2,078,000	287,000	327,000	1,226,000	2,692,000	3,918,000	1,531,000
12/85	Amherst/ Niagra Falls	-	132,000	701,000	209,000	70,000	132,000	980,000	1,112,000	629,000
12/85	West Sams Blvd.	-	164,000	1,159,000	(293,000)	69,000	164,000	935,000	1,099,000	593,000
12/85	MacArthur Rd.	-	204,000	1,628,000	144,000	40,000	204,000	1,812,000	2,016,000	1,130,000
12/85	Brockton/ Main	-	153,000	2,020,000	(256,000)	69,000	153,000	1,833,000	1,986,000	1,148,000
12/85	Eatontown/ Hwy 35	-	308,000	4,067,000	416,000	146,000	308,000	4,629,000	4,937,000	2,863,000
12/85	Denver/ Leetsdale	-	603,000	847,000	188,000	39,000	603,000	1,074,000	1,677,000	675,000
1/86	Mapleshade/ Rudderow	-	362,000	1,811,000	228,000	100,000	362,000	2,139,000	2,501,000	1,301,000
1/86	Bordentown/ Groveville	-	196,000	981,000	131,000	76,000	196,000	1,188,000	1,384,000	715,000
1/86	Sun Valley/ Sheldon	-	544,000	1,836,000	328,000	66,000	544,000	2,230,000	2,774,000	1,392,000
1/86	Las Vegas/ Highland	-	432,000	848,000	218,000	44,000	432,000	1,110,000	1,542,000	695,000
2/86	Costa Mesa/ Pomona	-	1,405,000	1,520,000	328,000	64,000	1,405,000	1,912,000	3,317,000	1,194,000
2/86	Brea/ Imperial Hwy	-	1,069,000	2,165,000	333,000	107,000	1,069,000	2,605,000	3,674,000	1,611,000
2/86	Skokie/ McCormick	-	638,000	1,912,000	226,000	58,000	638,000	2,196,000	2,834,000	1,336,000
2/86	Colorado Springs/ Sinton	-	535,000	1,115,000	176,000	111,000	535,000	1,402,000	1,937,000	829,000
2/86	Oklahoma City/ Penn	-	146,000	829,000	141,000	66,000	146,000	1,036,000	1,182,000	625,000
2/86	Oklahoma City/ 39th Expressway	-	238,000	812,000	280,000	80,000	238,000	1,172,000	1,410,000	720,000
3/86	Jacksonville/ Wiley	-	140,000	510,000	226,000	54,000	140,000	790,000	930,000	486,000
3/86	St. Louis/ Forder	-	517,000	1,133,000	252,000	46,000	517,000	1,431,000	1,948,000	877,000
3/3/86	Tampa / 56th	508,000	450,000	1,360,000	391,000	-	450,000	1,751,000	2,201,000	1,076,000
4/86	Reno/ Telegraph	-	649,000	1,051,000	435,000	131,000	649,000	1,617,000	2,266,000	1,011,000
4/86	St. Louis/Kirkham	-	199,000	1,001,000	194,000	8,000	199,000	1,203,000	1,402,000	758,000
4/86	St. Louis/Reavis	-	192,000	958,000	197,000	10,000	192,000	1,165,000	1,357,000	737,000
4/86	Fort Worth/East Loop	-	196,000	804,000	213,000	24,000	196,000	1,041,000	1,237,000	648,000
5/86	Westlake Village	-	1,205,000	995,000	211,000	24,000	1,205,000	1,230,000	2,435,000	764,000
5/86	Sacramento/Franklin Blvd.	-	872,000	978,000	462,000	(57,000)	872,000	1,383,000	2,255,000	912,000
6/86	Richland Hills	-	543,000	857,000	421,000	(6,000)	543,000	1,272,000	1,815,000	844,000
6/86	West Valley/So. 3600	-	208,000	1,552,000	366,000	(166,000)	208,000	1,752,000	1,960,000	1,118,000
7/86	Colorado Springs/ Hollow Tree	-	574,000	726,000	231,000	69,000	574,000	1,026,000	1,600,000	606,000

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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
7/86	West LA/Purdue Ave.	-	2,415,000	3,585,000	244,000	(5,000)	2,416,000	3,823,000	6,239,000	2,372,000
7/86	Capital Heights/Central Ave.	-	649,000	3,851,000	283,000	(53,000)	649,000	4,081,000	4,730,000	2,555,000
7/86	Pontiac/Dixie Hwy.	-	259,000	2,091,000	41,000	33,000	259,000	2,165,000	2,424,000	1,328,000
7/86	Portland/Moody	-	663,000	1,637,000	(47,000)	538,000	663,000	2,128,000	2,791,000	942,000
8/86	Laurel/Ft. Meade Rd.	-	475,000	1,475,000	205,000	51,000	475,000	1,731,000	2,206,000	1,061,000
8/86	Hammond/Calumet	-	97,000	751,000	468,000	366,000	97,000	1,585,000	1,682,000	720,000
9/86	Kansas City/S. 44th.	-	509,000	1,906,000	458,000	(34,000)	509,000	2,330,000	2,839,000	1,494,000
9/86	Lakewood/W. 6th Ave.	-	1,070,000	3,155,000	482,000	1,027,000	1,070,000	4,664,000	5,734,000	2,267,000
10/86	Peralta/Fremont	-	851,000	1,074,000	273,000	13,000	851,000	1,360,000	2,211,000	835,000
10/86	Birmingham/Highland	-	89,000	786,000	208,000	71,000	150,000	1,004,000	1,154,000	640,000
10/86	Birmingham/Riverchase	-	262,000	1,338,000	358,000	63,000	278,000	1,743,000	2,021,000	1,128,000
10/86	Birmingham/Eastwood	-	166,000	1,184,000	212,000	121,000	232,000	1,451,000	1,683,000	896,000
10/86	Birmingham/Forestdale	-	152,000	948,000	153,000	113,000	190,000	1,176,000	1,366,000	721,000
10/86	Birmingham/Centerpoint	-	265,000	1,305,000	235,000	6,000	273,000	1,538,000	1,811,000	953,000
10/86	Birmingham/Roebuck Plaza	-	101,000	399,000	243,000	212,000	340,000	615,000	955,000	409,000
10/86	Birmingham/Greensprings	-	347,000	1,173,000	290,000	(234,000)	16,000	1,560,000	1,576,000	938,000
10/86	Birmingham/Hoover-Lorna	-	372,000	1,128,000	325,000	(65,000)	266,000	1,494,000	1,760,000	900,000
10/86	Midfield/Bessemer	-	170,000	355,000	272,000	(101,000)	95,000	601,000	696,000	381,000
10/86	Huntsville/Leeman Ferry Rd.	-	158,000	992,000	234,000	123,000	198,000	1,309,000	1,507,000	831,000
10/86	Huntsville/Drake	-	253,000	1,172,000	225,000	55,000	248,000	1,457,000	1,705,000	871,000
10/86	Anniston/Whiteside	-	59,000	566,000	172,000	77,000	107,000	767,000	874,000	487,000
10/86	Houston/Glenvista	-	595,000	1,043,000	493,000	(31,000)	595,000	1,505,000	2,100,000	987,000
10/86	Houston/I-45	-	704,000	1,146,000	730,000	(9,000)	704,000	1,867,000	2,571,000	1,321,000
10/86	Houston/Rogerdale	-	1,631,000	2,792,000	457,000	110,000	1,631,000	3,359,000	4,990,000	2,047,000
10/86	Houston/Gessner	-	1,032,000	1,693,000	838,000	(71,000)	1,032,000	2,460,000	3,492,000	1,633,000
10/86	Houston/Richmond-Fairdale	-	1,502,000	2,506,000	866,000	16,000	1,502,000	3,388,000	4,890,000	2,266,000
10/86	Houston/Gulfton	-	1,732,000	3,036,000	861,000	73,000	1,732,000	3,970,000	5,702,000	2,651,000
10/86	Houston/Westpark	-	503,000	854,000	146,000	74,000	503,000	1,074,000	1,577,000	650,000
10/86	Jonesboro	-	157,000	718,000	189,000	51,000	157,000	958,000	1,115,000	603,000
10/86	Pilgrim/Houston/Loop 610	-	1,299,000	3,491,000	992,000	1,366,000	1,299,000	5,849,000	7,148,000	2,845,000
10/86	Pilgrim/Houston/S.W. Freeway	-	904,000	2,319,000	662,000	920,000	904,000	3,901,000	4,805,000	1,825,000

PUBLIC STORAGE, INC.
SCHEDULE III - REAL ESTATE
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
10/86	Pilgrim/Houston/FM 1960	-	719,000	1,987,000	(10,000)	609,000	661,000	2,644,000	3,305,000	1,306,000
10/86	Pilgrim/Houston/Old Katy Rd.	-	1,365,000	3,431,000	929,000	1,274,000	1,365,000	5,634,000	6,999,000	2,798,000
10/86	Pilgrim/Houston/Long Point	-	451,000	1,187,000	553,000	563,000	451,000	2,303,000	2,754,000	1,150,000
10/86	Austin/Red Rooster	-	1,390,000	1,710,000	436,000	672,000	1,390,000	2,818,000	4,208,000	1,323,000
11/86	Arleta/Osborne St.	-	987,000	663,000	242,000	290,000	987,000	1,195,000	2,182,000	565,000
12/86	Lynnwood/196th SW	-	1,063,000	1,602,000	303,000	571,000	1,063,000	2,476,000	3,539,000	1,158,000
12/86	Auburn/Auburn Way North	-	606,000	1,144,000	317,000	533,000	606,000	1,994,000	2,600,000	975,000
12/86	Gresham/Burnside	-	351,000	1,056,000	366,000	482,000	351,000	1,904,000	2,255,000	868,000
12/86	Denver/Sheridan Rd.	-	1,033,000	2,792,000	571,000	1,007,000	1,033,000	4,370,000	5,403,000	2,100,000
12/86	Marietta/Cobb Pkwy.	-	536,000	2,764,000	639,000	1,016,000	536,000	4,419,000	4,955,000	2,032,000
12/86	Hillsboro/Tualatin Hwy.	-	461,000	574,000	231,000	414,000	461,000	1,219,000	1,680,000	611,000
12/86	San Antonio/Sunst Rd.	-	1,206,000	1,594,000	504,000	649,000	1,207,000	2,746,000	3,953,000	1,252,000
12/31/86	Monrovia / Myrtle Avenue	1,351,000	1,149,000	2,446,000	170,000	-	1,149,000	2,616,000	3,765,000	1,509,000
12/31/86	Chatsworth / Topanga	886,000	1,447,000	1,243,000	229,000	-	1,447,000	1,472,000	2,919,000	964,000
12/31/86	Houston / Larkwood	309,000	247,000	602,000	340,000	-	247,000	942,000	1,189,000	500,000
12/31/86	Northridge	2,123,000	3,624,000	1,922,000	3,462,000	-	3,624,000	5,384,000	9,008,000	1,549,000
12/31/86	Santa Clara / Duane	805,000	1,950,000	1,004,000	333,000	-	1,950,000	1,337,000	3,287,000	774,000
12/31/86	Oyster Point	-	1,569,000	1,490,000	341,000	-	1,569,000	1,831,000	3,400,000	1,004,000
12/31/86	Walnut	-	767,000	613,000	3,578,000	-	769,000	4,189,000	4,958,000	476,000
3/87	Annandale/Ravensworth	-	679,000	1,621,000	205,000	596,000	679,000	2,422,000	3,101,000	1,120,000
4/87	City of Industry/Amar Rd.	-	748,000	2,052,000	364,000	702,000	748,000	3,118,000	3,866,000	820,000
5/87	OK City/Hefner	-	459,000	941,000	224,000	417,000	459,000	1,582,000	2,041,000	705,000
7/87	Oakbrook Terrace	-	912,000	2,688,000	(126,000)	399,000	912,000	2,961,000	3,873,000	2,013,000
8/87	San Antonio/Austin Hwy.	-	400,000	850,000	(98,000)	164,000	400,000	916,000	1,316,000	640,000
10/87	Plantation/S. State Rd.	-	924,000	1,801,000	(303,000)	298,000	924,000	1,796,000	2,720,000	1,198,000
10/87	Rockville/Fredrick Rd.	-	1,695,000	3,305,000	(384,000)	519,000	1,695,000	3,440,000	5,135,000	2,284,000
2/88	Anaheim/Lakeview	-	995,000	1,505,000	(55,000)	256,000	995,000	1,706,000	2,701,000	1,103,000
6/7/88	Mesquite / Sorrento Drive	-	928,000	1,011,000	706,000	-	928,000	1,717,000	2,645,000	1,077,000
7/88	Fort Wayne	-	101,000	1,524,000	49,000	145,000	101,000	1,718,000	1,819,000	810,000
1/1/92	Costa Mesa	-	533,000	980,000	620,000	-	535,000	1,598,000	2,133,000	1,001,000
3/1/92	Dallas / Walnut St.	-	537,000	1,008,000	247,000	-	537,000	1,255,000	1,792,000	1,189,000

PUBLIC STORAGE, INC.
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
5/1/92	Camp Creek	-	576,000	1,075,000	241,000	-	576,000	1,316,000	1,892,000	495,000
9/1/92	Orlando/W. Colonial	-	368,000	713,000	118,000	-	368,000	831,000	1,199,000	323,000
9/1/92	Jacksonville/Arlington	-	554,000	1,065,000	169,000	-	554,000	1,234,000	1,788,000	473,000
10/1/92	Stockton/Mariners	-	381,000	730,000	136,000	-	381,000	866,000	1,247,000	318,000
11/18/92	Virginia Beach/General Booth Blvd	-	599,000	1,119,000	309,000	-	599,000	1,428,000	2,027,000	503,000
1/1/93	Redwood City/Storage	-	907,000	1,684,000	200,000	-	907,000	1,884,000	2,791,000	661,000
1/1/93	City Of Industry	-	1,611,000	2,991,000	238,000	-	1,611,000	3,229,000	4,840,000	1,048,000
1/1/93	San Jose/Felipe	-	1,124,000	2,088,000	245,000	-	1,124,000	2,333,000	3,457,000	816,000
1/1/93	Baldwin Park/Garvey Ave	-	840,000	1,561,000	248,000	-	840,000	1,809,000	2,649,000	637,000
3/19/93	Westminister / W. 80th	-	840,000	1,586,000	171,000	-	840,000	1,757,000	2,597,000	604,000
4/26/93	Costa Mesa / Newport	931,000	2,141,000	3,989,000	101,000	-	2,141,000	4,090,000	6,231,000	1,306,000
5/13/93	Austin /N. Lamar	-	919,000	1,695,000	5,211,000	-	919,000	6,906,000	7,825,000	1,013,000
5/28/93	Jacksonville/Phillips Hwy.	-	406,000	771,000	150,000	-	406,000	921,000	1,327,000	340,000
5/28/93	Tampa/Nebraska Avenue	-	550,000	1,043,000	114,000	-	550,000	1,157,000	1,707,000	387,000
6/9/93	Calabasas / Ventura Blvd.	-	1,762,000	3,269,000	171,000	-	1,762,000	3,440,000	5,202,000	1,135,000
6/9/93	Carmichael / Fair Oaks	-	573,000	1,052,000	203,000	-	573,000	1,255,000	1,828,000	425,000
6/9/93	Santa Clara / Duane	-	454,000	834,000	85,000	-	454,000	919,000	1,373,000	307,000
6/10/93	Citrus Heights / Sylvan Road	-	438,000	822,000	141,000	-	438,000	963,000	1,401,000	359,000
6/25/93	Trenton / Allen Road	-	623,000	1,166,000	127,000	-	623,000	1,293,000	1,916,000	420,000
6/30/93	Los Angeles/W.Jefferson Blvd	-	1,085,000	2,017,000	115,000	-	1,085,000	2,132,000	3,217,000	680,000
7/16/93	Austin / So. Congress Ave	-	777,000	1,445,000	266,000	-	777,000	1,711,000	2,488,000	664,000
8/1/93	Gaithersburg / E. Diamond	-	602,000	1,139,000	133,000	-	602,000	1,272,000	1,874,000	402,000
8/11/93	Atlanta / Northside	-	1,150,000	2,149,000	240,000	-	1,150,000	2,389,000	3,539,000	765,000
8/11/93	Smyrna/ Rosswill Rd	-	446,000	842,000	183,000	-	446,000	1,025,000	1,471,000	352,000
8/13/93	So. Brunswick/Highway	-	1,076,000	2,033,000	217,000	-	1,076,000	2,250,000	3,326,000	743,000
8/31/93	Austin / N. Lamar	-	502,000	941,000	105,000	-	502,000	1,046,000	1,548,000	347,000
10/1/93	Denver / Federal Blvd	-	875,000	1,633,000	120,000	-	875,000	1,753,000	2,628,000	549,000
10/1/93	Citrus Heights	-	527,000	987,000	96,000	-	527,000	1,083,000	1,610,000	348,000
10/1/93	Lakewood / 6th Ave	-	798,000	1,489,000	(31,000)	-	685,000	1,571,000	2,256,000	486,000
10/27/93	Houston / S Shaver St	-	481,000	896,000	154,000	-	481,000	1,050,000	1,531,000	352,000
11/3/93	Upland/S. Euclid Ave.	-	431,000	807,000	382,000	-	508,000	1,112,000	1,620,000	353,000

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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
11/16/93	Norcross / Jimmy Carter	-	627,000	1,167,000	162,000	-	627,000	1,329,000	1,956,000	417,000
11/16/93	Seattle / 13th	-	1,085,000	2,015,000	559,000	-	1,085,000	2,574,000	3,659,000	846,000
12/9/93	Salt Lake City	-	765,000	1,422,000	(2,000)	-	790,000	1,395,000	2,185,000	588,000
12/16/93	West Valley City	-	683,000	1,276,000	124,000	-	683,000	1,400,000	2,083,000	456,000
12/21/93	Pinellas Park / 34th St. W	-	607,000	1,134,000	168,000	-	607,000	1,302,000	1,909,000	436,000
12/28/93	New Orleans / S. Carrollton Ave	-	1,575,000	2,941,000	230,000	-	1,575,000	3,171,000	4,746,000	954,000
12/29/93	Orange / Main	-	1,238,000	2,317,000	1,385,000	-	1,593,000	3,347,000	4,940,000	958,000
12/29/93	Sunnyvale / Wedell	-	554,000	1,037,000	705,000	-	725,000	1,571,000	2,296,000	464,000
12/29/93	El Cajon / Magnolia	-	421,000	791,000	502,000	-	542,000	1,172,000	1,714,000	355,000
12/29/93	Orlando / S. Semoran Blvd.	-	462,000	872,000	620,000	-	601,000	1,353,000	1,954,000	411,000
12/29/93	Tampa / W. Hillsborough Ave	-	352,000	665,000	377,000	-	436,000	958,000	1,394,000	292,000
12/29/93	Irving / West Loop 12	-	341,000	643,000	153,000	-	355,000	782,000	1,137,000	247,000
12/29/93	Fullerton / W. Commonwealth	-	904,000	1,687,000	988,000	-	1,160,000	2,419,000	3,579,000	703,000
12/29/93	N. Lauderdale / Menab Rd	-	628,000	1,182,000	680,000	-	798,000	1,692,000	2,490,000	491,000
12/29/93	Los Alimitos / Cerritos	-	695,000	1,299,000	666,000	-	874,000	1,786,000	2,660,000	510,000
12/29/93	Frederick / Prospect Blvd.	-	573,000	1,082,000	507,000	-	692,000	1,470,000	2,162,000	429,000
12/29/93	Indianapolis / E. Washington	-	403,000	775,000	452,000	-	505,000	1,125,000	1,630,000	326,000
12/29/93	Gardena / Western Ave.	-	552,000	1,035,000	571,000	-	695,000	1,463,000	2,158,000	403,000
12/29/93	Palm Bay / Bobcock Street	-	409,000	775,000	486,000	-	525,000	1,145,000	1,670,000	330,000
1/10/94	Hialeah / W. 20Th Ave.	-	1,855,000	3,497,000	175,000	-	1,590,000	3,937,000	5,527,000	1,172,000
1/12/94	Sunnyvale / N. Fair Oaks Ave	-	689,000	1,285,000	304,000	-	657,000	1,621,000	2,278,000	461,000
1/12/94	Honolulu / Iwaena	-	-	3,382,000	673,000	-	-	4,055,000	4,055,000	1,137,000
1/12/94	Miami / Golden Glades	-	579,000	1,081,000	341,000	-	557,000	1,444,000	2,001,000	446,000
1/21/94	Herndon / Centreville Road	-	1,584,000	2,981,000	185,000	-	1,358,000	3,392,000	4,750,000	816,000
2/8/94	Las Vegas/S. Martin Luther King	-	1,383,000	2,592,000	1,006,000	-	1,436,000	3,545,000	4,981,000	1,029,000
2/28/94	Arlingtn/Old Jeffersn Davishwy	-	735,000	1,399,000	177,000	-	630,000	1,681,000	2,311,000	533,000
3/8/94	Beaverton / Sw Barnes Road	-	942,000	1,810,000	156,000	-	807,000	2,101,000	2,908,000	657,000
3/21/94	Austin / Arboretum	-	473,000	897,000	2,748,000	-	1,554,000	2,564,000	4,118,000	472,000
3/25/94	Tinton Falls / Shrewsbury Ave	-	1,074,000	2,033,000	169,000	-	921,000	2,355,000	3,276,000	738,000
3/25/94	East Brunswick / Milltown Road	-	1,282,000	2,411,000	211,000	-	1,099,000	2,805,000	3,904,000	857,000
3/25/94	Mercerville / Quakerbridge Road	-	1,109,000	2,111,000	215,000	-	950,000	2,485,000	3,435,000	729,000

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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
3/31/94	Hypoluxo	-	735,000	1,404,000	1,778,000	-	630,000	3,287,000	3,917,000	1,946,000
4/26/94	No. Highlands / Roseville Road	-	980,000	1,835,000	231,000	-	840,000	2,206,000	3,046,000	661,000
5/12/94	Fort Pierce/Okeechobee Road	-	438,000	842,000	178,000	-	375,000	1,083,000	1,458,000	363,000
5/24/94	Hempstead/Peninsula Blvd.	-	2,053,000	3,832,000	230,000	-	1,763,000	4,352,000	6,115,000	1,203,000
5/24/94	La/Huntington	-	483,000	905,000	112,000	-	414,000	1,086,000	1,500,000	330,000
6/9/94	Chattanooga / Brainerd Road	-	613,000	1,170,000	155,000	-	525,000	1,413,000	1,938,000	430,000
6/9/94	Chattanooga / Ringgold Road	-	761,000	1,433,000	304,000	-	653,000	1,845,000	2,498,000	556,000
6/18/94	Las Vegas / S. Valley View Blvd	-	837,000	1,571,000	116,000	-	718,000	1,806,000	2,524,000	530,000
6/23/94	Las Vegas / Tropicana	-	750,000	1,408,000	150,000	-	643,000	1,665,000	2,308,000	506,000
6/23/94	Henderson / Green Valley Pkwy	-	1,047,000	1,960,000	145,000	-	898,000	2,254,000	3,152,000	655,000
6/24/94	Las Vegas / N. Lamb Blvd.	-	869,000	1,629,000	(83,000)	-	769,000	1,646,000	2,415,000	562,000
6/30/94	Birmingham / W. Oxmoor Road	-	532,000	1,004,000	336,000	-	461,000	1,411,000	1,872,000	560,000
7/20/94	Milpitas / Dempsey Road	-	1,260,000	2,358,000	142,000	-	1,080,000	2,680,000	3,760,000	779,000
8/17/94	New Orleans/I-10	-	784,000	1,470,000	138,000	-	672,000	1,720,000	2,392,000	486,000
8/17/94	Beaverton / S.W. Denny Road	-	663,000	1,245,000	90,000	-	568,000	1,430,000	1,998,000	393,000
8/17/94	Irwindale / Central Ave.	-	674,000	1,263,000	58,000	-	578,000	1,417,000	1,995,000	393,000
8/17/94	Suitland / St. Barnabas Rd	-	1,530,000	2,913,000	167,000	-	1,312,000	3,298,000	4,610,000	938,000
8/17/94	North Brunswick / How Lane	-	1,238,000	2,323,000	63,000	-	1,062,000	2,562,000	3,624,000	687,000
8/17/94	Lombard / 64th	-	847,000	1,583,000	100,000	-	726,000	1,804,000	2,530,000	500,000
8/17/94	Alsip / 27th	-	406,000	765,000	74,000	-	348,000	897,000	1,245,000	268,000
9/15/94	Huntsville / Old Monrovia Road	-	613,000	1,157,000	182,000	-	525,000	1,427,000	1,952,000	419,000
9/27/94	West Haven / Bull Hill Lane	-	455,000	873,000	5,238,000	-	1,964,000	4,602,000	6,566,000	469,000
9/30/94	San Francisco / Marin St.	-	1,227,000	2,339,000	1,188,000	-	1,371,000	3,383,000	4,754,000	912,000
9/30/94	Baltimore / Hillen Street	-	580,000	1,095,000	159,000	-	497,000	1,337,000	1,834,000	370,000
9/30/94	San Francisco /10th & Howard	-	1,423,000	2,668,000	169,000	-	1,221,000	3,039,000	4,260,000	810,000
9/30/94	Montebello / E. Whittier	-	383,000	732,000	95,000	-	329,000	881,000	1,210,000	259,000
9/30/94	Arlington / Collins	-	228,000	435,000	211,000	-	195,000	679,000	874,000	260,000
9/30/94	Miami / S.W. 119th Ave	-	656,000	1,221,000	48,000	-	563,000	1,362,000	1,925,000	361,000
9/30/94	Blackwood / Erial Road	-	774,000	1,437,000	72,000	-	663,000	1,620,000	2,283,000	432,000
9/30/94	Concord / Monument	-	1,092,000	2,027,000	264,000	-	936,000	2,447,000	3,383,000	684,000
9/30/94	Rochester / Lee Road	-	469,000	871,000	161,000	-	402,000	1,099,000	1,501,000	305,000

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			Land	Buildings & Improvements			Land	Buildings	Total	
9/30/94	Houston / Bellaire	-	623,000	1,157,000	138,000	-	534,000	1,384,000	1,918,000	377,000
9/30/94	Austin / Lamar Blvd	-	781,000	1,452,000	110,000	-	669,000	1,674,000	2,343,000	460,000
9/30/94	Milwaukee / Lovers Lane Rd	-	469,000	871,000	103,000	-	402,000	1,041,000	1,443,000	301,000
9/30/94	Monterey / Del Rey Oaks	-	1,093,000	1,897,000	83,000	-	903,000	2,170,000	3,073,000	624,000
9/30/94	St. Petersburg / 66Th St.	-	427,000	793,000	122,000	-	366,000	976,000	1,342,000	283,000
9/30/94	Dayton Bch / N. Nova Road	-	396,000	735,000	97,000	-	339,000	889,000	1,228,000	260,000
9/30/94	Maple Shade / Route 38	-	994,000	1,846,000	108,000	-	852,000	2,096,000	2,948,000	564,000
9/30/94	Marlton / Route 73 N.	-	938,000	1,742,000	62,000	-	804,000	1,938,000	2,742,000	521,000
9/30/94	Naperville / E. Ogden Ave	-	683,000	1,268,000	78,000	-	585,000	1,444,000	2,029,000	397,000
9/30/94	Long Beach / South Street	-	1,778,000	3,307,000	175,000	-	1,524,000	3,736,000	5,260,000	1,015,000
9/30/94	Aloha / S.W. Shaw	-	805,000	1,495,000	112,000	-	690,000	1,722,000	2,412,000	471,000
9/30/94	Alexandria / S. Pickett	-	1,550,000	2,879,000	156,000	-	1,329,000	3,256,000	4,585,000	857,000
9/30/94	Houston / Highway 6 North	-	1,120,000	2,083,000	201,000	-	960,000	2,444,000	3,404,000	687,000
9/30/94	San Antonio/Nacogdoches Rd	-	571,000	1,060,000	92,000	-	489,000	1,234,000	1,723,000	347,000
9/30/94	San Ramon/San Ramon Valley	-	1,530,000	2,840,000	322,000	-	1,311,000	3,381,000	4,692,000	956,000
9/30/94	San Rafael / Merrydale Rd	-	1,705,000	3,165,000	177,000	-	1,461,000	3,586,000	5,047,000	956,000
9/30/94	San Antonio / Austin Hwy	-	592,000	1,098,000	146,000	-	507,000	1,329,000	1,836,000	382,000
9/30/94	Sharonville / E. Kemper	-	574,000	1,070,000	111,000	-	492,000	1,263,000	1,755,000	350,000
10/7/94	Alcoa / Airport Plaza Drive	-	543,000	1,017,000	133,000	-	465,000	1,228,000	1,693,000	386,000
10/13/94	Davie / State Road 84	-	744,000	1,467,000	837,000	-	638,000	2,410,000	3,048,000	634,000
10/13/94	Carrollton / Marsh Lane	-	770,000	1,437,000	1,368,000	-	1,022,000	2,553,000	3,575,000	658,000
10/31/94	Sherman Oaks / Van Nuys Blvd	-	1,278,000	2,461,000	882,000	-	1,423,000	3,198,000	4,621,000	905,000
12/19/94	Salt Lake City/West North Temple	-	490,000	917,000	(87,000)	-	537,000	783,000	1,320,000	289,000
12/27/94	Knoxville / Chapman Highway	-	753,000	1,411,000	309,000	-	645,000	1,828,000	2,473,000	537,000
12/28/94	Milpitas / Watson	-	1,575,000	2,925,000	165,000	-	1,350,000	3,315,000	4,665,000	859,000
12/28/94	Las Vegas / Jones Blvd	-	1,208,000	2,243,000	112,000	-	1,035,000	2,528,000	3,563,000	653,000
12/28/94	Venice / Guthrie	-	578,000	1,073,000	88,000	-	495,000	1,244,000	1,739,000	322,000
12/30/94	Apple Valley / Foliage Ave	-	910,000	1,695,000	139,000	-	780,000	1,964,000	2,744,000	544,000
1/4/95	Chula Vista / Main Street	-	735,000	1,802,000	141,000	-	735,000	1,943,000	2,678,000	599,000
1/5/95	Pantego / West Park	-	315,000	735,000	129,000	-	315,000	864,000	1,179,000	267,000
1/12/95	Roswell / Alpharetta	-	423,000	993,000	153,000	-	423,000	1,146,000	1,569,000	328,000

PUBLIC STORAGE, INC.
SCHEDULE III - REAL ESTATE
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
1/23/95	North Bergen / Tonne	-	1,564,000	3,772,000	243,000	-	1,564,000	4,015,000	5,579,000	951,000
1/23/95	San Leandro / Hesperian	-	734,000	1,726,000	91,000	-	734,000	1,817,000	2,551,000	452,000
1/24/95	Nashville / Elm Hill	-	338,000	791,000	305,000	-	338,000	1,096,000	1,434,000	398,000
2/3/95	Reno / S. Mccarron Blvd	-	1,080,000	2,537,000	146,000	-	1,080,000	2,683,000	3,763,000	686,000
2/15/95	Schiller Park	-	1,688,000	3,939,000	178,000	-	1,688,000	4,117,000	5,805,000	842,000
2/15/95	Lansing	-	1,514,000	3,534,000	99,000	-	1,514,000	3,633,000	5,147,000	714,000
2/15/95	Pleasanton	-	1,257,000	2,932,000	41,000	-	1,257,000	2,973,000	4,230,000	581,000
2/15/95	LA/Sepulveda	-	1,453,000	3,390,000	93,000	-	1,453,000	3,483,000	4,936,000	682,000
2/28/95	Decatur / Flat Shoal	-	970,000	2,288,000	326,000	-	970,000	2,614,000	3,584,000	722,000
2/28/95	Smyrna / S. Cobb	-	663,000	1,559,000	189,000	-	663,000	1,748,000	2,411,000	467,000
2/28/95	Downey / Bellflower	-	916,000	2,158,000	81,000	-	916,000	2,239,000	3,155,000	562,000
2/28/95	Vallejo / Lincoln	-	445,000	1,052,000	115,000	-	445,000	1,167,000	1,612,000	326,000
2/28/95	Lynnwood / 180th St	-	516,000	1,205,000	153,000	-	516,000	1,358,000	1,874,000	390,000
2/28/95	Kent / Pacific Hwy	-	728,000	1,711,000	105,000	-	728,000	1,816,000	2,544,000	471,000
2/28/95	Kirkland	-	1,254,000	2,932,000	168,000	-	1,254,000	3,100,000	4,354,000	762,000
2/28/95	Federal Way/Pacific	-	785,000	1,832,000	246,000	-	785,000	2,078,000	2,863,000	589,000
2/28/95	Tampa / S. Dale	-	791,000	1,852,000	193,000	-	791,000	2,045,000	2,836,000	548,000
2/28/95	Burlingame/Adrian Rd	-	2,280,000	5,349,000	285,000	-	2,280,000	5,634,000	7,914,000	1,370,000
2/28/95	Miami / Cloverleaf	-	606,000	1,426,000	125,000	-	606,000	1,551,000	2,157,000	411,000
2/28/95	Pinole / San Pablo	-	639,000	1,502,000	197,000	-	639,000	1,699,000	2,338,000	468,000
2/28/95	South Gate / Firesto	-	1,442,000	3,449,000	245,000	-	1,442,000	3,694,000	5,136,000	1,018,000
2/28/95	San Jose / Mabury	-	892,000	2,088,000	66,000	-	892,000	2,154,000	3,046,000	523,000
2/28/95	La Puente / Valley Blvd	-	591,000	1,390,000	177,000	-	591,000	1,567,000	2,158,000	451,000
2/28/95	San Jose / Capitol E	-	1,215,000	2,852,000	128,000	-	1,215,000	2,980,000	4,195,000	742,000
2/28/95	Milwaukie / 40th Street	-	576,000	1,388,000	90,000	-	579,000	1,475,000	2,054,000	378,000
2/28/95	Portland / N. Lombard	-	812,000	1,900,000	174,000	-	812,000	2,074,000	2,886,000	504,000
2/28/95	Miami / Biscayne	-	1,313,000	3,076,000	91,000	-	1,313,000	3,167,000	4,480,000	788,000
2/28/95	Chicago / Clark Street	-	442,000	1,031,000	179,000	-	442,000	1,210,000	1,652,000	332,000
2/28/95	Palatine / Dundee	-	698,000	1,643,000	133,000	-	698,000	1,776,000	2,474,000	464,000
2/28/95	Williamsville/Transit	-	284,000	670,000	117,000	-	284,000	787,000	1,071,000	215,000
2/28/95	Amherst / Sheridan	-	484,000	1,151,000	112,000	-	484,000	1,263,000	1,747,000	343,000

PUBLIC STORAGE, INC.
SCHEDULE III - REAL ESTATE
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
3/2/95	Everett / Highway 99	-	859,000	2,022,000	206,000	-	859,000	2,228,000	3,087,000	620,000
3/2/95	Burien / 1St Ave South	-	763,000	1,783,000	226,000	-	763,000	2,009,000	2,772,000	607,000
3/2/95	Kent / South 238th Street	-	763,000	1,783,000	252,000	-	763,000	2,035,000	2,798,000	581,000
3/31/95	Cheverly / Central Ave	-	911,000	2,164,000	110,000	-	911,000	2,274,000	3,185,000	553,000
5/1/95	Sandy / S. State Street	-	1,043,000	2,442,000	(312,000)	-	1,077,000	2,096,000	3,173,000	644,000
5/3/95	Largo / Ulmerton Roa	-	263,000	654,000	105,000	-	263,000	759,000	1,022,000	257,000
5/8/95	Fairfield/Western Street	-	439,000	1,030,000	54,000	-	439,000	1,084,000	1,523,000	272,000
5/8/95	Dallas / W. Mockingbird	-	1,440,000	3,371,000	98,000	-	1,440,000	3,469,000	4,909,000	826,000
5/8/95	East Point / Lakewood	-	884,000	2,071,000	272,000	-	884,000	2,343,000	3,227,000	604,000
5/25/95	Falls Church / Gallo	-	350,000	835,000	186,000	-	350,000	1,021,000	1,371,000	324,000
6/12/95	Baltimore / Old Waterloo	-	769,000	1,850,000	76,000	-	769,000	1,926,000	2,695,000	459,000
6/12/95	Pleasant Hill / Hookston	-	766,000	1,848,000	74,000	-	766,000	1,922,000	2,688,000	472,000
6/12/95	Mountain View/Old Middlefield	-	2,095,000	4,913,000	66,000	-	2,095,000	4,979,000	7,074,000	1,149,000
6/30/95	San Jose / Blossom Hill	-	1,467,000	3,444,000	141,000	-	1,467,000	3,585,000	5,052,000	834,000
6/30/95	Fairfield / Kings Highway	-	1,811,000	4,273,000	179,000	-	1,811,000	4,452,000	6,263,000	1,073,000
6/30/95	Pacoima / Paxton Street	1,206,000	840,000	1,976,000	80,000	-	840,000	2,056,000	2,896,000	490,000
6/30/95	Portland / Prescott	-	647,000	1,509,000	148,000	-	647,000	1,657,000	2,304,000	406,000
6/30/95	St. Petersburg	-	352,000	827,000	135,000	-	352,000	962,000	1,314,000	259,000
6/30/95	Dallas / Audelia Road	-	1,166,000	2,725,000	693,000	-	1,166,000	3,418,000	4,584,000	913,000
6/30/95	Miami Gardens	-	823,000	1,929,000	109,000	-	823,000	2,038,000	2,861,000	491,000
6/30/95	Grand Prairie / 19th	-	566,000	1,329,000	101,000	-	566,000	1,430,000	1,996,000	363,000
6/30/95	Joliet / Jefferson Street	-	501,000	1,181,000	125,000	-	501,000	1,306,000	1,807,000	337,000
6/30/95	Bridgeton / Pennridge	-	283,000	661,000	144,000	-	283,000	805,000	1,088,000	211,000
6/30/95	Portland / S.E.92nd	-	638,000	1,497,000	137,000	-	638,000	1,634,000	2,272,000	407,000
6/30/95	Houston / S.W. Freeway	-	537,000	1,254,000	103,000	-	537,000	1,357,000	1,894,000	336,000
6/30/95	Milwaukee / Brown	-	358,000	849,000	106,000	-	358,000	955,000	1,313,000	258,000
6/30/95	Orlando / W. Oak Ridge	-	698,000	1,642,000	173,000	-	698,000	1,815,000	2,513,000	460,000
6/30/95	Lauderhill / State Road	-	644,000	1,508,000	112,000	-	644,000	1,620,000	2,264,000	395,000
6/30/95	Orange Park /Blanding Blvd	-	394,000	918,000	149,000	-	394,000	1,067,000	1,461,000	270,000
6/30/95	St. Petersburg /Joe'S Creek	-	704,000	1,642,000	117,000	-	704,000	1,759,000	2,463,000	428,000
6/30/95	St. Louis / Page Service Drive	-	531,000	1,241,000	134,000	-	531,000	1,375,000	1,906,000	340,000

PUBLIC STORAGE, INC.
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
6/30/95	Independence /E. 42nd	-	438,000	1,023,000	124,000	-	438,000	1,147,000	1,585,000	305,000
6/30/95	Cherry Hill / Dobbs Lane	-	716,000	1,676,000	70,000	-	716,000	1,746,000	2,462,000	399,000
6/30/95	Edgewater Park / Route 130	-	683,000	1,593,000	59,000	-	683,000	1,652,000	2,335,000	384,000
6/30/95	Beaverton / S.W. 110	-	572,000	1,342,000	119,000	-	572,000	1,461,000	2,033,000	347,000
6/30/95	Markham / W. 159Th Place	-	230,000	539,000	91,000	-	230,000	630,000	860,000	175,000
6/30/95	Houston / N.W. Freeway	-	447,000	1,066,000	109,000	-	447,000	1,175,000	1,622,000	324,000
6/30/95	Portland / Gantenbein	-	537,000	1,262,000	107,000	-	537,000	1,369,000	1,906,000	330,000
6/30/95	Upper Chichester/Market St.	-	569,000	1,329,000	85,000	-	569,000	1,414,000	1,983,000	337,000
6/30/95	Fort Worth / Hwy 80	-	379,000	891,000	105,000	-	379,000	996,000	1,375,000	255,000
6/30/95	Greenfield/ S. 108th	-	728,000	1,707,000	148,000	-	728,000	1,855,000	2,583,000	455,000
6/30/95	Altamonte Springs	-	566,000	1,326,000	90,000	-	566,000	1,416,000	1,982,000	338,000
6/30/95	East Hazel Crest / Halsted	-	483,000	1,127,000	136,000	-	483,000	1,263,000	1,746,000	317,000
6/30/95	Seattle / Delridge Way	-	760,000	1,779,000	129,000	-	760,000	1,908,000	2,668,000	467,000
6/30/95	Elmhurst / Lake Frontage Rd	-	748,000	1,758,000	118,000	-	748,000	1,876,000	2,624,000	448,000
6/30/95	Los Angeles / Beverly Blvd	-	787,000	1,886,000	267,000	-	787,000	2,153,000	2,940,000	592,000
6/30/95	Lawrenceville / Brunswick	-	841,000	1,961,000	79,000	-	841,000	2,040,000	2,881,000	478,000
6/30/95	Richmond / Carlson	-	865,000	2,025,000	171,000	-	865,000	2,196,000	3,061,000	534,000
6/30/95	Liverpool / Oswego Road	-	545,000	1,279,000	154,000	-	545,000	1,433,000	1,978,000	344,000
6/30/95	Rochester / East Ave	-	578,000	1,375,000	109,000	-	578,000	1,484,000	2,062,000	368,000
6/30/95	Pasadena / E. Beltway	-	757,000	1,767,000	100,000	-	757,000	1,867,000	2,624,000	441,000
7/13/95	Tarzana / Burbank Blvd	-	2,895,000	6,823,000	345,000	-	2,895,000	7,168,000	10,063,000	1,783,000
7/31/95	Orlando / Lakehurst	981,000	450,000	1,063,000	114,000	-	450,000	1,177,000	1,627,000	280,000
7/31/95	Livermore / Portola	1,317,000	921,000	2,157,000	147,000	-	921,000	2,304,000	3,225,000	551,000
7/31/95	San Jose / Tully	1,633,000	912,000	2,137,000	205,000	-	912,000	2,342,000	3,254,000	554,000
7/31/95	Mission Bay	4,052,000	1,617,000	3,785,000	348,000	-	1,617,000	4,133,000	5,750,000	1,078,000
7/31/95	Las Vegas / Decatur	-	1,147,000	2,697,000	190,000	-	1,147,000	2,887,000	4,034,000	682,000
7/31/95	Pleasanton / Stanley	-	1,624,000	3,811,000	148,000	-	1,624,000	3,959,000	5,583,000	906,000
7/31/95	Castro Valley / Grove	-	757,000	1,772,000	68,000	-	757,000	1,840,000	2,597,000	424,000
7/31/95	Honolulu / Kaneohe	-	1,215,000	2,846,000	1,996,000	-	2,133,000	3,924,000	6,057,000	761,000
7/31/95	Chicago / Wabash Ave	-	645,000	1,535,000	505,000	-	645,000	2,040,000	2,685,000	577,000
7/31/95	Springfield / Parker	-	765,000	1,834,000	95,000	-	765,000	1,929,000	2,694,000	466,000

PUBLIC STORAGE, INC.
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
7/31/95	Huntington Bch/Gotham	-	765,000	1,808,000	149,000	-	765,000	1,957,000	2,722,000	485,000
7/31/95	Tucker / Lawrenceville	-	630,000	1,480,000	154,000	-	630,000	1,634,000	2,264,000	419,000
7/31/95	Marietta / Canton Road	-	600,000	1,423,000	175,000	-	600,000	1,598,000	2,198,000	399,000
7/31/95	Wheeling / Hintz	-	450,000	1,054,000	93,000	-	450,000	1,147,000	1,597,000	283,000
8/1/95	Gresham / Division	-	607,000	1,428,000	80,000	-	607,000	1,508,000	2,115,000	358,000
8/1/95	Tucker / Lawrenceville	-	600,000	1,405,000	231,000	-	600,000	1,636,000	2,236,000	407,000
8/1/95	Decatur / Covington	-	720,000	1,694,000	166,000	-	720,000	1,860,000	2,580,000	463,000
8/11/95	Studio City/Ventura	-	1,285,000	3,015,000	77,000	-	1,285,000	3,092,000	4,377,000	716,000
8/12/95	Smyrna / Hargrove Road	-	1,020,000	3,038,000	293,000	-	1,020,000	3,331,000	4,351,000	730,000
9/1/95	Hayward / Mission Blvd	-	1,020,000	2,383,000	104,000	-	1,020,000	2,487,000	3,507,000	562,000
9/1/95	Park City / Belvider	-	600,000	1,405,000	71,000	-	600,000	1,476,000	2,076,000	339,000
9/1/95	New Castle/Dupont Parkway	-	990,000	2,369,000	91,000	-	990,000	2,460,000	3,450,000	557,000
9/1/95	Las Vegas / Rainbow	-	1,050,000	2,459,000	87,000	-	1,050,000	2,546,000	3,596,000	584,000
9/1/95	Mountain View / Reng	-	945,000	2,216,000	88,000	-	945,000	2,304,000	3,249,000	524,000
9/1/95	Venice / Cadillac	-	930,000	2,182,000	161,000	-	930,000	2,343,000	3,273,000	567,000
9/1/95	Simi Valley /Los Angeles	-	1,590,000	3,724,000	140,000	-	1,590,000	3,864,000	5,454,000	891,000
9/1/95	Spring Valley/Foreman	-	1,095,000	2,572,000	104,000	-	1,095,000	2,676,000	3,771,000	603,000
9/6/95	Darien / Frontage Road	-	975,000	2,321,000	74,000	-	975,000	2,395,000	3,370,000	581,000
9/30/95	Whittier	-	215,000	384,000	40,000	688,000	215,000	1,112,000	1,327,000	318,000
9/30/95	Van Nuys/Balboa	-	295,000	657,000	78,000	1,192,000	295,000	1,927,000	2,222,000	516,000
9/30/95	Huntington Beach	-	176,000	321,000	120,000	725,000	176,000	1,166,000	1,342,000	304,000
9/30/95	Monterey Park	179,000	124,000	346,000	80,000	785,000	124,000	1,211,000	1,335,000	342,000
9/30/95	Downey	-	191,000	317,000	99,000	817,000	191,000	1,233,000	1,424,000	319,000
9/30/95	Del Amo	-	474,000	742,000	90,000	975,000	474,000	1,807,000	2,281,000	600,000
9/30/95	Carson	-	375,000	735,000	78,000	445,000	375,000	1,258,000	1,633,000	264,000
9/30/95	Van Nuys/Balboa Blvd	-	1,920,000	4,504,000	271,000	-	1,920,000	4,775,000	6,695,000	881,000
10/31/95	San Lorenzo /Hesperian	-	1,590,000	3,716,000	173,000	-	1,590,000	3,889,000	5,479,000	635,000
10/31/95	Chicago / W. 47th Street	-	300,000	708,000	111,000	-	300,000	819,000	1,119,000	166,000
10/31/95	Los Angeles / Eastern	-	455,000	1,070,000	118,000	-	455,000	1,188,000	1,643,000	227,000
11/15/95	Costa Mesa - B	-	522,000	1,218,000	55,000	-	522,000	1,273,000	1,795,000	267,000
11/15/95	Plano / E. 14th	-	705,000	1,646,000	52,000	-	705,000	1,698,000	2,403,000	346,000

PUBLIC STORAGE, INC.
SCHEDULE III - REAL ESTATE
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
11/15/95	Citrus Heights/Sunrise	-	520,000	1,213,000	108,000	-	520,000	1,321,000	1,841,000	301,000
11/15/95	Modesto/Briggsmore Ave	-	470,000	1,097,000	77,000	-	470,000	1,174,000	1,644,000	260,000
11/15/95	So San Francisco/Spruce	-	1,905,000	4,444,000	260,000	-	1,905,000	4,704,000	6,609,000	957,000
11/15/95	Pacheco/Buchanan Circle	-	1,681,000	3,951,000	126,000	-	1,681,000	4,077,000	5,758,000	836,000
11/16/95	Palm Beach Gardens	-	657,000	1,540,000	90,000	-	657,000	1,630,000	2,287,000	392,000
11/16/95	Delray Beach	-	600,000	1,407,000	136,000	-	600,000	1,543,000	2,143,000	378,000
1/1/96	Bensenville/York R	-	667,000	1,602,000	69,000	895,000	667,000	2,566,000	3,233,000	453,000
1/1/96	Louisville/Preston	-	211,000	1,060,000	49,000	594,000	211,000	1,703,000	1,914,000	293,000
1/1/96	San Jose/Aborn Road	-	615,000	1,342,000	77,000	759,000	615,000	2,178,000	2,793,000	373,000
1/1/96	Englewood/Federal	-	481,000	1,395,000	57,000	777,000	481,000	2,229,000	2,710,000	405,000
1/1/96	W. Hollywood/Santa Monica	-	3,415,000	4,577,000	188,000	2,552,000	3,415,000	7,317,000	10,732,000	1,215,000
1/1/96	Orland Hills/W. 159th	-	917,000	2,392,000	115,000	1,342,000	917,000	3,849,000	4,766,000	677,000
1/1/96	Merrionette Park/S	-	818,000	2,020,000	76,000	1,122,000	818,000	3,218,000	4,036,000	545,000
1/1/96	Denver/S Quebec	-	1,849,000	1,941,000	86,000	1,086,000	1,849,000	3,113,000	4,962,000	530,000
1/1/96	Tigard/S.W. Pacific	-	633,000	1,206,000	112,000	705,000	633,000	2,023,000	2,656,000	331,000
1/1/96	Coram/Middle Count	-	507,000	1,421,000	58,000	792,000	507,000	2,271,000	2,778,000	369,000
1/1/96	Houston/FM 1960	-	635,000	1,294,000	168,000	783,000	635,000	2,245,000	2,880,000	391,000
1/1/96	Kent/Military Trail	-	409,000	1,670,000	115,000	956,000	409,000	2,741,000	3,150,000	441,000
1/1/96	Turnersville/Black H	-	165,000	1,360,000	56,000	758,000	165,000	2,174,000	2,339,000	361,000
1/1/96	Sewell/Rts. 553	-	323,000	1,138,000	89,000	658,000	323,000	1,885,000	2,208,000	315,000
1/1/96	Maple Shade/Fellowship	-	331,000	1,421,000	80,000	803,000	331,000	2,304,000	2,635,000	362,000
1/1/96	Hyattsville/Kenilworth	-	509,000	1,757,000	109,000	1,000,000	509,000	2,866,000	3,375,000	443,000
1/1/96	Waterbury/Captain Ne	-	434,000	2,089,000	81,000	1,162,000	434,000	3,332,000	3,766,000	463,000
1/1/96	Bedford Hts/Miles	-	835,000	1,577,000	157,000	929,000	835,000	2,663,000	3,498,000	422,000
1/1/96	Livonia/Newburgh	-	635,000	1,407,000	56,000	783,000	635,000	2,246,000	2,881,000	362,000
1/1/96	Sunland/Sunland Blvd.	-	631,000	1,965,000	71,000	1,090,000	631,000	3,126,000	3,757,000	466,000
1/1/96	Des Moines	-	448,000	1,350,000	86,000	768,000	448,000	2,204,000	2,652,000	365,000
1/1/96	Oxonhill/Indianhead	-	772,000	2,017,000	113,000	1,141,000	772,000	3,271,000	4,043,000	500,000
1/1/96	Sacramento/N. 16th	-	582,000	2,610,000	129,000	1,466,000	582,000	4,205,000	4,787,000	558,000
1/1/96	Houston/Westheimer	-	1,508,000	2,274,000	162,000	1,304,000	1,508,000	3,740,000	5,248,000	601,000
1/1/96	San Pablo/San Pablo	-	565,000	1,232,000	99,000	713,000	565,000	2,044,000	2,609,000	318,000

PUBLIC STORAGE, INC.
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
1/1/96	Bowie/Woodcliff	-	718,000	2,336,000	77,000	1,292,000	718,000	3,705,000	4,423,000	522,000
1/1/96	Milwaukee/S. 84th	-	444,000	1,868,000	170,000	1,091,000	444,000	3,129,000	3,573,000	448,000
1/1/96	Clinton/Malcolm Road	-	593,000	2,123,000	94,000	1,187,000	593,000	3,404,000	3,997,000	466,000
1/3/96	San Gabriel	-	1,005,000	2,345,000	198,000	-	1,005,000	2,543,000	3,548,000	596,000
1/5/96	San Francisco, Second St.	-	2,880,000	6,814,000	161,000	-	2,880,000	6,975,000	9,855,000	1,424,000
1/12/96	San Antonio, TX	-	912,000	2,170,000	58,000	-	912,000	2,228,000	3,140,000	475,000
2/29/96	Naples, FL/Old US 41	-	849,000	2,016,000	99,000	-	849,000	2,115,000	2,964,000	438,000
2/29/96	Lake Worth, FL/S. Military Tr.	-	1,782,000	4,723,000	120,000	-	1,782,000	4,843,000	6,625,000	981,000
2/29/96	Brandon, FL/W Brandon Blvd.	-	1,928,000	4,523,000	847,000	-	1,928,000	5,370,000	7,298,000	1,390,000
2/29/96	Coral Springs FL/W Sample Rd.	-	3,480,000	8,148,000	132,000	-	3,480,000	8,280,000	11,760,000	1,652,000
2/29/96	Delray Beach FL/S Military Tr	-	941,000	2,222,000	145,000	-	941,000	2,367,000	3,308,000	533,000
2/29/96	Jupiter FL/Military Trail	-	2,280,000	5,347,000	108,000	-	2,280,000	5,455,000	7,735,000	1,075,000
2/29/96	Lakeworth FL/Lake Worth Rd	-	737,000	1,742,000	119,000	-	737,000	1,861,000	2,598,000	416,000
2/29/96	New Port Richey FL/State rd 54	-	857,000	2,025,000	107,000	-	857,000	2,132,000	2,989,000	459,000
2/29/96	Pompano Beach FL/ W Copans	-	1,601,000	3,756,000	170,000	-	1,601,000	3,926,000	5,527,000	822,000
2/29/96	Sanford FL/S Orlando Dr	-	734,000	1,749,000	1,817,000	-	975,000	3,325,000	4,300,000	659,000
3/8/96	Atlanta/Roswell	-	898,000	3,649,000	73,000	-	898,000	3,722,000	4,620,000	736,000
3/31/96	Oakland, CA	-	1,065,000	2,764,000	183,000	-	1,065,000	2,947,000	4,012,000	611,000
3/31/96	Saratoga, CA	-	2,339,000	6,081,000	104,000	-	2,339,000	6,185,000	8,524,000	1,199,000
3/31/96	Randallstown, MD	-	1,359,000	3,527,000	147,000	-	1,359,000	3,674,000	5,033,000	735,000
3/31/96	Plano, TX	-	650,000	1,682,000	102,000	-	650,000	1,784,000	2,434,000	376,000
3/31/96	Houston, TX	-	543,000	1,402,000	83,000	-	543,000	1,485,000	2,028,000	308,000
3/31/96	Irvine, CA	-	1,920,000	4,975,000	378,000	-	1,920,000	5,353,000	7,273,000	1,078,000
3/31/96	Milwaukee, WI	-	542,000	1,402,000	92,000	-	542,000	1,494,000	2,036,000	307,000
3/31/96	Carrollton, TX	-	578,000	1,495,000	79,000	-	578,000	1,574,000	2,152,000	321,000
3/31/96	Torrance, CA	-	1,415,000	3,675,000	94,000	-	1,415,000	3,769,000	5,184,000	758,000
3/31/96	Jacksonville, FL	-	713,000	1,845,000	112,000	-	713,000	1,957,000	2,670,000	404,000
3/31/96	Dallas, TX	-	315,000	810,000	71,000	-	315,000	881,000	1,196,000	196,000
3/31/96	Houston, TX	-	669,000	1,724,000	269,000	-	669,000	1,993,000	2,662,000	461,000
3/31/96	Baltimore, MD	-	842,000	2,180,000	91,000	-	842,000	2,271,000	3,113,000	455,000
3/31/96	New Haven, CT	-	740,000	1,907,000	(280,000)	-	668,000	1,699,000	2,367,000	350,000

PUBLIC STORAGE, INC.
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
4/1/96	Chicago/Pulaski	-	764,000	1,869,000	118,000	-	764,000	1,987,000	2,751,000	337,000
4/1/96	Las Vegas/Desert Inn	-	1,115,000	2,729,000	92,000	-	1,115,000	2,821,000	3,936,000	503,000
4/1/96	Torrance/Crenshaw	-	916,000	2,243,000	63,000	-	916,000	2,306,000	3,222,000	378,000
4/1/96	Weymouth, WA state	-	485,000	1,187,000	94,000	-	485,000	1,281,000	1,766,000	156,000
4/1/96	St. Louis/Barrett Station Road	-	630,000	1,542,000	94,000	-	630,000	1,636,000	2,266,000	254,000
4/1/96	Rockville/Randolph	-	1,153,000	2,823,000	92,000	-	1,153,000	2,915,000	4,068,000	465,000
4/1/96	Simi Valley/East Street	-	970,000	2,374,000	51,000	-	970,000	2,425,000	3,395,000	396,000
4/1/96	Houston/Westheimer	-	1,390,000	3,402,000	870,000	-	1,390,000	4,272,000	5,662,000	1,016,000
4/3/96	Naples, FL	-	1,187,000	2,809,000	182,000	-	1,187,000	2,991,000	4,178,000	634,000
6/26/96	Boca Raton FL	-	3,180,000	7,468,000	687,000	-	3,180,000	8,155,000	11,335,000	1,565,000
6/28/96	Venice FL	-	669,000	1,575,000	111,000	-	669,000	1,686,000	2,355,000	361,000
6/30/96	Las Vegas, NV	-	921,000	2,155,000	112,000	-	921,000	2,267,000	3,188,000	461,000
6/30/96	Bedford Park, IL	-	606,000	1,419,000	126,000	-	606,000	1,545,000	2,151,000	330,000
6/30/96	Los Angeles, CA	-	692,000	1,616,000	81,000	-	692,000	1,697,000	2,389,000	332,000
6/30/96	Silver Spring, MD	-	1,513,000	3,535,000	160,000	-	1,513,000	3,695,000	5,208,000	709,000
6/30/96	Newark, CA	-	1,051,000	2,458,000	72,000	-	1,051,000	2,530,000	3,581,000	476,000
6/30/96	Brooklyn, NY	-	783,000	1,830,000	301,000	-	783,000	2,131,000	2,914,000	445,000
7/2/96	Glen Burnie/Furnace Br Rd	-	1,755,000	4,150,000	94,000	-	1,755,000	4,244,000	5,999,000	795,000
7/22/96	Lakewood/W Hampton	-	717,000	2,092,000	52,000	-	716,000	2,145,000	2,861,000	398,000
8/13/96	Norcross/Holcomb Bridge Rd	-	955,000	3,117,000	80,000	-	955,000	3,197,000	4,152,000	575,000
9/5/96	Spring Valley/S Pascack rd	-	1,260,000	2,966,000	188,000	-	1,260,000	3,154,000	4,414,000	619,000
9/16/96	Dallas/Royal Lane	-	1,008,000	2,426,000	109,000	-	1,008,000	2,535,000	3,543,000	455,000
9/16/96	Colorado Springs/Tomah Drive	-	731,000	1,759,000	81,000	-	731,000	1,840,000	2,571,000	334,000
9/16/96	Lewisville/S. Stemmons	-	603,000	1,451,000	102,000	-	603,000	1,553,000	2,156,000	287,000
9/16/96	Las Vegas/Boulder Hwy.	-	947,000	2,279,000	100,000	-	947,000	2,379,000	3,326,000	427,000
9/16/96	Sarasota/S. Tamiami Trail	-	584,000	1,407,000	77,000	-	584,000	1,484,000	2,068,000	272,000
9/16/96	Willow Grove/Maryland Road	-	673,000	1,620,000	55,000	-	673,000	1,675,000	2,348,000	299,000
9/16/96	Houston/W. Montgomery Rd.	-	524,000	1,261,000	109,000	-	524,000	1,370,000	1,894,000	257,000
9/16/96	Denver/W. Hampden	-	1,084,000	2,609,000	70,000	-	1,084,000	2,679,000	3,763,000	471,000
9/16/96	Littleton/Southpark Way	-	922,000	2,221,000	158,000	-	922,000	2,379,000	3,301,000	405,000
9/16/96	Petaluma/Baywood Drive	-	861,000	2,074,000	100,000	-	861,000	2,174,000	3,035,000	380,000

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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
9/16/96	Canoga Park/Sherman Way	-	1,543,000	3,716,000	88,000	-	1,543,000	3,804,000	5,347,000	658,000
9/16/96	Jacksonville/South Lane Ave.	-	554,000	1,334,000	120,000	-	554,000	1,454,000	2,008,000	288,000
9/16/96	Newport News/Warwick Blvd.	-	575,000	1,385,000	87,000	-	575,000	1,472,000	2,047,000	270,000
9/16/96	Greenbrook/Route 22	-	1,227,000	2,954,000	117,000	-	1,227,000	3,071,000	4,298,000	544,000
9/16/96	Monsey/Route 59	-	1,068,000	2,572,000	69,000	-	1,068,000	2,641,000	3,709,000	456,000
9/16/96	Santa Rosa/Santa Rosa Ave.	-	575,000	1,385,000	58,000	-	575,000	1,443,000	2,018,000	252,000
9/16/96	Fort Worth/Brentwood Stair	-	823,000	2,016,000	103,000	-	823,000	2,119,000	2,942,000	390,000
9/16/96	Glendale/San Fernando Road	-	2,500,000	6,124,000	67,000	-	2,500,000	6,191,000	8,691,000	1,051,000
9/16/96	Houston/Harwin	-	549,000	1,344,000	93,000	-	549,000	1,437,000	1,986,000	273,000
9/16/96	Irvine/Cowan Street	-	1,890,000	4,631,000	117,000	-	1,890,000	4,748,000	6,638,000	828,000
9/16/96	Fairfield/Dixie Highway	-	427,000	1,046,000	41,000	-	427,000	1,087,000	1,514,000	193,000
9/16/96	Mesa/Country Club Drive	-	701,000	1,718,000	86,000	-	701,000	1,804,000	2,505,000	319,000
9/16/96	San Francisco/Geary Blvd.	-	2,957,000	7,244,000	128,000	-	2,957,000	7,372,000	10,329,000	1,262,000
9/16/96	Houston/Gulf Freeway	-	701,000	1,718,000	96,000	-	701,000	1,814,000	2,515,000	337,000
9/16/96	Las Vegas/S. Decatur Blvd.	-	1,037,000	2,539,000	81,000	-	1,037,000	2,620,000	3,657,000	468,000
9/16/96	Tempe/McKellips Road	-	823,000	1,972,000	157,000	-	823,000	2,129,000	2,952,000	383,000
9/16/96	Richland Hills/Airport Fwy.	-	473,000	1,158,000	116,000	-	473,000	1,274,000	1,747,000	251,000
10/11/96	Virginia Beach/Southern Blvd	-	282,000	610,000	182,000	-	282,000	792,000	1,074,000	203,000
10/11/96	Chesapeake/Military Hwy	-	912,000	1,974,000	272,000	-	912,000	2,246,000	3,158,000	476,000
10/11/96	Hampton/Pembroke Road	-	1,080,000	2,346,000	(288,000)	-	1,115,000	2,023,000	3,138,000	496,000
10/11/96	Norfolk/Widgeon Road	-	1,110,000	2,405,000	(386,000)	-	1,146,000	1,983,000	3,129,000	479,000
10/11/96	Richmond/Bloom Lane	-	1,188,000	2,512,000	(248,000)	-	1,227,000	2,225,000	3,452,000	480,000
10/11/96	Richmond/Midlothian Park	-	762,000	1,588,000	352,000	-	762,000	1,940,000	2,702,000	486,000
10/11/96	Roanoke/Peters Creek Road	-	819,000	1,776,000	185,000	-	819,000	1,961,000	2,780,000	391,000
10/11/96	Orlando/E Oakridge Rd	-	927,000	2,020,000	142,000	-	927,000	2,162,000	3,089,000	409,000
10/11/96	Orlando/South Hwy 17-92	-	1,170,000	2,549,000	149,000	-	1,170,000	2,698,000	3,868,000	498,000
10/25/96	Austin/Renelli	-	1,710,000	3,990,000	151,000	-	1,710,000	4,141,000	5,851,000	758,000
10/25/96	Austin/Santiago	-	900,000	2,100,000	127,000	-	900,000	2,227,000	3,127,000	425,000
10/25/96	Dallas/East N.W. Highway	-	698,000	1,628,000	107,000	-	698,000	1,735,000	2,433,000	319,000
10/25/96	Dallas/Denton Drive	-	900,000	2,100,000	114,000	-	900,000	2,214,000	3,114,000	409,000
10/25/96	Houston/Hempstead	-	518,000	1,207,000	157,000	-	518,000	1,364,000	1,882,000	295,000

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			Land	Buildings & Improvements			Land	Buildings	Total	
10/25/96	Pasadena/So. Shaver	-	420,000	980,000	94,000	-	420,000	1,074,000	1,494,000	210,000
10/31/96	Houston/Joel Wheaton Rd	-	465,000	1,085,000	135,000	-	465,000	1,220,000	1,685,000	234,000
10/31/96	Mt Holly/541 Bypass	-	360,000	840,000	104,000	-	360,000	944,000	1,304,000	174,000
11/13/96	Town East/Mesquite	-	330,000	770,000	97,000	-	330,000	867,000	1,197,000	166,000
11/14/96	Bossier City LA	-	633,000	1,488,000	(179,000)	-	654,000	1,288,000	1,942,000	254,000
12/5/96	Lake Forest/Bake Parkway	-	971,000	2,173,000	556,000	-	973,000	2,727,000	3,700,000	374,000
12/16/96	Cherry Hill/Old Cuthbert	-	645,000	1,505,000	189,000	-	645,000	1,694,000	2,339,000	313,000
12/16/96	Oklahoma City/SW 74th Exprw.	-	375,000	875,000	86,000	-	375,000	961,000	1,336,000	184,000
12/16/96	Oklahoma City/S Santa Fe	-	360,000	840,000	113,000	-	360,000	953,000	1,313,000	183,000
12/16/96	Oklahoma City/S. May	-	360,000	840,000	109,000	-	360,000	949,000	1,309,000	185,000
12/16/96	Arlington/S. Watson Rd.	-	930,000	2,170,000	355,000	-	930,000	2,525,000	3,455,000	489,000
12/16/96	Richardson/E. Arapaho	-	1,290,000	3,010,000	174,000	-	1,290,000	3,184,000	4,474,000	561,000
12/23/96	Upper Darby/Lansdowne	-	899,000	2,272,000	88,000	-	899,000	2,360,000	3,259,000	406,000
12/23/96	Plymouth Meeting /Chemical	-	1,109,000	2,802,000	83,000	-	1,109,000	2,885,000	3,994,000	193,000
12/23/96	Philadelphia/Byberry	-	1,019,000	2,575,000	83,000	-	1,019,000	2,658,000	3,677,000	463,000
12/23/96	Ft. Lauderdale/State Road	-	1,199,000	3,030,000	111,000	-	1,199,000	3,141,000	4,340,000	541,000
12/23/96	Englewood/Costilla	-	1,739,000	4,393,000	70,000	-	1,739,000	4,463,000	6,202,000	745,000
12/23/96	Lilburn/Beaver Ruin Road	-	600,000	1,515,000	99,000	-	600,000	1,614,000	2,214,000	274,000
12/23/96	Carmichael/Fair Oaks	-	809,000	2,045,000	135,000	-	809,000	2,180,000	2,989,000	374,000
12/23/96	Portland/Division Street	-	989,000	2,499,000	101,000	-	989,000	2,600,000	3,589,000	446,000
12/23/96	Napa/Industrial	-	660,000	1,666,000	94,000	-	660,000	1,760,000	2,420,000	319,000
12/23/96	Wheatridge/W. 44th Avenue	-	1,439,000	3,636,000	76,000	-	1,439,000	3,712,000	5,151,000	618,000
12/23/96	Las Vegas/Charleston	-	1,049,000	2,651,000	66,000	-	1,049,000	2,717,000	3,766,000	461,000
12/23/96	Las Vegas/South Arvill	-	929,000	2,348,000	58,000	-	929,000	2,406,000	3,335,000	414,000
12/23/96	Los Angeles/Santa Monica	-	3,328,000	8,407,000	119,000	-	3,328,000	8,526,000	11,854,000	1,427,000
12/23/96	Warren/Schoenherr Rd.	-	749,000	1,894,000	82,000	-	749,000	1,976,000	2,725,000	345,000
12/23/96	Portland/N.E. 71st Avenue	-	869,000	2,196,000	139,000	-	869,000	2,335,000	3,204,000	415,000
12/23/96	Seattle/Pacific Hwy. South	-	689,000	1,742,000	155,000	-	689,000	1,897,000	2,586,000	333,000
12/23/96	Broadview/S. 25th Avenue	-	1,289,000	3,257,000	123,000	-	1,289,000	3,380,000	4,669,000	578,000
12/23/96	Winter Springs/W. St. Rte 434	-	689,000	1,742,000	79,000	-	689,000	1,821,000	2,510,000	323,000
12/23/96	Tampa/15th Street	-	420,000	1,060,000	140,000	-	420,000	1,200,000	1,620,000	227,000

PUBLIC STORAGE, INC.
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
12/23/96	Pompano Beach/S. Dixie Hwy.	-	930,000	2,292,000	194,000	-	930,000	2,486,000	3,416,000	456,000
12/23/96	Overland Park/Mastin	-	990,000	2,440,000	71,000	-	990,000	2,511,000	3,501,000	428,000
12/23/96	Auburn/R Street	-	690,000	1,700,000	119,000	-	690,000	1,819,000	2,509,000	329,000
12/23/96	Federal Heights/W. 48th Ave.	-	720,000	1,774,000	49,000	-	720,000	1,823,000	2,543,000	306,000
12/23/96	Decatur/Covington	-	930,000	2,292,000	107,000	-	930,000	2,399,000	3,329,000	408,000
12/23/96	Forest Park/Jonesboro Rd.	-	540,000	1,331,000	104,000	-	540,000	1,435,000	1,975,000	270,000
12/23/96	Mangonia Park/Australian Ave.	-	840,000	2,070,000	97,000	-	840,000	2,167,000	3,007,000	379,000
12/23/96	Whittier/Colima	-	540,000	1,331,000	66,000	-	540,000	1,397,000	1,937,000	249,000
12/23/96	Kent/Pacific Hwy South	-	930,000	2,292,000	115,000	-	930,000	2,407,000	3,337,000	424,000
12/23/96	Topeka/8th Street	-	150,000	370,000	93,000	-	150,000	463,000	613,000	103,000
12/23/96	Denver East Evans	-	1,740,000	4,288,000	101,000	-	1,740,000	4,389,000	6,129,000	750,000
12/23/96	Pittsburgh/California Ave.	-	630,000	1,552,000	86,000	-	630,000	1,638,000	2,268,000	296,000
12/23/96	Ft. Lauderdale/Powerline	-	660,000	1,626,000	132,000	-	660,000	1,758,000	2,418,000	333,000
12/23/96	Philadelphia/Oxford	-	900,000	2,218,000	84,000	-	900,000	2,302,000	3,202,000	394,000
12/23/96	Dallas/Lemmon Ave.	-	1,710,000	4,214,000	104,000	-	1,710,000	4,318,000	6,028,000	735,000
12/23/96	Eagle Rock/Colorado	-	330,000	813,000	380,000	-	341,000	1,182,000	1,523,000	141,000
12/23/96	Alsip/115th Street	-	750,000	1,848,000	108,000	-	750,000	1,956,000	2,706,000	368,000
12/23/96	Green Acres/Jog Road	-	600,000	1,479,000	84,000	-	600,000	1,563,000	2,163,000	275,000
12/23/96	Pompano Beach/Sample Road	-	1,320,000	3,253,000	100,000	-	1,320,000	3,353,000	4,673,000	581,000
12/23/96	Wyndmoor/Ivy Hill	-	2,160,000	5,323,000	113,000	-	2,160,000	5,436,000	7,596,000	910,000
12/23/96	W. Palm Beach/Belvedere	-	960,000	2,366,000	111,000	-	960,000	2,477,000	3,437,000	435,000
12/23/96	Renton 174th St.	-	960,000	2,366,000	96,000	-	960,000	2,462,000	3,422,000	427,000
12/23/96	Sacramento/Northgate	-	1,021,000	2,647,000	98,000	-	1,021,000	2,745,000	3,766,000	475,000
12/23/96	Phoenix/19th Avenue	-	991,000	2,569,000	96,000	-	991,000	2,665,000	3,656,000	447,000
12/23/96	Bedford Park/Cicero	-	1,321,000	3,426,000	136,000	-	1,321,000	3,562,000	4,883,000	613,000
12/23/96	Lake Worth/Lk Worth	-	1,111,000	2,880,000	97,000	-	1,111,000	2,977,000	4,088,000	512,000
12/23/96	Arlington/Algonquin	-	991,000	2,569,000	191,000	-	991,000	2,760,000	3,751,000	492,000
12/23/96	Seattle/15th Avenue NE	-	781,000	2,024,000	97,000	-	781,000	2,121,000	2,902,000	368,000
12/23/96	Southington/Spring	-	811,000	2,102,000	89,000	-	811,000	2,191,000	3,002,000	389,000
12/23/96	Clifton/Broad Street	-	1,411,000	3,659,000	81,000	-	1,411,000	3,740,000	5,151,000	626,000
12/23/96	Hillside/Glenwood	-	563,000	4,051,000	144,000	-	563,000	4,195,000	4,758,000	744,000

PUBLIC STORAGE, INC.
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
12/23/96	Nashville/Dickerson Pike	-	990,000	2,440,000	151,000	-	990,000	2,591,000	3,581,000	454,000
12/23/96	Madison/Gallatin Road	-	780,000	1,922,000	136,000	-	780,000	2,058,000	2,838,000	378,000
12/30/96	Concorde/Treat	-	1,396,000	3,258,000	85,000	-	1,396,000	3,343,000	4,739,000	568,000
12/30/96	Virginia Beach	-	535,000	1,248,000	72,000	-	535,000	1,320,000	1,855,000	240,000
12/30/96	San Mateo	-	2,408,000	5,619,000	114,000	-	2,408,000	5,733,000	8,141,000	953,000
1/22/97	Austin, 1033 E. 41 Street	-	257,000	3,633,000	26,000	-	257,000	3,659,000	3,916,000	568,000
4/12/97	Annandale / Backlick	-	955,000	2,229,000	272,000	-	955,000	2,501,000	3,456,000	388,000
4/12/97	Ft. Worth / West Freeway	-	667,000	1,556,000	223,000	-	667,000	1,779,000	2,446,000	286,000
4/12/97	Campbell / S. Curtner	-	2,550,000	5,950,000	630,000	-	2,550,000	6,580,000	9,130,000	989,000
4/12/97	Aurora / S. Idalia	-	1,002,000	2,338,000	282,000	-	1,002,000	2,620,000	3,622,000	403,000
4/12/97	Santa Cruz / Capitola	-	1,037,000	2,420,000	276,000	-	1,037,000	2,696,000	3,733,000	415,000
4/12/97	Indianapolis / Lafayette Road	-	682,000	1,590,000	254,000	-	682,000	1,844,000	2,526,000	299,000
4/12/97	Indianapolis / Route 31	-	619,000	1,444,000	231,000	-	619,000	1,675,000	2,294,000	271,000
4/12/97	Farmingdale / Broad Hollow Rd.	-	1,568,000	3,658,000	496,000	-	1,568,000	4,154,000	5,722,000	655,000
4/12/97	Tyson's Corner / Springhill Rd.	-	3,861,000	9,010,000	1,113,000	-	3,861,000	10,123,000	13,984,000	1,521,000
4/12/97	Fountain Valley / Newhope	-	1,137,000	2,653,000	289,000	-	1,137,000	2,942,000	4,079,000	448,000
4/12/97	Dallas / Winsted	-	1,375,000	3,209,000	414,000	-	1,375,000	3,623,000	4,998,000	570,000
4/12/97	Columbia / Broad River Rd.	-	121,000	282,000	126,000	-	121,000	408,000	529,000	91,000
4/12/97	Livermore / S. Front Road	-	876,000	2,044,000	162,000	-	876,000	2,206,000	3,082,000	339,000
4/12/97	Garland / Plano	-	889,000	2,073,000	192,000	-	889,000	2,265,000	3,154,000	359,000
4/12/97	San Jose / Story Road	-	1,352,000	3,156,000	292,000	-	1,352,000	3,448,000	4,800,000	530,000
4/12/97	Aurora / Abilene	-	1,406,000	3,280,000	290,000	-	1,406,000	3,570,000	4,976,000	544,000
4/12/97	Antioch / Sunset Drive	-	1,035,000	2,416,000	187,000	-	1,035,000	2,603,000	3,638,000	401,000
4/12/97	Rancho Cordova / Sunrise	-	1,048,000	2,445,000	268,000	-	1,048,000	2,713,000	3,761,000	421,000
4/12/97	Berlin / Wilbur Cross	-	756,000	1,764,000	201,000	-	756,000	1,965,000	2,721,000	322,000
4/12/97	Whittier / Whittier Blvd.	-	648,000	1,513,000	121,000	-	648,000	1,634,000	2,282,000	252,000
4/12/97	Peabody / Newbury Street	-	1,159,000	2,704,000	253,000	-	1,159,000	2,957,000	4,116,000	456,000
4/12/97	Denver / Blake	-	602,000	1,405,000	133,000	-	602,000	1,538,000	2,140,000	243,000
4/12/97	Evansville / Green River Road	-	470,000	1,096,000	123,000	-	470,000	1,219,000	1,689,000	199,000
4/12/97	Burien / First Ave. So.	-	792,000	1,847,000	181,000	-	792,000	2,028,000	2,820,000	321,000
4/12/97	Rancho Cordova / Mather Field	-	494,000	1,153,000	130,000	-	494,000	1,283,000	1,777,000	216,000

PUBLIC STORAGE, INC.
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
4/12/97	Sugar Land / Eldridge	-	705,000	1,644,000	173,000	-	705,000	1,817,000	2,522,000	295,000
4/12/97	Columbus / Eastland Drive	-	602,000	1,405,000	164,000	-	602,000	1,569,000	2,171,000	257,000
4/12/97	Slickerville / Black Horse Pike	-	539,000	1,258,000	147,000	-	539,000	1,405,000	1,944,000	227,000
4/12/97	Seattle / Aurora	-	1,145,000	2,671,000	221,000	-	1,145,000	2,892,000	4,037,000	447,000
4/12/97	Gaithersburg / Christopher Ave.	-	972,000	2,268,000	218,000	-	972,000	2,486,000	3,458,000	390,000
4/12/97	Manchester / Tolland Turnpike	-	807,000	1,883,000	171,000	-	807,000	2,054,000	2,861,000	326,000
6/25/97	Kirkland-Totem	-	2,131,000	4,972,000	125,000	-	2,131,000	5,097,000	7,228,000	766,000
6/25/97	Idianapolis	-	471,000	1,098,000	46,000	-	471,000	1,144,000	1,615,000	178,000
6/25/97	Dallas	-	699,000	1,631,000	36,000	-	699,000	1,667,000	2,366,000	260,000
6/25/97	Atlanta	-	1,183,000	2,761,000	60,000	-	1,183,000	2,821,000	4,004,000	415,000
6/25/97	Bensalem	-	1,159,000	2,705,000	10,000	-	1,159,000	2,715,000	3,874,000	402,000
6/25/97	Evansville	-	429,000	1,000,000	31,000	-	429,000	1,031,000	1,460,000	155,000
6/25/97	Austin	-	813,000	1,897,000	11,000	-	813,000	1,908,000	2,721,000	286,000
6/25/97	Harbor City	-	1,244,000	2,904,000	99,000	-	1,244,000	3,003,000	4,247,000	472,000
6/25/97	Birmingham	-	539,000	1,258,000	34,000	-	539,000	1,292,000	1,831,000	201,000
6/25/97	Sacramento	-	489,000	1,396,000	(229,000)	-	489,000	1,167,000	1,656,000	173,000
6/25/97	Carrollton	-	441,000	1,029,000	17,000	-	441,000	1,046,000	1,487,000	158,000
6/25/97	La Habra	-	822,000	1,918,000	27,000	-	822,000	1,945,000	2,767,000	294,000
6/25/97	Lombard	-	1,527,000	3,564,000	1,686,000	-	2,047,000	4,730,000	6,777,000	634,000
6/25/97	Fairfield	-	740,000	1,727,000	4,000	-	740,000	1,731,000	2,471,000	261,000
6/25/97	Seattle	-	1,498,000	3,494,000	215,000	-	1,498,000	3,709,000	5,207,000	619,000
6/25/97	Bellevue	-	1,653,000	3,858,000	34,000	-	1,653,000	3,892,000	5,545,000	590,000
6/25/97	Citrus Heights	-	642,000	1,244,000	367,000	-	642,000	1,611,000	2,253,000	253,000
6/25/97	San Jose	-	1,273,000	2,971,000	(11,000)	-	1,273,000	2,960,000	4,233,000	431,000
6/25/97	Stanton	-	948,000	2,212,000	(6,000)	-	948,000	2,206,000	3,154,000	322,000
6/25/97	Garland	-	486,000	1,135,000	30,000	-	486,000	1,165,000	1,651,000	180,000
6/25/97	Westford	-	857,000	1,999,000	26,000	-	857,000	2,025,000	2,882,000	308,000
6/25/97	Dallas	-	1,627,000	3,797,000	483,000	-	1,627,000	4,280,000	5,907,000	642,000
6/25/97	Wheat Ridge	-	1,054,000	2,459,000	281,000	-	1,054,000	2,740,000	3,794,000	402,000
6/25/97	Berlin	-	825,000	1,925,000	217,000	-	825,000	2,142,000	2,967,000	311,000
6/25/97	Gretna	-	1,069,000	2,494,000	336,000	-	1,069,000	2,830,000	3,899,000	434,000

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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
6/25/97	Spring	-	461,000	1,077,000	159,000	-	461,000	1,236,000	1,697,000	189,000
6/25/97	Sacramento	-	592,000	1,380,000	842,000	-	720,000	2,094,000	2,814,000	277,000
6/25/97	Houston/South Dairyashford	-	856,000	1,997,000	256,000	-	856,000	2,253,000	3,109,000	342,000
6/25/97	Naperville	-	1,108,000	2,585,000	305,000	-	1,108,000	2,890,000	3,998,000	428,000
6/25/97	Carrollton	-	1,158,000	2,702,000	376,000	-	1,158,000	3,078,000	4,236,000	472,000
6/25/97	Waipahu	-	1,620,000	3,780,000	479,000	-	1,620,000	4,259,000	5,879,000	631,000
6/25/97	Davis	-	628,000	1,465,000	200,000	-	628,000	1,665,000	2,293,000	251,000
6/25/97	Decatur	-	951,000	2,220,000	304,000	-	951,000	2,524,000	3,475,000	371,000
6/25/97	Jacksonville	-	653,000	1,525,000	225,000	-	653,000	1,750,000	2,403,000	276,000
6/25/97	Chicopee	-	663,000	1,546,000	254,000	-	663,000	1,800,000	2,463,000	284,000
6/25/97	Alexandria	-	1,533,000	3,576,000	412,000	-	1,533,000	3,988,000	5,521,000	579,000
6/25/97	Houston/Veterans Memorial Dr.	-	458,000	1,070,000	156,000	-	458,000	1,226,000	1,684,000	185,000
6/25/97	Los Angeles/Olympic	-	4,392,000	10,247,000	1,183,000	-	4,392,000	11,430,000	15,822,000	1,671,000
6/25/97	Littleton	-	1,340,000	3,126,000	398,000	-	1,340,000	3,524,000	4,864,000	523,000
6/25/97	Metairie	-	1,229,000	2,868,000	394,000	-	1,229,000	3,262,000	4,491,000	498,000
6/25/97	Louisville	-	717,000	1,672,000	230,000	-	717,000	1,902,000	2,619,000	287,000
6/25/97	East Hazel Crest	-	753,000	1,757,000	243,000	-	753,000	2,000,000	2,753,000	299,000
6/25/97	Edmonds	-	1,187,000	2,770,000	381,000	-	1,187,000	3,151,000	4,338,000	465,000
6/25/97	Foster City	-	1,064,000	2,483,000	302,000	-	1,064,000	2,785,000	3,849,000	405,000
6/25/97	Chicago	-	1,160,000	2,708,000	357,000	-	1,160,000	3,065,000	4,225,000	455,000
6/25/97	Philadelphia	-	924,000	2,155,000	277,000	-	924,000	2,432,000	3,356,000	357,000
6/25/97	Dallas/Vilbig Rd.	-	508,000	1,184,000	191,000	-	508,000	1,375,000	1,883,000	213,000
6/25/97	Staten Island	-	1,676,000	3,910,000	491,000	-	1,676,000	4,401,000	6,077,000	644,000
6/25/97	Pelham Manor	-	1,209,000	2,820,000	380,000	-	1,209,000	3,200,000	4,409,000	467,000
6/25/97	Irving	-	469,000	1,093,000	179,000	-	469,000	1,272,000	1,741,000	201,000
6/25/97	Elk Grove	-	642,000	1,497,000	207,000	-	642,000	1,704,000	2,346,000	254,000
6/25/97	LAX	-	1,312,000	3,062,000	419,000	-	1,312,000	3,481,000	4,793,000	525,000
6/25/97	Denver	-	1,316,000	3,071,000	415,000	-	1,316,000	3,486,000	4,802,000	513,000
6/25/97	Plano	-	1,369,000	3,193,000	378,000	-	1,369,000	3,571,000	4,940,000	519,000
6/25/97	Lynnwood	-	839,000	1,959,000	310,000	-	839,000	2,269,000	3,108,000	337,000
6/25/97	Lilburn	-	507,000	1,182,000	296,000	-	507,000	1,478,000	1,985,000	220,000

PUBLIC STORAGE, INC.
SCHEDULE III - REAL ESTATE
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
6/25/97	Parma	-	881,000	2,055,000	420,000	-	881,000	2,475,000	3,356,000	364,000
6/25/97	Davie	-	1,086,000	2,533,000	540,000	-	1,086,000	3,073,000	4,159,000	471,000
6/25/97	Allen Park	-	953,000	2,223,000	449,000	-	953,000	2,672,000	3,625,000	393,000
6/25/97	Aurora	-	808,000	1,886,000	369,000	-	808,000	2,255,000	3,063,000	325,000
6/25/97	San Diego/16th Street	-	932,000	2,175,000	506,000	-	932,000	2,681,000	3,613,000	412,000
6/25/97	Sterling Heights	-	766,000	1,787,000	375,000	-	766,000	2,162,000	2,928,000	319,000
6/25/97	East L.A./Boyle Heights	-	957,000	2,232,000	448,000	-	957,000	2,680,000	3,637,000	392,000
6/25/97	Springfield/Alban Station	-	1,317,000	3,074,000	606,000	-	1,317,000	3,680,000	4,997,000	538,000
6/25/97	Littleton	-	868,000	2,026,000	392,000	-	868,000	2,418,000	3,286,000	348,000
6/25/97	Sacramento/57th Street	-	869,000	2,029,000	444,000	-	869,000	2,473,000	3,342,000	365,000
6/25/97	L.A./Venice Blvd.	-	523,000	1,221,000	1,842,000	-	540,000	3,046,000	3,586,000	233,000
6/25/97	Miami	-	1,762,000	4,111,000	793,000	-	1,762,000	4,904,000	6,666,000	722,000
8/13/97	Santa Monica / Wilshire Blvd.	-	2,040,000	4,760,000	232,000	-	2,040,000	4,992,000	7,032,000	750,000
10/1/97	Marietta /Austell Rd	-	398,000	1,326,000	220,000	458,000	398,000	2,004,000	2,402,000	300,000
10/1/97	Denver / Leetsdale	-	1,407,000	1,682,000	140,000	577,000	1,407,000	2,399,000	3,806,000	375,000
10/1/97	Baltimore / York Road	-	1,538,000	1,952,000	200,000	671,000	1,538,000	2,823,000	4,361,000	428,000
10/1/97	Bolingbrook	-	737,000	1,776,000	164,000	602,000	737,000	2,542,000	3,279,000	383,000
10/1/97	Kent / Central	-	483,000	1,321,000	148,000	452,000	483,000	1,921,000	2,404,000	292,000
10/1/97	Geneva / Roosevelt	-	355,000	1,302,000	128,000	446,000	355,000	1,876,000	2,231,000	291,000
10/1/97	Denver / Sheridan	-	429,000	1,105,000	97,000	382,000	429,000	1,584,000	2,013,000	248,000
10/1/97	Mountlake Terrace	-	1,017,000	1,783,000	201,000	606,000	1,017,000	2,590,000	3,607,000	375,000
10/1/97	Carol Stream/ St.Charles	-	185,000	1,187,000	133,000	410,000	185,000	1,730,000	1,915,000	254,000
10/1/97	Marietta / Cobb Park	-	420,000	1,131,000	217,000	407,000	420,000	1,755,000	2,175,000	258,000
10/1/97	Venice / Rose	-	5,468,000	5,478,000	586,000	1,835,000	5,468,000	7,899,000	13,367,000	1,061,000
10/1/97	Ventura / Ventura Blvd	-	911,000	2,227,000	204,000	764,000	911,000	3,195,000	4,106,000	465,000
10/1/97	Studio City/ Ventura	-	2,421,000	1,610,000	135,000	539,000	2,421,000	2,284,000	4,705,000	345,000
10/1/97	Madison Heights	-	428,000	1,686,000	2,011,000	562,000	428,000	4,259,000	4,687,000	333,000
10/1/97	Lax / Imperial	-	1,662,000	2,079,000	148,000	710,000	1,662,000	2,937,000	4,599,000	436,000
10/1/97	Justice / Industrial	-	233,000	1,181,000	112,000	402,000	233,000	1,695,000	1,928,000	260,000
10/1/97	Burbank / San Fernando	-	1,825,000	2,210,000	178,000	749,000	1,825,000	3,137,000	4,962,000	453,000
10/1/97	Pinole / Appian Way	-	728,000	1,827,000	161,000	621,000	728,000	2,609,000	3,337,000	382,000

PUBLIC STORAGE, INC.
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
10/1/97	Denver / Tamarac Park	-	2,545,000	1,692,000	257,000	625,000	2,545,000	2,574,000	5,119,000	413,000
10/1/97	Gresham / Powell	-	322,000	1,298,000	184,000	441,000	322,000	1,923,000	2,245,000	276,000
10/1/97	Warren / Mound Road	-	268,000	1,025,000	130,000	345,000	268,000	1,500,000	1,768,000	213,000
10/1/97	Woodside/Brooklyn	-	5,016,000	3,950,000	230,000	1,352,000	5,016,000	5,532,000	10,548,000	697,000
10/1/97	Enfield / Elm Street	-	399,000	1,900,000	232,000	641,000	399,000	2,773,000	3,172,000	377,000
10/1/97	Roselle / Lake Street	-	312,000	1,411,000	166,000	487,000	312,000	2,064,000	2,376,000	294,000
10/1/97	Milwaukee / Appleton	-	324,000	1,385,000	143,000	468,000	324,000	1,996,000	2,320,000	278,000
10/1/97	Emeryville / Bay St	-	1,602,000	1,830,000	133,000	622,000	1,602,000	2,585,000	4,187,000	368,000
10/1/97	Monterey / Del Rey	-	257,000	1,048,000	169,000	351,000	257,000	1,568,000	1,825,000	215,000
10/1/97	San Leandro / Washington	-	660,000	1,142,000	138,000	390,000	660,000	1,670,000	2,330,000	239,000
10/1/97	Boca Raton / N.W. 20	-	1,140,000	2,256,000	347,000	774,000	1,140,000	3,377,000	4,517,000	454,000
10/1/97	Washington Dc/So Capital	-	1,437,000	4,489,000	377,000	1,519,000	1,437,000	6,385,000	7,822,000	727,000
10/1/97	Lynn / Lynnway	-	463,000	3,059,000	293,000	1,058,000	463,000	4,410,000	4,873,000	576,000
10/1/97	Pompano Beach	-	1,077,000	1,527,000	493,000	528,000	1,077,000	2,548,000	3,625,000	316,000
10/1/97	Lake Oswego/ N.State	-	465,000	1,956,000	233,000	664,000	465,000	2,853,000	3,318,000	376,000
10/1/97	Daly City / Mission	-	389,000	2,921,000	219,000	950,000	389,000	4,090,000	4,479,000	536,000
10/1/97	Odenton / Route 175	-	456,000	2,104,000	182,000	714,000	456,000	3,000,000	3,456,000	342,000
10/1/97	Novato / Landing	-	2,416,000	3,496,000	201,000	49,000	2,416,000	3,746,000	6,162,000	732,000
10/1/97	St. Louis / Lindberg	-	584,000	1,508,000	182,000	23,000	584,000	1,713,000	2,297,000	315,000
10/1/97	Oakland/International	-	358,000	1,568,000	183,000	24,000	358,000	1,775,000	2,133,000	326,000
10/1/97	Stockton / March Lane	-	663,000	1,398,000	89,000	21,000	663,000	1,508,000	2,171,000	285,000
10/1/97	Des Plaines / Golf Rd	-	1,363,000	3,093,000	177,000	45,000	1,363,000	3,315,000	4,678,000	643,000
10/1/97	Morton Grove / Wauke	-	2,658,000	3,232,000	123,000	48,000	2,658,000	3,403,000	6,061,000	809,000
10/1/97	Los Angeles / Jefferson	-	1,090,000	1,580,000	210,000	24,000	1,090,000	1,814,000	2,904,000	326,000
10/1/97	Los Angeles / Martin	-	869,000	1,152,000	83,000	17,000	869,000	1,252,000	2,121,000	236,000
10/1/97	San Leandro / E. 14t	-	627,000	1,289,000	88,000	19,000	627,000	1,396,000	2,023,000	256,000
10/1/97	Tucson / Tanque Verde	-	345,000	1,709,000	122,000	25,000	345,000	1,856,000	2,201,000	313,000
10/1/97	Randolph / Warren St	-	2,330,000	1,914,000	418,000	29,000	2,330,000	2,361,000	4,691,000	365,000
10/1/97	Forrestville / Penn.	-	1,056,000	2,347,000	189,000	35,000	1,056,000	2,571,000	3,627,000	471,000
10/1/97	Bridgeport / Wordin	-	4,877,000	2,739,000	546,000	43,000	4,877,000	3,328,000	8,205,000	562,000
10/1/97	North Hollywood/Vine	-	906,000	2,379,000	137,000	35,000	906,000	2,551,000	3,457,000	433,000

PUBLIC STORAGE, INC.
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
10/1/97	Santa Cruz / Portola	-	535,000	1,526,000	133,000	23,000	535,000	1,682,000	2,217,000	289,000
10/1/97	Hyde Park / River St	-	626,000	1,748,000	206,000	26,000	626,000	1,980,000	2,606,000	320,000
10/1/97	Dublin / San Ramon Rd	-	942,000	1,999,000	146,000	26,000	942,000	2,171,000	3,113,000	440,000
10/1/97	Vallejo / Humboldt	-	473,000	1,651,000	104,000	24,000	473,000	1,779,000	2,252,000	307,000
10/1/97	Fremont/Warm Springs	-	848,000	2,885,000	187,000	42,000	848,000	3,114,000	3,962,000	502,000
10/1/97	Seattle / Stone Way	-	829,000	2,180,000	250,000	33,000	829,000	2,463,000	3,292,000	377,000
10/1/97	W. Olympia	-	149,000	1,096,000	246,000	17,000	149,000	1,359,000	1,508,000	206,000
10/1/97	Mercer/Parkside Ave	-	359,000	1,763,000	165,000	26,000	359,000	1,954,000	2,313,000	320,000
10/1/97	Bridge Water / Main	-	445,000	2,054,000	238,000	30,000	445,000	2,322,000	2,767,000	371,000
10/1/97	Norwalk / Hoyt Street	-	2,369,000	3,049,000	428,000	47,000	2,369,000	3,524,000	5,893,000	517,000
11/2/97	Lansing, IL	-	758,000	1,768,000	100,000	-	758,000	1,868,000	2,626,000	276,000
11/7/97	Phoenix, AZ	-	1,197,000	2,793,000	77,000	-	1,197,000	2,870,000	4,067,000	403,000
11/13/97	Tinley Park, IL	-	1,422,000	3,319,000	26,000	-	1,422,000	3,345,000	4,767,000	430,000
3/17/98	Houston/De Soto Dr.	-	659,000	1,537,000	47,000	-	659,000	1,584,000	2,243,000	189,000
3/17/98	Houston / East Freeway	-	593,000	1,384,000	80,000	-	593,000	1,464,000	2,057,000	182,000
3/17/98	Austin/Ben White Bl	-	692,000	1,614,000	38,000	-	692,000	1,652,000	2,344,000	195,000
3/17/98	Arlington/E.Pioneer	-	922,000	2,152,000	54,000	-	922,000	2,206,000	3,128,000	259,000
3/17/98	Las Vegas/Tropicana	-	1,285,000	2,998,000	75,000	-	1,285,000	3,073,000	4,358,000	349,000
3/17/98	Branford / Summit Place	-	728,000	1,698,000	71,000	-	728,000	1,769,000	2,497,000	211,000
3/17/98	Las Vegas / Charleston	-	791,000	1,845,000	54,000	-	791,000	1,899,000	2,690,000	223,000
3/17/98	So. San Francisco	-	1,550,000	3,617,000	57,000	-	1,550,000	3,674,000	5,224,000	420,000
3/17/98	Pasadena / Arroyo Prkwy	-	3,005,000	7,012,000	80,000	-	3,005,000	7,092,000	10,097,000	793,000
3/17/98	Tempe / E. Broadway	-	633,000	1,476,000	68,000	-	633,000	1,544,000	2,177,000	175,000
3/17/98	Phoenix / N. 43rd Ave	-	443,000	1,033,000	77,000	-	443,000	1,110,000	1,553,000	137,000
3/17/98	Phoenix/No. 43rd	-	380,000	886,000	45,000	-	380,000	931,000	1,311,000	111,000
3/17/98	Phoenix / Black Canyon	-	380,000	886,000	46,000	-	380,000	932,000	1,312,000	118,000
3/17/98	Phoenix/Black Canyon	-	136,000	317,000	110,000	-	136,000	427,000	563,000	46,000
3/17/98	Nesconset / Southern	-	1,423,000	3,321,000	57,000	-	1,423,000	3,378,000	4,801,000	384,000
4/1/98	Patchogue/W.Sunrise	-	936,000	2,184,000	52,000	-	936,000	2,236,000	3,172,000	274,000
4/1/98	Havertown/West Chester	-	1,254,000	2,926,000	36,000	-	1,249,000	2,967,000	4,216,000	357,000
4/1/98	Schiller Park/River	-	568,000	1,390,000	16,000	-	568,000	1,406,000	1,974,000	183,000

PUBLIC STORAGE, INC.
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
4/1/98	Chicago / Cuyler	-	1,400,000	2,695,000	55,000	-	1,400,000	2,750,000	4,150,000	378,000
4/1/98	Chicago Heights/West	-	468,000	1,804,000	40,000	-	468,000	1,844,000	2,312,000	255,000
4/1/98	Arlington Hts/University	-	670,000	3,004,000	61,000	-	670,000	3,065,000	3,735,000	403,000
4/1/98	Cicero / Ogden	-	1,678,000	2,266,000	57,000	-	1,678,000	2,323,000	4,001,000	322,000
4/1/98	Chicago/W. Howard St.	-	974,000	2,875,000	63,000	-	974,000	2,938,000	3,912,000	411,000
4/1/98	Chicago/N. Western Ave	-	1,453,000	3,205,000	68,000	-	1,453,000	3,273,000	4,726,000	439,000
4/1/98	Chicago/Northwest Hwy	-	925,000	2,412,000	36,000	-	925,000	2,448,000	3,373,000	329,000
4/1/98	Chicago/N. Wells St.	-	1,446,000	2,828,000	68,000	-	1,446,000	2,896,000	4,342,000	386,000
4/1/98	Chicago / Pulaski Rd.	-	1,276,000	2,858,000	23,000	-	1,276,000	2,881,000	4,157,000	375,000
4/1/98	Artesia / Artesia	-	625,000	1,419,000	69,000	-	625,000	1,488,000	2,113,000	285,000
4/1/98	Arcadia / Lower Azusa	-	821,000	1,369,000	30,000	-	821,000	1,399,000	2,220,000	279,000
4/1/98	Manassas / Centreville	-	405,000	2,137,000	124,000	-	405,000	2,261,000	2,666,000	434,000
4/1/98	La Downtwn/10 Fwy	-	1,608,000	3,358,000	95,000	-	1,608,000	3,453,000	5,061,000	654,000
4/1/98	Bellevue / Northup	-	1,232,000	3,306,000	188,000	-	1,232,000	3,494,000	4,726,000	664,000
4/1/98	Hollywood/Cole & Wilshire	-	1,590,000	1,785,000	44,000	-	1,590,000	1,829,000	3,419,000	351,000
4/1/98	Atlanta/John Wesley	-	1,233,000	1,665,000	127,000	-	1,233,000	1,792,000	3,025,000	388,000
4/1/98	Montebello/S. Maple	-	1,274,000	2,299,000	45,000	-	1,274,000	2,344,000	3,618,000	451,000
4/1/98	Lake City/Forest Park	-	248,000	1,445,000	61,000	-	248,000	1,506,000	1,754,000	287,000
4/1/98	Baltimore / W. Patap	-	403,000	2,650,000	66,000	-	403,000	2,716,000	3,119,000	493,000
4/1/98	Fraser/Groesbeck Hwy	-	368,000	1,796,000	39,000	-	368,000	1,835,000	2,203,000	343,000
4/1/98	Vallejo / Mini Drive	-	560,000	1,803,000	39,000	-	560,000	1,842,000	2,402,000	355,000
4/1/98	San Diego/54th & Euclid	-	952,000	2,550,000	51,000	-	952,000	2,601,000	3,553,000	601,000
4/1/98	Miami / 5th Street	-	2,327,000	3,234,000	68,000	-	2,327,000	3,302,000	5,629,000	719,000
4/1/98	Silver Spring/Hill	-	922,000	2,080,000	75,000	-	922,000	2,155,000	3,077,000	494,000
4/1/98	Chicago/E. 95th St.	-	397,000	2,357,000	38,000	-	397,000	2,395,000	2,792,000	559,000
4/1/98	Chicago / S. Harlem	-	791,000	1,424,000	47,000	-	791,000	1,471,000	2,262,000	341,000
4/1/98	St. Charles /Highway	-	623,000	1,501,000	73,000	-	623,000	1,574,000	2,197,000	375,000
4/1/98	Chicago/Burr Ridge Rd.	-	421,000	2,165,000	32,000	-	421,000	2,197,000	2,618,000	517,000
4/1/98	St. Louis / Hwy. 141	-	659,000	1,628,000	430,000	-	681,000	2,036,000	2,717,000	368,000
4/1/98	Island Park / Austin	-	2,313,000	3,015,000	1,290,000	-	2,389,000	4,229,000	6,618,000	712,000
4/1/98	Yonkers / Route 9a	-	1,722,000	3,823,000	64,000	-	1,722,000	3,887,000	5,609,000	860,000

PUBLIC STORAGE, INC.
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
4/1/98	Silverlake/Glendale	-	2,314,000	5,481,000	85,000	-	2,314,000	5,566,000	7,880,000	1,220,000
4/1/98	Akron / Brittain Rd.	-	275,000	2,248,000	(212,000)	-	284,000	2,027,000	2,311,000	463,000
4/1/98	Chicago/Harlem Ave	-	1,430,000	3,038,000	61,000	-	1,430,000	3,099,000	4,529,000	685,000
4/1/98	Bethesda / Butler Rd	-	1,146,000	2,509,000	46,000	-	1,146,000	2,555,000	3,701,000	536,000
4/1/98	Dundalk / Wise Ave	-	447,000	2,005,000	39,000	-	447,000	2,044,000	2,491,000	414,000
4/1/98	Dallas / Kingsly	-	1,095,000	1,712,000	45,000	-	1,095,000	1,757,000	2,852,000	338,000
5/1/98	Berkeley / 2nd St.	-	1,914,000	4,466,000	(210,000)	-	1,837,000	4,333,000	6,170,000	481,000
5/8/98	Cleveland / W. 117th	-	930,000	2,277,000	114,000	-	930,000	2,391,000	3,321,000	261,000
5/8/98	La /Venice Blvd	-	1,470,000	3,599,000	51,000	-	1,470,000	3,650,000	5,120,000	378,000
5/8/98	Aurora / Farnsworth	-	960,000	2,350,000	40,000	-	960,000	2,390,000	3,350,000	252,000
5/8/98	Santa Rosa / Hopper	-	1,020,000	2,497,000	40,000	-	1,020,000	2,537,000	3,557,000	269,000
5/8/98	Golden Valley / Winn	-	630,000	1,542,000	57,000	-	630,000	1,599,000	2,229,000	181,000
5/8/98	St. Louis / Benham	-	810,000	1,983,000	75,000	-	810,000	2,058,000	2,868,000	228,000
5/8/98	Chicago / S. Chicago	-	840,000	2,057,000	22,000	-	840,000	2,079,000	2,919,000	218,000
5/20/98	Boynton Beach / S. C.	-	1,299,000	3,034,000	87,000	-	1,299,000	3,121,000	4,420,000	341,000
6/1/98	Renton / Sw 39th St.	-	725,000	2,196,000	291,000	-	725,000	2,487,000	3,212,000	304,000
6/29/98	Pompano Bch/Center Port Circle	-	795,000	2,312,000	694,000	-	795,000	3,006,000	3,801,000	335,000
10/1/98	El Segundo / Sepulveda	-	6,586,000	5,795,000	32,000	-	6,586,000	5,827,000	12,413,000	595,000
10/1/98	Atlanta / Memorial Dr.	-	414,000	2,239,000	105,000	-	414,000	2,344,000	2,758,000	248,000
10/1/98	Chicago / W. 79th St	-	861,000	2,789,000	181,000	-	861,000	2,970,000	3,831,000	306,000
10/1/98	Chicago / N. Broadway	-	1,918,000	3,824,000	96,000	-	1,918,000	3,920,000	5,838,000	413,000
10/1/98	Tacoma / Orchard	-	358,000	1,987,000	53,000	-	358,000	2,040,000	2,398,000	221,000
10/1/98	St. Louis / Gravois	-	312,000	2,327,000	91,000	-	312,000	2,418,000	2,730,000	256,000
10/1/98	White Bear Lake	-	578,000	2,079,000	46,000	-	578,000	2,125,000	2,703,000	222,000
10/1/98	Santa Cruz / Soquel	-	832,000	2,385,000	57,000	-	832,000	2,442,000	3,274,000	259,000
10/1/98	Coon Rapids / Hwy 10	-	330,000	1,646,000	40,000	-	330,000	1,686,000	2,016,000	180,000
10/1/98	Oxnard / Hueneme Rd	-	923,000	3,925,000	61,000	-	923,000	3,986,000	4,909,000	411,000
10/1/98	Vancouver/ Millplain	-	343,000	2,000,000	58,000	-	343,000	2,058,000	2,401,000	224,000
10/1/98	Tigard / Mc Ewan	-	597,000	1,652,000	63,000	-	597,000	1,715,000	2,312,000	190,000
10/1/98	Griffith / Cline	-	299,000	2,118,000	17,000	-	299,000	2,135,000	2,434,000	221,000
10/1/98	Miami / Sunset Drive	-	1,656,000	2,321,000	28,000	-	1,656,000	2,349,000	4,005,000	246,000

PUBLIC STORAGE, INC.
SCHEDULE III - REAL ESTATE
AND ACCUMULATED DEPRECIATION

Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
10/1/98	Farmington / 9 Mile	-	580,000	2,526,000	29,000	-	580,000	2,555,000	3,135,000	263,000
10/1/98	Los Gatos / University	-	2,234,000	3,890,000	42,000	-	2,234,000	3,932,000	6,166,000	399,000
10/1/98	N. Hollywood	-	1,484,000	3,143,000	28,000	-	1,484,000	3,171,000	4,655,000	326,000
10/1/98	Petaluma / Transport	-	460,000	1,840,000	44,000	-	460,000	1,884,000	2,344,000	199,000
10/1/98	Chicago / 111th	-	341,000	2,898,000	27,000	-	341,000	2,925,000	3,266,000	303,000
10/1/98	Upper Darby / Market	-	808,000	5,011,000	75,000	-	808,000	5,086,000	5,894,000	516,000
10/1/98	San Jose / Santa	-	966,000	3,870,000	67,000	-	966,000	3,937,000	4,903,000	409,000
10/1/98	San Diego / Morena	-	3,173,000	5,469,000	54,000	-	3,173,000	5,523,000	8,696,000	566,000
10/1/98	Brooklyn /Rockaway Ave	-	6,272,000	9,691,000	122,000	-	6,272,000	9,813,000	16,085,000	1,008,000
10/1/98	Revere / Charger St	-	1,997,000	3,727,000	86,000	-	1,997,000	3,813,000	5,810,000	395,000
10/1/98	Las Vegas / E. Charles	-	602,000	2,545,000	70,000	-	602,000	2,615,000	3,217,000	275,000
10/1/98	Laurel / Baltimore Ave	-	1,899,000	4,498,000	58,000	-	1,899,000	4,556,000	6,455,000	468,000
10/1/98	East La/Figueroa & 4th	-	1,213,000	2,689,000	30,000	-	1,213,000	2,719,000	3,932,000	280,000
10/1/98	Oldsmar / Tampa Road	-	760,000	2,154,000	35,000	-	760,000	2,189,000	2,949,000	231,000
10/1/98	Ft. Lauderdale /S.W.	-	1,046,000	2,928,000	25,000	-	1,046,000	2,953,000	3,999,000	306,000
10/1/98	Miami / Nw 73rd St	-	1,050,000	3,064,000	50,000	-	1,050,000	3,114,000	4,164,000	326,000
10/1/98	Dallas / Greenville	-	1,933,000	2,892,000	25,000	-	1,933,000	2,917,000	4,850,000	298,000
12/9/98	Miami / Nw 115th Ave	-	1,095,000	2,349,000	154,000	-	1,102,000	2,496,000	3,598,000	254,000
1/1/99	New Orleans/St.Charles	-	1,463,000	2,634,000	23,000	-	1,463,000	2,657,000	4,120,000	201,000
1/6/99	Brandon / E. Brandon Blvd	-	1,560,000	3,695,000	50,000	-	1,560,000	3,745,000	5,305,000	188,000
3/12/99	St. Louis / N. Lindbergh Blvd.	-	1,688,000	3,939,000	48,000	-	1,688,000	3,987,000	5,675,000	296,000
3/12/99	St. Louis /Vandeventer Midtown	-	699,000	1,631,000	50,000	-	699,000	1,681,000	2,380,000	125,000
3/12/99	St. Ann / Maryland Heights	-	1,035,000	2,414,000	47,000	-	1,035,000	2,461,000	3,496,000	184,000
3/12/99	Florissant / N. Hwy 67	-	971,000	2,265,000	43,000	-	971,000	2,308,000	3,279,000	173,000
3/12/99	Ferguson Area-W.Florissant	-	1,194,000	2,732,000	81,000	-	1,194,000	2,813,000	4,007,000	215,000
3/12/99	Florissant / New Halls Ferry Rd	-	1,144,000	2,670,000	78,000	-	1,144,000	2,748,000	3,892,000	206,000
3/12/99	St. Louis / Airport	-	785,000	1,833,000	18,000	-	785,000	1,851,000	2,636,000	138,000
3/12/99	St. Louis/ S.Third St	-	1,096,000	2,557,000	36,000	-	1,096,000	2,593,000	3,689,000	192,000
3/12/99	Kansas City / E. 47th St.	-	610,000	1,424,000	28,000	-	610,000	1,452,000	2,062,000	111,000
3/12/99	Kansas City /E. 67th Terrace	-	1,136,000	2,643,000	42,000	-	1,136,000	2,685,000	3,821,000	199,000
3/12/99	Kansas City / James A. Reed Rd	-	749,000	1,748,000	41,000	-	749,000	1,789,000	2,538,000	133,000

PUBLIC STORAGE, INC.
SCHEDULE III - REAL ESTATE
AND ACCUMULATED DEPRECIATION

Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
3/12/99	Independence / 291	-	871,000	2,032,000	31,000	-	871,000	2,063,000	2,934,000	154,000
3/12/99	Raytown / Woodson Rd	-	915,000	2,134,000	26,000	-	915,000	2,160,000	3,075,000	162,000
3/12/99	Kansas City / 34th Main Street	-	114,000	2,599,000	182,000	-	114,000	2,781,000	2,895,000	184,000
3/12/99	Columbia / River Dr	-	671,000	1,566,000	97,000	-	671,000	1,663,000	2,334,000	126,000
3/12/99	Columbia / Buckner Rd	-	714,000	1,665,000	189,000	-	714,000	1,854,000	2,568,000	158,000
3/12/99	Columbia / Decker Park Rd	-	605,000	1,412,000	73,000	-	605,000	1,485,000	2,090,000	114,000
3/12/99	Columbia / Rosewood Dr	-	777,000	1,814,000	57,000	-	777,000	1,871,000	2,648,000	142,000
3/12/99	W. Columbia / Orchard Dr.	-	272,000	634,000	69,000	-	272,000	703,000	975,000	62,000
3/12/99	W. Columbia / Airport Blvd	-	493,000	1,151,000	47,000	-	493,000	1,198,000	1,691,000	90,000
3/12/99	Greenville / Whitehorse Rd	-	882,000	2,058,000	61,000	-	882,000	2,119,000	3,001,000	158,000
3/12/99	Greenville / Woods Lake Rd	-	364,000	849,000	68,000	-	364,000	917,000	1,281,000	71,000
3/12/99	Mauldin / N. Main Street	-	571,000	1,333,000	90,000	-	571,000	1,423,000	1,994,000	111,000
3/12/99	Simpsonville / Grand View Dr	-	582,000	1,358,000	66,000	-	582,000	1,424,000	2,006,000	109,000
3/12/99	Taylors / Wade Hampton Blvd	-	650,000	1,517,000	95,000	-	650,000	1,612,000	2,262,000	122,000
3/12/99	Charleston/Ashley Phosphate B	-	839,000	1,950,000	114,000	-	839,000	2,064,000	2,903,000	154,000
3/12/99	N. Charleston / Dorchester Rd	-	380,000	886,000	48,000	-	380,000	934,000	1,314,000	72,000
3/12/99	N. Charleston / Dorchester	-	487,000	1,137,000	57,000	-	487,000	1,194,000	1,681,000	93,000
3/12/99	Charleston / Sam Rittenberg Blvd	-	555,000	1,296,000	69,000	-	555,000	1,365,000	1,920,000	106,000
3/12/99	Hilton Head / Office Park Rd	-	1,279,000	2,985,000	36,000	-	1,279,000	3,021,000	4,300,000	223,000
3/12/99	Columbia / Plumbers Rd	-	368,000	858,000	83,000	-	368,000	941,000	1,309,000	73,000
3/12/99	Greenville / Pineknoll Rd	-	927,000	2,163,000	105,000	-	927,000	2,268,000	3,195,000	172,000
3/12/99	Hilton Head / Yacht Cove Dr	-	1,182,000	2,753,000	71,000	-	1,182,000	2,824,000	4,006,000	208,000
3/12/99	Spartanburg / Chesnee Hwy	-	533,000	1,244,000	94,000	-	533,000	1,338,000	1,871,000	105,000
3/12/99	Charleston / Ashley River Rd	-	1,114,000	2,581,000	31,000	-	1,114,000	2,612,000	3,726,000	194,000
3/12/99	Columbia / Broad River	-	1,463,000	3,413,000	92,000	-	1,463,000	3,505,000	4,968,000	264,000
3/12/99	Charlotte / East Wt Harris Blvd	-	736,000	1,718,000	63,000	-	736,000	1,781,000	2,517,000	138,000
3/12/99	Charlotte / North Tryon St.	-	708,000	1,653,000	100,000	-	708,000	1,753,000	2,461,000	135,000
3/12/99	Charlotte / South Blvd	-	641,000	1,496,000	64,000	-	641,000	1,560,000	2,201,000	121,000
3/12/99	Kannapolis / Oregon St	-	463,000	1,081,000	64,000	-	463,000	1,145,000	1,608,000	89,000
3/12/99	Durham / E. Club Blvd	-	947,000	2,209,000	62,000	-	947,000	2,271,000	3,218,000	171,000
3/12/99	Durham / N. Duke St.	-	769,000	1,794,000	39,000	-	769,000	1,833,000	2,602,000	136,000

PUBLIC STORAGE, INC.
SCHEDULE III - REAL ESTATE
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
3/12/99	Raleigh / Maitland Dr	-	679,000	1,585,000	70,000	-	679,000	1,655,000	2,334,000	125,000
3/12/99	Greensboro / O'henry Blvd	-	577,000	1,345,000	107,000	-	577,000	1,452,000	2,029,000	114,000
3/12/99	Gastonia / S. York Rd	-	467,000	1,089,000	82,000	-	467,000	1,171,000	1,638,000	92,000
3/12/99	Durham / Kangaroo Dr.	-	1,102,000	2,572,000	111,000	-	1,102,000	2,683,000	3,785,000	201,000
3/12/99	Pensacola / Brent Lane	-	402,000	938,000	40,000	-	402,000	978,000	1,380,000	75,000
3/12/99	Pensacola / Creighton Road	-	454,000	1,060,000	41,000	-	454,000	1,101,000	1,555,000	83,000
3/12/99	Jacksonville / Park Avenue	-	905,000	2,113,000	77,000	-	905,000	2,190,000	3,095,000	166,000
3/12/99	Jacksonville / Phillips Hwy	-	665,000	1,545,000	81,000	-	665,000	1,626,000	2,291,000	127,000
3/12/99	Clearwater / Highland Ave	-	724,000	1,690,000	58,000	-	724,000	1,748,000	2,472,000	134,000
3/12/99	Tarpon Springs / Us Highway 19	-	892,000	2,081,000	97,000	-	892,000	2,178,000	3,070,000	165,000
3/12/99	Orlando /S. Orange Blossom Trail	-	1,229,000	2,867,000	65,000	-	1,229,000	2,932,000	4,161,000	219,000
3/12/99	Casselberry Ii	-	1,160,000	2,708,000	57,000	-	1,160,000	2,765,000	3,925,000	209,000
3/12/99	Miami / Nw 14th Street	-	1,739,000	4,058,000	74,000	-	1,739,000	4,132,000	5,871,000	309,000
3/12/99	Tarpon Springs / Highway 19	-	1,179,000	2,751,000	56,000	-	1,179,000	2,807,000	3,986,000	211,000
3/12/99	Ft. Myers / Tamiami Trail South	-	834,000	1,945,000	52,000	-	834,000	1,997,000	2,831,000	150,000
3/12/99	Jacksonville / Ft. Caroline Rd.	-	1,037,000	2,420,000	63,000	-	1,037,000	2,483,000	3,520,000	187,000
3/12/99	Orlando / South Semoran	-	565,000	1,319,000	34,000	-	565,000	1,353,000	1,918,000	103,000
3/12/99	Jacksonville / Southside Blvd.	-	1,278,000	2,982,000	94,000	-	1,278,000	3,076,000	4,354,000	229,000
3/12/99	Miami / Nw 7th Ave	-	783,000	1,827,000	103,000	-	783,000	1,930,000	2,713,000	150,000
3/12/99	Vero Beach / Us Hwy 1	-	678,000	1,583,000	48,000	-	678,000	1,631,000	2,309,000	125,000
3/12/99	Ponte Vedra / Palm Valley Rd.	-	745,000	2,749,000	353,000	-	745,000	3,102,000	3,847,000	242,000
3/12/99	Miami Lakes / Nw 153rd St.	-	425,000	992,000	50,000	-	425,000	1,042,000	1,467,000	80,000
3/12/99	Deerfield Beach / Sw 10th St.	-	1,844,000	4,302,000	43,000	-	1,844,000	4,345,000	6,189,000	321,000
3/12/99	Apopka / S. Orange Blossom	-	307,000	717,000	69,000	-	307,000	786,000	1,093,000	63,000
3/12/99	Davie / University	-	313,000	4,379,000	168,000	-	313,000	4,547,000	4,860,000	291,000
3/12/99	Arlington / Division	-	998,000	2,328,000	33,000	-	998,000	2,361,000	3,359,000	175,000
3/12/99	Duncanville/S.Cedar Ridge	-	1,477,000	3,447,000	75,000	-	1,477,000	3,522,000	4,999,000	264,000
3/12/99	Carrollton / Trinity Mills West	-	530,000	1,237,000	45,000	-	530,000	1,282,000	1,812,000	98,000
3/12/99	Houston / Wallisville Rd.	-	744,000	1,736,000	49,000	-	744,000	1,785,000	2,529,000	136,000
3/12/99	Houston / Fondren South	-	647,000	1,510,000	30,000	-	647,000	1,540,000	2,187,000	117,000
3/12/99	Houston / Addicks Satuma	-	409,000	954,000	42,000	-	409,000	996,000	1,405,000	79,000

PUBLIC STORAGE, INC.
SCHEDULE III - REAL ESTATE
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
3/12/99	Addison / Inwood Road	-	1,204,000	2,808,000	20,000	-	1,204,000	2,828,000	4,032,000	210,000
3/12/99	Houston / Southwest Freeway	-	1,394,000	3,253,000	67,000	-	1,394,000	3,320,000	4,714,000	247,000
3/12/99	Garland / Jackson Drive	-	755,000	1,761,000	43,000	-	755,000	1,804,000	2,559,000	138,000
3/12/99	Garland / Buckingham Road	-	492,000	1,149,000	69,000	-	492,000	1,218,000	1,710,000	98,000
3/12/99	Houston / South Main	-	1,461,000	3,409,000	54,000	-	1,461,000	3,463,000	4,924,000	258,000
3/12/99	Plano / Parker Road-Avenue K	-	1,517,000	3,539,000	64,000	-	1,517,000	3,603,000	5,120,000	272,000
3/12/99	Houston / Bingle Road	-	576,000	1,345,000	51,000	-	576,000	1,396,000	1,972,000	111,000
3/12/99	Houston / Mangum Road	-	737,000	1,719,000	70,000	-	737,000	1,789,000	2,526,000	140,000
3/12/99	Houston / Hayes Road	-	916,000	2,138,000	26,000	-	916,000	2,164,000	3,080,000	163,000
3/12/99	Katy / Dominion Drive	-	995,000	2,321,000	24,000	-	995,000	2,345,000	3,340,000	176,000
3/12/99	Houston / Fm 1960 West	-	513,000	1,198,000	62,000	-	513,000	1,260,000	1,773,000	96,000
3/12/99	Webster / Fm 528 Road	-	756,000	1,764,000	44,000	-	756,000	1,808,000	2,564,000	138,000
3/12/99	Houston / Loch Katrine Lane	-	580,000	1,352,000	54,000	-	580,000	1,406,000	1,986,000	106,000
3/12/99	Houston / Milwee St.	-	779,000	1,815,000	68,000	-	779,000	1,883,000	2,662,000	145,000
3/12/99	Lewisville / Highway 121	-	688,000	1,605,000	32,000	-	688,000	1,637,000	2,325,000	125,000
3/12/99	Richardson / Central Expressway	-	465,000	1,085,000	33,000	-	465,000	1,118,000	1,583,000	86,000
3/12/99	Houston / Hwy 6 South	-	569,000	1,328,000	30,000	-	569,000	1,358,000	1,927,000	104,000
3/12/99	Houston / Westheimer West	-	1,075,000	2,508,000	27,000	-	1,075,000	2,535,000	3,610,000	190,000
3/12/99	Ft. Worth / Granbury Road	-	763,000	1,781,000	29,000	-	763,000	1,810,000	2,573,000	138,000
3/12/99	Houston / New Castle	-	2,346,000	5,473,000	33,000	-	2,214,000	5,638,000	7,852,000	403,000
3/12/99	Dallas / Inwood Road	-	1,478,000	3,448,000	22,000	-	1,478,000	3,470,000	4,948,000	258,000
3/12/99	Fort Worth / Loop 820 North	-	729,000	1,702,000	40,000	-	729,000	1,742,000	2,471,000	131,000
3/12/99	Carrollton / Marsh Lane South	-	1,353,000	3,156,000	37,000	-	1,353,000	3,193,000	4,546,000	238,000
3/12/99	Dallas / Forest Central Dr	-	859,000	2,004,000	50,000	-	859,000	2,054,000	2,913,000	156,000
3/12/99	Arlington / Cooper St	-	779,000	1,818,000	23,000	-	779,000	1,841,000	2,620,000	138,000
3/12/99	Webster / Highway 3	-	677,000	1,580,000	41,000	-	677,000	1,621,000	2,298,000	123,000
3/12/99	Augusta / Peach Orchard Rd	-	860,000	2,007,000	195,000	-	860,000	2,202,000	3,062,000	187,000
3/12/99	Martinez / Old Petersburg Rd	-	407,000	950,000	50,000	-	407,000	1,000,000	1,407,000	80,000
3/12/99	Jonesboro / Tara Blvd	-	785,000	1,827,000	69,000	-	785,000	1,896,000	2,681,000	144,000
3/12/99	Atlanta / Briarcliff Rd	-	2,171,000	5,066,000	88,000	-	2,171,000	5,154,000	7,325,000	378,000
3/12/99	Decatur / N Decatur Rd	-	933,000	2,177,000	104,000	-	933,000	2,281,000	3,214,000	171,000

PUBLIC STORAGE, INC.
SCHEDULE III - REAL ESTATE
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
3/12/99	Douglasville / Westmoreland	-	453,000	1,056,000	125,000	-	453,000	1,181,000	1,634,000	84,000
3/12/99	Doraville / Mcelroy Rd	-	827,000	1,931,000	66,000	-	827,000	1,997,000	2,824,000	152,000
3/12/99	Roswell / Alpharetta	-	1,772,000	4,135,000	36,000	-	1,772,000	4,171,000	5,943,000	307,000
3/12/99	Douglasville / Duralee Lane	-	533,000	1,244,000	64,000	-	533,000	1,308,000	1,841,000	99,000
3/12/99	Douglasville / Highway 5	-	804,000	1,875,000	232,000	-	804,000	2,107,000	2,911,000	151,000
3/12/99	Forest Park / Jonesboro	-	659,000	1,537,000	134,000	-	659,000	1,671,000	2,330,000	124,000
3/12/99	Marietta / Whitlock	-	1,016,000	2,370,000	74,000	-	1,016,000	2,444,000	3,460,000	180,000
3/12/99	Marietta / Cobb Iv	-	727,000	1,696,000	116,000	-	727,000	1,812,000	2,539,000	138,000
3/12/99	Norcross / Jones Mill Rd	-	1,142,000	2,670,000	65,000	-	1,142,000	2,735,000	3,877,000	205,000
3/12/99	Norcross / Dawson Blvd	-	1,232,000	2,874,000	94,000	-	1,232,000	2,968,000	4,200,000	218,000
3/12/99	Forest Park / Old Dixie Hwy	-	895,000	2,070,000	143,000	-	895,000	2,213,000	3,108,000	166,000
3/12/99	Decatur / Covington	-	1,764,000	4,116,000	47,000	-	1,764,000	4,163,000	5,927,000	310,000
3/12/99	Alpharetta / Maxwell Rd	-	1,075,000	2,509,000	41,000	-	1,075,000	2,550,000	3,625,000	190,000
3/12/99	Alpharetta / N. Main St	-	1,240,000	2,893,000	40,000	-	1,240,000	2,933,000	4,173,000	217,000
3/12/99	Atlanta / Bolton Rd	-	866,000	2,019,000	51,000	-	866,000	2,070,000	2,936,000	154,000
3/12/99	Riverdale / Georgia Hwy 85	-	1,075,000	2,508,000	50,000	-	1,075,000	2,558,000	3,633,000	192,000
3/12/99	Kennesaw / Rutledge Road	-	803,000	1,874,000	72,000	-	803,000	1,946,000	2,749,000	150,000
3/12/99	Lawrenceville / Buford Dr.	-	256,000	597,000	40,000	-	256,000	637,000	893,000	52,000
3/12/99	Hanover Park / W. Lake Street	-	1,320,000	3,081,000	39,000	-	1,320,000	3,120,000	4,440,000	232,000
3/12/99	Chicago / W. Jarvis Ave	-	313,000	731,000	66,000	-	313,000	797,000	1,110,000	66,000
3/12/99	Chicago / N. Broadway St	-	535,000	1,249,000	63,000	-	535,000	1,312,000	1,847,000	107,000
3/12/99	Carol Stream / Phillips Court	-	829,000	1,780,000	17,000	-	829,000	1,797,000	2,626,000	135,000
3/12/99	Winfield / Roosevelt Road	-	1,109,000	2,587,000	55,000	-	1,109,000	2,642,000	3,751,000	196,000
3/12/99	Schaumburg / S. Roselle Road	-	659,000	1,537,000	44,000	-	659,000	1,581,000	2,240,000	121,000
3/12/99	Tinley Park / Brennan Hwy	-	771,000	1,799,000	45,000	-	771,000	1,844,000	2,615,000	141,000
3/12/99	Schaumburg / Palmer Drive	-	1,333,000	3,111,000	62,000	-	1,333,000	3,173,000	4,506,000	237,000
3/12/99	Geneva / Gary Ave	-	1,072,000	2,501,000	22,000	-	1,072,000	2,523,000	3,595,000	189,000
3/12/99	Naperville / Lasalle Ave	-	1,501,000	3,502,000	71,000	-	1,501,000	3,573,000	5,074,000	272,000
3/12/99	Mobile / Hillcrest Road	-	554,000	1,293,000	50,000	-	554,000	1,343,000	1,897,000	104,000
3/12/99	Mobile / Azalea Road	-	517,000	1,206,000	57,000	-	517,000	1,263,000	1,780,000	93,000
3/12/99	Mobile / Moffat Road	-	537,000	1,254,000	67,000	-	537,000	1,321,000	1,858,000	100,000

PUBLIC STORAGE, INC.
SCHEDULE III - REAL ESTATE
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
3/12/99	Mobile / Grelot Road	-	804,000	1,877,000	62,000	-	804,000	1,939,000	2,743,000	145,000
3/12/99	Mobile / Government Blvd	-	407,000	950,000	47,000	-	407,000	997,000	1,404,000	77,000
3/12/99	New Orleans / Tchoupitoulas	-	1,092,000	2,548,000	82,000	-	1,092,000	2,630,000	3,722,000	193,000
3/12/99	Louisville / Breckenridge Lane	-	581,000	1,356,000	41,000	-	581,000	1,397,000	1,978,000	106,000
3/12/99	Louisville	-	554,000	1,292,000	54,000	-	554,000	1,346,000	1,900,000	99,000
3/12/99	Louisville / Poplar Level	-	463,000	1,080,000	46,000	-	463,000	1,126,000	1,589,000	85,000
3/12/99	Chesapeake / Western Branch	-	1,274,000	2,973,000	60,000	-	1,274,000	3,033,000	4,307,000	227,000
3/12/99	Centreville / Lee Hwy	-	1,650,000	3,851,000	58,000	-	1,650,000	3,909,000	5,559,000	292,000
3/12/99	Sterling / S. Sterling Blvd	-	1,282,000	2,992,000	47,000	-	1,282,000	3,039,000	4,321,000	226,000
3/12/99	Manassas / Sudley Road	-	776,000	1,810,000	51,000	-	776,000	1,861,000	2,637,000	140,000
3/12/99	Longmont / Wedgewood Ave	-	717,000	1,673,000	23,000	-	717,000	1,696,000	2,413,000	127,000
3/12/99	Fort Collins / So.College Ave	-	745,000	1,739,000	31,000	-	745,000	1,770,000	2,515,000	133,000
3/12/99	Colo Sprngs / Parkmoor Village	-	620,000	1,446,000	21,000	-	620,000	1,467,000	2,087,000	111,000
3/12/99	Colo Sprngs / Van Teylingen	-	1,216,000	2,837,000	46,000	-	1,216,000	2,883,000	4,099,000	212,000
3/12/99	Denver / So. Clinton St.	-	462,000	1,609,000	36,000	-	462,000	1,645,000	2,107,000	106,000
3/12/99	Denver / Washington St.	-	795,000	1,846,000	47,000	-	795,000	1,893,000	2,688,000	145,000
3/12/99	Colo Sprngs / Centennial Blvd	-	1,352,000	3,155,000	16,000	-	1,352,000	3,171,000	4,523,000	234,000
3/12/99	Colo Sprngs / Astrozon Court	-	810,000	1,889,000	62,000	-	810,000	1,951,000	2,761,000	144,000
3/12/99	Arvada / 64th Ave	-	671,000	1,566,000	26,000	-	671,000	1,592,000	2,263,000	119,000
3/12/99	Golden / Simms Street	-	918,000	2,143,000	65,000	-	918,000	2,208,000	3,126,000	166,000
3/12/99	Lawrence / Haskell Ave	-	636,000	1,484,000	31,000	-	636,000	1,515,000	2,151,000	115,000
3/12/99	Overland Park / Hemlock St	-	1,168,000	2,725,000	32,000	-	1,168,000	2,757,000	3,925,000	204,000
3/12/99	Lenexa / Long St.	-	720,000	1,644,000	17,000	-	720,000	1,661,000	2,381,000	124,000
3/12/99	Shawnee / Hedge Lane Terrace	-	570,000	1,331,000	42,000	-	570,000	1,373,000	1,943,000	103,000
3/12/99	Mission / Foxridge Dr	-	1,657,000	3,864,000	54,000	-	1,657,000	3,918,000	5,575,000	288,000
3/12/99	Milwaukee / W. Dean Road	-	1,362,000	3,163,000	187,000	-	1,362,000	3,350,000	4,712,000	254,000
3/12/99	Columbus / Morse Road	-	1,415,000	3,302,000	114,000	-	1,415,000	3,416,000	4,831,000	259,000
3/12/99	Milford / Branch Hill	-	527,000	1,229,000	36,000	-	527,000	1,265,000	1,792,000	98,000
3/12/99	Fairfield / Dixie	-	519,000	1,211,000	31,000	-	519,000	1,242,000	1,761,000	95,000
3/12/99	Cincinnati / Western Hills	-	758,000	1,769,000	48,000	-	758,000	1,817,000	2,575,000	136,000
3/12/99	Austin / N. Mopac Expressway	-	865,000	2,791,000	16,000	-	865,000	2,807,000	3,672,000	165,000

PUBLIC STORAGE, INC.
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
3/12/99	Atlanta / Dunwoody Place	-	1,410,000	3,296,000	151,000	-	1,410,000	3,447,000	4,857,000	207,000
3/12/99	Kennedale/Bowman Sprgs	-	425,000	991,000	33,000	-	425,000	1,024,000	1,449,000	77,000
3/12/99	Colo Sprngs/N.Powers	-	1,124,000	2,622,000	99,000	-	1,124,000	2,721,000	3,845,000	201,000
3/12/99	St. Louis/S. Third St	-	206,000	480,000	9,000	-	206,000	489,000	695,000	39,000
3/12/99	Orlando / L.B. Mcleod Road	-	521,000	1,217,000	22,000	-	521,000	1,239,000	1,760,000	94,000
3/12/99	Jacksonville / Roosevelt Blvd.	-	851,000	1,986,000	135,000	-	851,000	2,121,000	2,972,000	156,000
3/12/99	Miami-Kendall / Sw 84th Street	-	935,000	2,180,000	50,000	-	935,000	2,230,000	3,165,000	168,000
3/12/99	North Miami Beach / 69th St	-	1,594,000	3,720,000	61,000	-	1,594,000	3,781,000	5,375,000	284,000
3/12/99	Miami Beach / Dade Blvd	-	962,000	2,245,000	41,000	-	962,000	2,286,000	3,248,000	171,000
3/12/99	Chicago / N. Natchez Ave	-	1,684,000	3,930,000	70,000	-	1,684,000	4,000,000	5,684,000	295,000
3/12/99	Chicago / W. Cermak Road	-	1,294,000	3,019,000	270,000	-	1,294,000	3,289,000	4,583,000	270,000
3/12/99	Kansas City / State Ave	-	645,000	1,505,000	63,000	-	645,000	1,568,000	2,213,000	116,000
3/12/99	Lenexa / Santa Fe Trail Road	-	713,000	1,663,000	53,000	-	713,000	1,716,000	2,429,000	126,000
3/12/99	Waukesha / Foster Court	-	765,000	1,785,000	25,000	-	765,000	1,810,000	2,575,000	138,000
3/12/99	Chicago / West 47th St.	-	705,000	1,645,000	26,000	-	705,000	1,671,000	2,376,000	126,000
3/12/99	Carol Stream / S. Main Place	-	1,320,000	3,079,000	63,000	-	1,320,000	3,142,000	4,462,000	236,000
3/12/99	Carpentersville /N. Western Ave	-	911,000	2,120,000	48,000	-	911,000	2,168,000	3,079,000	165,000
3/12/99	Elgin / E. Chicago St.	-	570,000	2,163,000	42,000	-	570,000	2,205,000	2,775,000	152,000
3/12/99	Elgin / Big Timber Road	-	1,347,000	3,253,000	139,000	-	1,347,000	3,392,000	4,739,000	255,000
3/12/99	Chicago / S. Pulaski Road	-	458,000	2,118,000	205,000	-	458,000	2,323,000	2,781,000	133,000
3/12/99	Aurora / Business 30	-	900,000	2,097,000	48,000	-	900,000	2,145,000	3,045,000	162,000
3/12/99	River Grove / N. 5th Ave.	-	1,094,000	2,552,000	213,000	-	1,130,000	2,729,000	3,859,000	285,000
3/12/99	St. Charles / E. Main St.	-	951,000	2,220,000	191,000	-	982,000	2,380,000	3,362,000	249,000
3/12/99	Streamwood / Old Church Road	-	855,000	1,991,000	24,000	-	855,000	2,015,000	2,870,000	152,000
3/12/99	Mt. Prospect / Central Road	-	802,000	1,847,000	82,000	-	802,000	1,929,000	2,731,000	147,000
3/31/99	Forest Park	-	270,000	3,378,000	966,000	-	270,000	4,344,000	4,614,000	873,000
4/1/99	Fresno	61,000	44,000	206,000	(318,000)	804,000	326,000	410,000	736,000	424,000
5/1/99	Stockton	222,000	151,000	402,000	(257,000)	2,017,000	796,000	1,517,000	2,313,000	696,000
6/30/99	Winter Park/N. Semor	-	342,000	638,000	345,000	737,000	426,000	1,636,000	2,062,000	78,000
6/30/99	N. Richland Hills/Da	-	455,000	769,000	188,000	824,000	568,000	1,668,000	2,236,000	79,000
6/30/99	Rolling Meadows/Lois	-	441,000	849,000	257,000	898,000	550,000	1,895,000	2,445,000	89,000

PUBLIC STORAGE, INC.
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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
6/30/99	Gresham/Burnside Cou	-	354,000	544,000	173,000	629,000	441,000	1,259,000	1,700,000	59,000
6/30/99	Jacksonville/Univers	-	211,000	741,000	177,000	702,000	263,000	1,568,000	1,831,000	73,000
6/30/99	Irving/W. Airport Fw	-	419,000	960,000	166,000	935,000	523,000	1,957,000	2,480,000	90,000
6/30/99	Houston/Highway 6 So	-	751,000	1,006,000	266,000	1,136,000	936,000	2,223,000	3,159,000	98,000
6/30/99	Concord/Arnold Indus	-	827,000	1,553,000	244,000	1,567,000	1,031,000	3,160,000	4,191,000	145,000
6/30/99	Rockville/Gude Drive	-	602,000	768,000	265,000	933,000	750,000	1,818,000	2,568,000	77,000
6/30/99	Bradenton/Cortez Roa	-	476,000	885,000	187,000	912,000	593,000	1,867,000	2,460,000	87,000
6/30/99	San Antonio/Nw Loop	-	511,000	786,000	147,000	846,000	637,000	1,653,000	2,290,000	75,000
6/30/99	Anaheim / La Palma	-	1,378,000	851,000	159,000	1,231,000	1,718,000	1,901,000	3,619,000	79,000
6/30/99	Spring Valley/Sweetw	-	271,000	380,000	71,000	418,000	338,000	802,000	1,140,000	37,000
6/30/99	Ft. Myers/Tamiami Tr	-	948,000	962,000	254,000	1,209,000	1,182,000	2,191,000	3,373,000	98,000
6/30/99	Littleton/Centennial	-	421,000	804,000	144,000	806,000	525,000	1,650,000	2,175,000	72,000
6/30/99	Newark/Cedar Blvd (-	729,000	971,000	179,000	1,064,000	909,000	2,034,000	2,943,000	86,000
6/30/99	Falls Church/Columbi	-	901,000	975,000	180,000	1,139,000	1,124,000	2,071,000	3,195,000	87,000
6/30/99	Fairfax / Lee Highwa	-	586,000	1,078,000	213,000	1,104,000	731,000	2,250,000	2,981,000	95,000
6/30/99	Wheat Ridge / W. 44t	-	480,000	789,000	157,000	822,000	598,000	1,650,000	2,248,000	70,000
6/30/99	Huntington Bch/Gotha	-	952,000	890,000	175,000	1,101,000	1,187,000	1,931,000	3,118,000	83,000
6/30/99	Fort Worth/Mc Cart A	-	372,000	942,000	144,000	875,000	463,000	1,870,000	2,333,000	68,000
6/30/99	San Diego/Clairemont	-	1,601,000	2,035,000	297,000	2,221,000	1,996,000	4,158,000	6,154,000	163,000
6/30/99	Houston/Millridge N.	-	1,160,000	1,983,000	157,000	1,930,000	1,446,000	3,784,000	5,230,000	152,000
6/30/99	Woodbridge/Jefferson	-	840,000	1,689,000	182,000	1,612,000	1,047,000	3,276,000	4,323,000	126,000
6/30/99	Mountainside (Was	-	1,260,000	1,237,000	279,000	1,535,000	1,571,000	2,740,000	4,311,000	113,000
6/30/99	Woodbridge / Davis F	-	1,796,000	1,623,000	237,000	1,963,000	2,239,000	3,380,000	5,619,000	130,000
6/30/99	Huntington Bch/Bolsa	-	1,026,000	1,437,000	85,000	1,459,000	1,279,000	2,728,000	4,007,000	112,000
6/30/99	Edison / Old Post Ro	-	498,000	1,267,000	191,000	1,176,000	621,000	2,511,000	3,132,000	99,000
6/30/99	Northridge/Parthenia	-	1,848,000	1,486,000	133,000	1,851,000	2,304,000	3,014,000	5,318,000	107,000
6/30/99	Brick Township/Brick	-	590,000	1,431,000	222,000	1,360,000	735,000	2,868,000	3,603,000	101,000
6/30/99	Stone Mountain/Rockb	-	1,233,000	288,000	264,000	850,000	1,537,000	1,098,000	2,635,000	36,000
6/30/99	Hyattsville / Chillu	-	768,000	2,186,000	171,000	1,901,000	958,000	4,068,000	5,026,000	138,000
6/30/99	Union City / Alvarad	-	992,000	1,776,000	177,000	1,724,000	1,237,000	3,432,000	4,669,000	118,000
6/30/99	Oak Park / Greenfiel	-	621,000	1,735,000	114,000	1,486,000	774,000	3,182,000	3,956,000	104,000

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Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
6/30/99	Tujunga/Foothill Blv	-	1,746,000	2,383,000	99,000	2,395,000	2,177,000	4,446,000	6,623,000	117,000
7/1/99	Pantego/W. Pioneer Pkwy	-	432,000	1,228,000	31,000	-	432,000	1,259,000	1,691,000	(7,000)
7/1/99	Nashville/Lafayette St	-	486,000	1,135,000	102,000	-	486,000	1,237,000	1,723,000	96,000
7/1/99	Nashville/Metroplex Dr	-	380,000	886,000	54,000	-	380,000	940,000	1,320,000	74,000
7/1/99	Madison / Myatt Dr	-	441,000	1,028,000	60,000	-	441,000	1,088,000	1,529,000	84,000
7/1/99	Hixson / Highway 153	-	488,000	1,138,000	53,000	-	488,000	1,191,000	1,679,000	91,000
7/1/99	Hixson / Gadd Rd	-	207,000	484,000	139,000	-	207,000	623,000	830,000	46,000
7/1/99	Red Bank / Harding Rd	-	452,000	1,056,000	79,000	-	452,000	1,135,000	1,587,000	88,000
7/1/99	Nashville/Welshwood Dr	-	934,000	2,179,000	84,000	-	934,000	2,263,000	3,197,000	173,000
7/1/99	Madison/Williams Ave	-	1,318,000	3,076,000	127,000	-	1,318,000	3,203,000	4,521,000	239,000
7/1/99	Nashville/Mcnally Dr	-	884,000	2,062,000	236,000	-	884,000	2,298,000	3,182,000	171,000
7/1/99	Hermitage/Central Ct	-	646,000	1,508,000	61,000	-	646,000	1,569,000	2,215,000	121,000
7/1/99	Antioch/Cane Ridge Rd	-	353,000	823,000	79,000	-	353,000	902,000	1,255,000	69,000
9/1/99	Charlotte / Ashley Road	-	664,000	1,551,000	19,000	-	686,000	1,548,000	2,234,000	62,000
9/1/99	Raleigh / Capital Blvd	-	927,000	2,166,000	48,000	-	957,000	2,184,000	3,141,000	87,000
9/1/99	Charlotte / South Blvd.	-	734,000	1,715,000	23,000	-	758,000	1,714,000	2,472,000	69,000
9/1/99	Greensboro/W.Market St.	-	603,000	1,409,000	40,000	-	623,000	1,429,000	2,052,000	58,000
10/8/99	Belmont / O'neil Ave	-	869,000	4,582,000	290,000	-	898,000	4,843,000	5,741,000	190,000
11/15/99	Memphis / Poplar Ave	-	1,631,000	3,062,000	45,000	-	1,631,000	3,107,000	4,738,000	129,000
12/1/99	Matthews/Matthews	-	937,000	3,155,000	25,000	-	937,000	3,180,000	4,117,000	112,000
12/17/99	Dallas / Swiss Ave	-	1,862,000	4,344,000	226,000	-	1,923,000	4,509,000	6,432,000	133,000
12/30/99	Oak Park/Greenfield Rd & 8 Mile	-	1,184,000	2,826,000	817,000	-	1,223,000	3,604,000	4,827,000	95,000
12/30/99	Santa Ana / Macarthur	-	2,657,000	3,167,000	65,000	-	2,657,000	3,232,000	5,889,000	116,000
12/30/99	Tamarac Parkway - Denver, CO	-	1,902,000	4,467,000	811,000	-	1,890,000	5,290,000	7,180,000	214,000
1/21/00	Hanover Park	-	262,000	3,245,000	2,000	-	262,000	3,247,000	3,509,000	29,000
1/25/00	Memphis / N.Germantwn Pkw	-	884,000	3,012,000	8,000	-	884,000	3,020,000	3,904,000	91,000
1/31/00	Rowland Heights/Walnut B	-	681,000	1,589,000	83,000	-	703,000	1,650,000	2,353,000	383,000
2/8/00	Lewisville / Justin Rd	-	529,000	2,812,000	16,000	-	529,000	2,828,000	3,357,000	81,000
2/28/00	Plano / Avenue K	-	2,064,000	10,407,000	27,000	-	2,064,000	10,434,000	12,498,000	554,000
3/31/00	Pineville	-	2,197,000	3,293,000	17,000	-	2,197,000	3,310,000	5,507,000	64,000
4/1/00	Hyattsville(Edmonson)	-	1,036,000	2,653,000	9,000	-	1,036,000	2,662,000	3,698,000	63,000

PUBLIC STORAGE, INC.
SCHEDULE III - REAL ESTATE
AND ACCUMULATED DEPRECIATION

Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation
			Land	Buildings & Improvements			Land	Buildings	Total	
4/29/00	St.Louis/Ellisville Twn C	-	765,000	4,397,000	6,000	-	765,000	4,403,000	5,168,000	90,000
5/2/00	Mill Valley	-	1,412,000	3,294,000	4,000	-	1,412,000	3,298,000	4,710,000	75,000
5/2/00	Culver City	-	2,439,000	5,689,000	16,000	-	2,439,000	5,705,000	8,144,000	130,000
5/26/00	Phoenix / N. 35th Ave	-	860,000	2,959,000	6,000	-	860,000	2,965,000	3,825,000	54,000
6/5/00	Mount Sinai / Route 25a	-	950,000	3,318,000	6,000	-	950,000	3,324,000	4,274,000	57,000
6/30/00	San Antonio/Broadway St	-	1,131,000	4,558,000	11,000	-	1,131,000	4,569,000	5,700,000	72,000
6/30/00	Pinellas Park / Park Blvd	-	526,000	2,408,000	5,000	-	526,000	2,413,000	2,939,000	41,000
7/13/00	Lincolnwood	-	1,598,000	3,729,000	32,000	-	1,598,000	3,761,000	5,359,000	64,000
7/17/00	New Orleans/Lapalco&Broad	-	1,026,000	3,113,000	5,000	-	1,026,000	3,118,000	4,144,000	43,000
7/29/00	Tracy/1615& 1650 W.11th S	-	1,745,000	4,189,000	10,000	-	1,745,000	4,199,000	5,944,000	57,000
8/23/00	Parsppny(Morris Plains/Rt	-	1,501,000	4,147,000	6,000	-	1,501,000	4,153,000	5,654,000	56,000
8/31/00	Florissant/New Halls Fry	-	800,000	4,222,000	6,000	-	800,000	4,228,000	5,028,000	43,000
8/31/00	Orange, CA	-	661,000	1,542,000	2,000	-	661,000	1,544,000	2,205,000	15,000
9/1/00	Bayshore, NY	-	1,277,000	2,980,000	17,000	-	1,277,000	2,997,000	4,274,000	41,000
9/1/00	Los Angeles, CA	-	590,000	1,376,000	7,000	-	590,000	1,383,000	1,973,000	18,000
9/13/00	Merrillville/Broadway	-	343,000	2,459,000	5,000	-	343,000	2,464,000	2,807,000	25,000
9/15/00	Gardena / W. El Segundo	-	1,532,000	3,424,000	3,000	-	1,532,000	3,427,000	4,959,000	23,000
9/15/00	Chicago / Ashland Avenue	-	850,000	4,880,000	6,000	-	850,000	4,886,000	5,736,000	36,000
9/15/00	Oakland / Macarthur	-	678,000	2,751,000	15,000	-	678,000	2,766,000	3,444,000	18,000
9/15/00	Alexandria / Pickett Ii	-	2,743,000	6,198,000	14,000	-	2,743,000	6,212,000	8,955,000	36,000
9/15/00	Royal Oak / Coolidge Highway	-	1,062,000	2,576,000	11,000	-	1,062,000	2,587,000	3,649,000	16,000
9/15/00	Hawthorne / Crenshaw Blvd.	-	1,079,000	2,913,000	2,000	-	1,079,000	2,915,000	3,994,000	18,000
9/15/00	Rockaway / U.S. Route 46	-	2,424,000	4,945,000	12,000	-	2,424,000	4,957,000	7,381,000	30,000
9/15/00	Evanston / Greenbay	-	846,000	4,436,000	4,000	-	846,000	4,440,000	5,286,000	27,000
9/15/00	Los Angeles / Coliseum	-	3,109,000	4,013,000	4,000	-	3,109,000	4,017,000	7,126,000	23,000
9/15/00	Bethpage / Hempstead Turnpike	-	2,899,000	5,457,000	42,000	-	2,899,000	5,499,000	8,398,000	30,000
9/15/00	Northport / Fort Salonga Road	-	2,999,000	5,698,000	8,000	-	2,999,000	5,706,000	8,705,000	31,000
9/15/00	Brooklyn / St. Johns Place	-	3,492,000	6,026,000	28,000	-	3,492,000	6,054,000	9,546,000	36,000
9/15/00	Lake Ronkonkoma / Portion Rd.	-	937,000	4,199,000	14,000	-	937,000	4,213,000	5,150,000	22,000
9/15/00	Tampa/Gunn Hwy	-	1,843,000	4,300,000	6,000	-	1,843,000	4,306,000	6,149,000	28,000
9/18/00	Tampa/N. Del Mabry	-	2,204,000	5,148,000	7,000	-	2,204,000	5,155,000	7,359,000	798,000

PUBLIC STORAGE, INC.
SCHEDULE III - REAL ESTATE
AND ACCUMULATED DEPRECIATION

Date Acquired	Description	Encumbrances	Initial Cost		Costs Subsequent to Acquisition	Adjustments Resulting from the Acquisition of Minority interests	Gross Carrying Amount At December 31, 2000			Accumulated Depreciation	
			Land	Buildings & Improvements			Land	Buildings	Total		
9/30/00	Marietta/Kennestone& Hwy5	-	622,000	3,388,000	4,000	-	622,000	3,392,000	4,014,000	46,000	
9/30/00	Lilburn/Indian Trail	-	1,695,000	5,170,000	5,000	-	1,695,000	5,175,000	6,870,000	53,000	
11/15/00	Largo/Missouri, FL	-	1,092,000	3,726,000	5,000	-	1,092,000	3,731,000	4,823,000	12,000	
11/21/00	St. Louis/Wilson	-	1,608,000	3,913,000	3,000	-	1,608,000	3,916,000	5,524,000	13,000	
12/21/00	Houston, TX (7715 Katy Frwy)	-	2,274,000	5,307,000	4,000	-	2,274,000	5,311,000	7,585,000	-	
12/21/00	Houston, TX (10801 Katy Frwy)	-	1,664,000	3,883,000	3,000	-	1,664,000	3,886,000	5,550,000	-	
12/21/00	Houston, TX (Main St)	-	1,681,000	3,923,000	3,000	-	1,681,000	3,926,000	5,607,000	-	
12/21/00	Houston, TX (W. Loop/S. Frwy)	-	2,036,000	4,750,000	4,000	-	2,036,000	4,754,000	6,790,000	-	
12/29/00	Chicago, IL	-	1,946,000	4,583,000	-	-	1,946,000	4,583,000	6,529,000	-	
12/29/00	Gardena	-	4,223,000	1,550,000	-	-	4,223,000	1,550,000	5,773,000	-	
12/29/00	Raleigh/Glenwood	-	1,545,000	3,257,000	-	-	1,545,000	3,257,000	4,802,000	-	
12/29/00	Frazier, PA	-	800,000	2,935,000	-	-	800,000	2,935,000	3,735,000	-	
Other Properties											
	Glendale/Western Avenue	-	1,622,000	3,771,000	8,623,000	-	1,622,000	12,394,000	14,016,000	6,418,000	
11/15/95	Camarillo/Ventura Blvd	-	180,000	420,000	32,000	-	180,000	452,000	632,000	93,000	
12/01/99	Burlingame	-	4,043,000	9,434,000	1,383,000	-	4,043,000	10,817,000	14,860,000	383,000	
12/01/99	West Palm Beach	-	984,000	2,358,000	42,000	-	913,000	2,471,000	3,384,000	100,000	
12/01/99	St. Petersburg	-	932,000	2,766,000	63,000	-	936,000	2,825,000	3,761,000	117,000	
04/28/00	San Diego/Sorrento	-	1,282,000	3,016,000	2,000	-	1,282,000	3,018,000	4,300,000	100,000	
05/04/00	Van Nuys/Oxnard	-	495,000	1,155,000	1,000	-	495,000	1,156,000	1,651,000	23,000	
	Construction in Progress	-	-	-	238,587,000	-	-	238,587,000	238,587,000	-	
	Vacant Land	-	306,000	-	-	-	306,000	-	306,000	-	
			<u>\$26,753,000</u>	<u>\$1,100,661,000</u>	<u>\$2,590,404,000</u>	<u>\$496,841,000</u>	<u>\$185,098,000</u>	<u>\$1,107,867,000</u>	<u>\$3,265,137,000</u>	<u>\$4,373,004,000</u>	<u>\$668,018,000</u>

PUBLIC STORAGE, INC.
1996 STOCK OPTION AND INCENTIVE PLAN

Public Storage, Inc., a California corporation (the “Company”), sets forth herein the terms of its 1996 Stock Option and Incentive Plan (the “Plan”) as follows:

1. PURPOSE

The Plan is intended to enhance the Company’s ability to attract and retain highly qualified officers, key employees, outside directors, and other persons to advance the interests of the Company by providing such persons with stronger incentives to continue to serve the Company and its affiliates (as defined herein) and to expend maximum effort to improve the business results and earnings of the Company. The Plan is intended to accomplish this objective by providing to eligible persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company. To this end, the Plan provides for the grant of stock options, restricted stock and restricted stock units in accordance with the terms hereof. Stock options granted under the Plan may be non-qualified stock options or incentive stock options, as provided herein, except that stock options granted to outside directors shall in all cases be non-qualified stock options.

2. DEFINITIONS

For purposes of interpreting the Plan and related documents (including Award Agreements), the following definitions shall apply:

2.1 “affiliate” of, or person “affiliated” with, a person means any company or other trade or business that controls, is controlled by or is under common control with such person within the meaning of Rule 405 of Regulation C under the 1933 Act (as defined herein).

2.2 “Award Agreement” means the stock option agreement, restricted stock agreement, restricted stock unit agreement or other written agreement between the Company and a Grantee that evidences and sets out the terms and conditions of a Grant.

2.3 “Benefit Arrangement” shall have the meaning set forth in Section 14 hereof.

2.4 “Board” means the Board of Directors of the Company.

2.5 “Code” means the Internal Revenue Code of 1986, as now in effect or as hereafter amended.

2.6 “Committee” means one or more committees of the Board, as designated from time to time by resolution of the Board, each of which shall have all powers, privileges and obligations vested by the Plan in the Committee to the extent specified in such resolution. At least one committee of the Board that is designated by the Board as a Committee shall consist of no fewer than two members of the Board, none of whom shall be an officer or other salaried employee of the Company or any affiliate, and each of whom shall qualify in all respects as a “non-employee director” within the meaning of Rule 16b-3 under the Exchange Act or any successor rule or regulation and as an “outside director” within the meaning of Section 162(m) of the Code. Until such time as the Board shall determine otherwise, the Audit Committee of the Board shall be such Committee, and the Equity Awards Committee of the Board also shall be a Committee.

2.7 “Company” means Public Storage, Inc.

2.8 “Effective Date” means August 13, 1996, the date on which the Plan was adopted by the Board.

2.9 “Exchange Act” means the Securities Exchange Act of 1934, as now in effect or as hereafter amended.

2.10 “Fair Market Value” means the value of a share of Stock, determined as follows: if on the Grant Date or other determination date the Stock is listed on an established national or regional stock exchange, is admitted to quotation on the Nasdaq National Market, or is publicly traded on an established securities market, the Fair Market Value of a share of Stock shall be the closing price of the Stock on such exchange or in such market (the highest such closing price if there is more than one such exchange or market) on the Grant Date or such other determination date (or if there is no such reported closing price, the Fair Market Value shall be the mean between the highest bid and lowest asked prices or between the high and low sale prices on such trading day) or, if no sale of Stock is reported for such trading day, on the next preceding day on which any sale shall have been reported. If the Stock is not listed on such an exchange, quoted on such system or traded on such a market, Fair Market Value shall be the value of the Stock as determined by the Committee in good faith.

2.11 “Grant” means an award of an Option, Restricted Stock or Restricted Stock Units under the Plan.

2.12 “Grant Date” means (a) for Grants other than Grants to Outside Directors, the later of (i) the date as of which the Committee approves the Grant or (ii) the date as of which the Grantee and the Company or Service Provider enter into the relationship resulting in the Grantee’s becoming eligible to receive a Grant, and (b) for Grants to Outside Directors, the date on which such Grant is made in accordance with Section 7 hereof.

2.13 “Grantee” means a person who receives or holds an Option, Restricted Stock or Restricted Stock Units under the Plan.

2.14 “Incentive Stock Option” means an “incentive stock option” within the meaning of Section 422 of the Code, or the corresponding provision of any subsequently enacted tax statute, as amended from time to time.

2.15 “Option” means an option to purchase one or more shares of Stock pursuant to the Plan.

2.16 “Option Period” means the period during which Options may be exercised as set forth in Section 11 hereof.

2.17 “Option Price” means the purchase price for each share of Stock subject to an Option.

2.18 “Other Agreement” shall have the meaning set forth in Section 14 hereof.

2.19 “Outside Director” means a member of the Board who is not an officer or employee of the Company.

2.20 “Plan” means the Public Storage, Inc. 1996 Stock Option and Incentive Plan.

2.21 “Reporting Person” means a person who is required to file reports under Section 16(a) of the Exchange Act.

2.22 “Restricted Period” means the period during which Restricted Stock or Restricted Stock Units are subject to restrictions or conditions pursuant to Section 13.2 hereof.

2.23 “Restricted Stock” means shares of Stock, awarded to a Grantee pursuant to Section 13 hereof, that are subject to restrictions and to a risk of forfeiture.

2.24 “Restricted Stock Unit” means a unit awarded to a Grantee pursuant to Section 13 hereof, which represents a conditional right to receive a share of Stock in the future, and which is subject to restrictions and to a risk of forfeiture.

2.25 “Securities Act” means the Securities Act of 1933, as now in effect or as hereafter amended.

2.26 “Service Provider” means a consultant or adviser to the Company, a manager of the Company’s properties or affairs, or other similar service provider or affiliate of the Company, or any corporation or other entity in which the Company owns at least a ninety percent (90%) economic interest, and employees of any of the foregoing, as such persons may be designated from time to time by the Committee pursuant to Section 6 hereof.

2.27 “Stock” means the common stock, par value \$0.10 per share, of the Company.

2.28 “Subsidiary” means any “subsidiary corporation” of the Company within the meaning of Section 425(f) of the Code.

2.29 “Termination Date” shall be the date upon which an Option shall terminate or expire, as set forth in **Section 11.2** hereof.

3. ADMINISTRATION OF THE PLAN

3.1 General. Subject to Section 3.2 hereof, the Plan shall be administered by the Committee. The Board may remove members, add members, and fill vacancies on the Committee from time to time, all in accordance with the Company’s articles of incorporation and by-laws and applicable law.

3.2 Plenary Authority of the Committee. Subject to Section 3.4 hereof, the Committee shall have such powers and authorities related to the administration of the Plan as are consistent with the Company’s articles of incorporation and by-laws and applicable law. The Committee shall have full power and authority to take all actions and to make all determinations required or provided for under the Plan, subject to any limitations imposed by the resolutions of the Board designating and empowering such Committee, and shall have full power and authority to take all such other actions and make all such other determinations not inconsistent with the specific terms and provisions of the Plan that the Committee deems to be necessary or appropriate to the administration of the Plan. In the event, however, that more than one committee of the Board is authorized to act as the Committee, (i) each such committee shall have the power and authority to take actions and make determinations required or provided for under an outstanding Grant or Award Agreement only if such Grant or Award Agreement was initially authorized by such committee, and (ii) only a committee comprised solely of “non-employee directors” within the meaning of Rule 16b-3 under the Exchange Act and “outside directors” within the meaning of Section 162(m) of the Code shall have the authority to approve a Grant to any officer who is then a Reporting Person. All such actions and determinations shall be by the affirmative vote of a majority of the members of the Committee present at a meeting or by unanimous consent of the Committee executed in writing in accordance with the Company’s articles of incorporation and by-laws and applicable law. The interpretation and construction by the Committee of any provision of the Plan, any Grant or any Award Agreement shall be final and conclusive.

3.3 Discretionary Grants. Subject to Section 3.4 hereof and to the other terms and conditions of the Plan, the Committee shall have full and final authority to designate Grantees, (i) to determine the type or types of Grant to be made to a Grantee, (ii) to determine the number of shares of Stock to be subject to a Grant, (iii) to establish the terms and conditions of each Grant (including, but not limited to, the exercise price of any Option, the nature and duration of any restriction or condition (or provision for lapse thereof) relating to the vesting, exercise, transfer, or forfeiture of a Grant or the shares of Stock subject thereto, and any terms or conditions that may be necessary to qualify Options as Incentive Stock Options), (iv) to prescribe the form of each Award Agreement evidencing a Grant, and (v) to amend, modify, or supplement the terms of any outstanding Grant; provided, however, that the Committee shall not have the authority to reduce the exercise price of any outstanding Option other than pursuant to Section 17 hereof. Such authority specifically includes the authority, in order to effectuate the purposes of the Plan but without amending the Plan, to modify Grants to eligible individuals who are foreign nationals or are individuals who are employed outside the United States to recognize differences in local law, tax policy, or custom. As a condition to any subsequent Grant, the Committee shall have the right, at its discretion, to require Grantees to return to the Company Grants previously awarded under the Plan. Subject to the terms and conditions of the Plan, any such new Grant shall be upon such terms and conditions as are specified by the Committee at the time the new Grant is made.

3.4 Grants to Outside Directors. With respect to Grants of Options to Outside Directors pursuant to Section 7 hereof, the Committee’s responsibilities under the Plan shall be limited to taking all legal actions necessary to

document the Options so granted, to interpret the Award Agreements evidencing such Options, to maintain appropriate records and reports regarding such Options, and to take all acts authorized by this Plan or otherwise reasonably necessary to effect the purposes hereof.

3.5 No Liability. No member of the Board or of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Grant or Award Agreement.

3.6 Applicability of Rule 16b-3. Those provisions of the Plan that make express reference to Rule 16b-3 under the Exchange Act shall apply only to Reporting Persons.

4. STOCK SUBJECT TO THE PLAN

Subject to adjustment as provided in Section 17 hereof, the number of shares of Stock available for issuance under the Plan shall be 3,850,000. Stock issued or to be issued under the Plan shall be authorized but unissued shares. If any shares covered by a Grant are not purchased or are forfeited, or if a Grant otherwise terminates without delivery of any Stock subject thereto, then the number of shares of Stock counted against the aggregate number of shares available under the Plan with respect to such Grant shall, to the extent of any such forfeiture or termination, again be available for making Grants under the Plan.

5. EFFECTIVE DATE AND TERM OF THE PLAN

5.1 Effective Date. The Plan shall be effective as of the Effective Date, subject to approval of the Plan within one year of the Effective Date, by a majority of the votes cast on the proposal at a meeting of shareholders, provided that the total votes cast represent a majority of all shares entitled to vote. Upon approval of the Plan by the shareholders of the Company as set forth above, all Grants made under the Plan on or after the Effective Date shall be fully effective as if the shareholders of the Company had approved the Plan on the Effective Date. If the shareholders fail to approve the Plan within one year after the Effective Date, any Grants made hereunder shall be null and void and of no effect.

5.2 Term. The Plan has no termination date; however, no Incentive Stock Option may be granted on or after the tenth anniversary of the Effective Date.

6. DISCRETIONARY GRANTS

6.1 Company or Subsidiary Employees. Grants (including Grants of Incentive Stock Options) may be made under the Plan to any employee of the Company or of any Subsidiary, including any such employee who is an officer or director of the Company or of any Subsidiary, as the Committee shall determine and designate from time to time.

6.2 Service Providers. Grants may be made under the Plan to any Service Provider whose participation in the Plan is determined by the Committee to be in the best interests of the Company and is so designated by the Committee; provided, however, that Grants to Service Providers who are not employees of the Company or of any Subsidiary shall not be Incentive Stock Options.

6.3 Successive Grants. An eligible person may receive more than one Grant, subject to such restrictions as are provided herein.

7. GRANTS TO OUTSIDE DIRECTORS

7.1 Initial Grants of Options. Each Outside Director who is initially elected to the Board on or after the Effective Date shall, upon the date of his or her initial election by the Board or the shareholders of the Company, automatically be awarded a Grant of an Option, which shall not be an Incentive Stock Option, to purchase 15,000 shares of Stock (which amount shall be subject to adjustment as provided in Section 17 hereof).

7.2 Subsequent Grants of Options. Immediately following each Annual Meeting of Shareholders of the Company held after the Effective Date, each Outside Director then duly elected and serving (other than an Outside Director initially elected to the Board at such Annual Meeting of Shareholders) shall automatically be awarded a Grant of an Option, which shall not be an Incentive Stock Option, to purchase 2,500 shares of Stock (which amount shall be subject to adjustment as provided in Section 17 hereof); provided, however, that no Outside Director shall be eligible to receive a Grant of Options under this Section 7.2 unless such person attended, in person or by telephone, at least seventy-five percent of the meetings held by the Board or, if a member of a committee of the Board, held by both the Board and all committees of the Board on which such person served, during the immediately preceding calendar year (or such portion thereof during which the Outside Director served on the Board and any such committees).

7.3 Vesting. Options granted to Outside Directors pursuant to Sections 7.1 and 7.2 shall vest in three equal annual installments in accordance with the schedule set forth in the first sentence of Section 11.1 hereof.

8. LIMITATIONS ON GRANTS

8.1 Limitation on Shares of Stock Subject to Grants. The maximum number of shares of Stock subject to Options that can be awarded under the Plan to any person eligible for a Grant under Section 6 hereof is 2,500,000 during the first ten years after the Effective Date and 250,000 per year thereafter. The maximum number of shares of Restricted Stock that can be awarded under the Plan (including for this purpose any shares of Stock represented by Restricted Stock Units) to any person eligible for a Grant under Section 6 hereof is 250,000 per year.

8.2 Limitations on Incentive Stock Options. An Option shall constitute an Incentive Stock Option only (i) if the Grantee of such Option is an employee of the Company or any Subsidiary of the Company; (ii) to the extent specifically provided in the related Award Agreement; and (iii) to the extent that the aggregate Fair Market Value (determined at the time the Option is granted) of the shares of Stock with respect to which all Incentive Stock Options held by such Grantee become exercisable for the first time during any calendar year (under the Plan and all other plans of the Grantee's employer and its affiliates) does not exceed \$100,000. This limitation shall be applied by taking Options into account in the order in which they were granted.

9. AWARD AGREEMENT

Each Grant pursuant to the Plan shall be evidenced by an Award Agreement, to be executed by the Company and by the Grantee, in such form or forms as the Committee shall from time to time determine. Award Agreements granted from time to time or at the same time need not contain similar provisions but shall be consistent with the terms of the Plan. Each Award Agreement evidencing a Grant of Options shall specify whether such Options are intended to be non-qualified stock options or Incentive Stock Options.

10. OPTION PRICE

The Option Price of each Option shall be fixed by the Committee and stated in the Award Agreement evidencing such Option. The Option Price shall be the aggregate Fair Market Value on the Grant Date of the shares of Stock subject to the Option; provided, however, that in the event that a Grantee would otherwise be ineligible to receive an Incentive Stock Option by reason of the provisions of Sections 422(b)(6) and 424(d) of the Code (relating to ownership of more than ten percent of the Company's outstanding Stock), the Option Price of an Option granted to such Grantee that is intended to be an Incentive Stock Option shall be not less than the greater of the par value of a share of Stock or 110 percent of the Fair Market Value of a share of Stock on the Grant Date. In no case shall the Option Price of any Option be less than the par value of a share of Stock.

11. VESTING, TERM AND EXERCISE OF OPTIONS

11.1 Vesting and Option Period. Unless otherwise provided in an Award Agreement evidencing the Grant of an Option, each Option granted under the Plan shall become exercisable in accordance with the following schedule: (i) prior to the first anniversary of the Grant Date, the Option shall not be exercisable; (ii) on the first anniversary of the Grant Date, the Option shall become exercisable with respect to one-third of the shares of Stock

subject to such Option; (iii) on the second anniversary of the Grant Date, the Option shall become exercisable with respect to an additional one-third of the shares of Stock subject to such Option and (iv) on the third anniversary of the Grant Date, the Option shall become exercisable with respect to the remaining shares of Stock subject to such Option and shall remain exercisable in full up to (but not including) the Termination Date (as defined in Section 11.2 hereof). For purposes of this Section 11.1, fractional numbers of shares of Stock subject to an Option shall be rounded down to the next nearest whole number. The period during which any Option shall be exercisable in accordance with the foregoing schedule shall constitute the “Option Period” with respect to such Option.

11.2 Term. Each Option granted under the Plan shall terminate, and all rights to purchase shares of Stock thereunder shall cease, upon the expiration of ten years from the date such Option is granted, or under such circumstances and on such date prior thereto as is set forth in the Plan or as may be fixed by the Committee and stated in the Award Agreement relating to such Option (the “Termination Date”); provided, however, that in the event that the Grantee would otherwise be ineligible to receive an Incentive Stock Option by reason of the provisions of Sections 422(b)(6) and 424(d) of the Code (relating to ownership of more than ten percent of the outstanding Stock), an Option granted to such Grantee that is intended to be an Incentive Stock Option shall not be exercisable after the expiration of five years from its Grant Date.

11.3 Acceleration. Any limitation on the exercise of an Option contained in any Award Agreement may be rescinded, modified or waived by the Committee, in its sole discretion, at any time and from time to time after the Grant Date of such Option, so as to accelerate the time at which the Option may be exercised. Notwithstanding any other provision of the Plan, no Option shall be exercisable in whole or in part prior to the date the Plan is approved by the shareholders of the Company as provided in Section 5.1 hereof.

11.4 Termination of Employment or Other Relationship. Upon the termination (i) of the employment of a Grantee with the Company or a Service Provider, (ii) of a Service Provider’s relationship with the Company, or (iii) of an Outside Director’s service to the Company, other than, in the case of individuals, by reason of death or “permanent and total disability” (within the meaning of Section 22(e)(3) of the Code), any Option or portion thereof held by such Grantee that has not vested in accordance with the provisions of Section 11.1 hereof shall terminate immediately, and any Option or portion thereof that has vested in accordance with the provisions of Section 11.1 hereof but has not been exercised shall terminate at the close of business on the thirtieth day following the Grantee’s termination of service, employment, or other relationship, unless the Committee, in its discretion, extends the period during which the Option may be exercised (which period may not be extended beyond the original term of the Option). Upon termination of an Option or portion thereof, the Grantee shall have no further right to purchase shares of Stock pursuant to such Option or portion thereof. Whether a leave of absence or leave on military or government service shall constitute a termination of employment for purposes of the Plan shall be determined by the Committee, which determination shall be final and conclusive. For purposes of the Plan, a termination of employment, service or other relationship shall not be deemed to occur if the Grantee is immediately thereafter employed with the Company or any other Service Provider, or is engaged as a Service Provider or an Outside Director of the Company. Whether a termination of a Service Provider’s or an Outside Director’s relationship with the Company shall have occurred shall be determined by the Committee, which determination shall be final and conclusive.

11.5 Rights in the Event of Death. If a Grantee dies while employed by the Company or a Service Provider, or while serving as a Service Provider or an Outside Director, all Options granted to such Grantee shall fully vest on the date of death, and the executors or administrators or legatees or distributees of such Grantee’s estate shall have the right, at any time within one year after the date of such Grantee’s death (or such longer period as the Committee, in its discretion, may determine prior to the expiration of such one-year period) and prior to termination of the Option pursuant to Section 11.2 above, to exercise any Option held by such Grantee at the date of such Grantee’s death.

11.6 Rights in the Event of Disability. If a Grantee terminates employment with the Company or a Service Provider, or (if the Grantee is a Service Provider who is an individual or is an Outside Director) ceases to provide services to the Company, in either case by reason of the “permanent and total disability” (within the meaning of Section 22(e)(3) of the Code) of such Grantee, such Grantee’s Options shall continue to vest, and shall be exercisable to the extent that they are vested, for a period of one year after such termination of employment or service (or such longer period as the Committee, in its discretion, may determine prior to the expiration of such one-year

period), subject to earlier termination of the Option as provided in Section 11.2 above. Whether a termination of employment or service is to be considered by reason of “permanent and total disability” for purposes of the Plan shall be determined by the Committee, which determination shall be final and conclusive.

11.7 Limitations on Exercise of Option. Notwithstanding any other provision of the Plan, in no event may any Option be exercised, in whole or in part, prior to the date the Plan is approved by the shareholders of the Company as provided herein, or after ten years following the date upon which the Option is granted, or after the occurrence of an event referred to in Section 17 hereof which results in termination of the Option.

11.8 Method of Exercise. An Option that is exercisable may be exercised by the Grantee’s delivery to the Company of written notice of exercise on any business day, at the Company’s principal office, addressed to the attention of the Committee. Such notice shall specify the number of shares of Stock with respect to which the Option is being exercised and shall be accompanied by payment in full of the Option Price of the shares for which the Option is being exercised. The minimum number of shares of Stock with respect to which an Option may be exercised, in whole or in part, at any time shall be the lesser of (i) 100 shares or such lesser number set forth in the applicable Award Agreement and (ii) the maximum number of shares available for purchase under the Option at the time of exercise. Payment of the Option Price for the shares purchased pursuant to the exercise of an Option shall be made (i) in cash or in cash equivalents; (ii) through the tender to the Company of shares of Stock, which shares shall be valued, for purposes of determining the extent to which the Option Price has been paid thereby, at their Fair Market Value on the date of exercise; or (iii) by a combination of the methods described in (i) and (ii). The Committee may provide, by inclusion of appropriate language in an Award Agreement, that payment in full of the Option Price need not accompany the written notice of exercise provided that the notice of exercise directs that the certificate or certificates for the shares of Stock for which the Option is exercised be delivered to a licensed broker acceptable to the Company as the agent for the individual exercising the Option and, at the time such certificate or certificates are delivered, the broker tenders to the Company cash (or cash equivalents acceptable to the Company) equal to the Option Price for the shares of Stock purchased pursuant to the exercise of the Option plus the amount (if any) of federal and/or other taxes which the Company may in its judgment, be required to withhold with respect to the exercise of the Option. An attempt to exercise any Option granted hereunder other than as set forth above shall be invalid and of no force and effect. Unless otherwise stated in the applicable Award Agreement, an individual holding or exercising an Option shall have none of the rights of a shareholder (for example, the right to receive cash or dividend payments or distributions attributable to the subject shares of Stock or to direct the voting of the subject shares of Stock) until the shares of Stock covered thereby are fully paid and issued to him. Except as provided in Section 17 hereof, no adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date of such issuance.

11.9 Delivery of Stock Certificates. Promptly after the exercise of an Option by a Grantee and the payment in full of the Option Price, such Grantee shall be entitled to the issuance of a stock certificate or certificates evidencing his or her ownership of the shares of Stock subject to the Option.

12. TRANSFERABILITY OF OPTIONS

Each Option granted pursuant to this Plan shall, during a Grantee’s lifetime, be exercisable only by the Grantee or his or her permitted transferees, and neither the Option nor any right thereunder shall be transferable by the Grantee, by operation of law or otherwise, other than as may be provided in the Award Agreement evidencing such Option or as may be provided by will or the laws of descent and distribution. Except as may be provided in the Award Agreement evidencing an Option, no Option shall be pledged or hypothecated (by operation of law or otherwise) or subject to execution, attachment or similar processes.

13. RESTRICTED STOCK

13.1 Grant of Restricted Stock or Restricted Stock Units. The Committee may from time to time grant Restricted Stock or Restricted Stock Units to persons eligible to receive such Grants as set forth in **Section 6** hereof, subject to such restrictions, conditions and other terms as the Committee may determine.

13.2 Restrictions. At the time a Grant of Restricted Stock or Restricted Stock Units is made, the Committee shall establish a period of time (the “Restricted Period”) applicable to such Restricted Stock or Restricted

Stock Units. The minimum Restricted Period which may be provided for by the Committee with respect to Restricted Stock or Restricted Stock Units the vesting of which is subject solely to the passage of time and/or continued employment shall be three years, subject to earlier expiration of the Restricted Period upon the death, disability, retirement or other termination of service of the Grantee, or upon a change in control of the Company, in accordance with the provisions of the Plan. Each Grant of Restricted Stock or Restricted Stock Units may be subject to a different Restricted Period. The Committee may, in its sole discretion, at the time a Grant of Restricted Stock or Restricted Stock Units is made, prescribe restrictions in addition to or other than the expiration of the Restricted Period, including the satisfaction of corporate or individual performance objectives, which may be applicable to all or any portion of the Restricted Stock or Restricted Stock Units. Such performance objectives shall be established in writing by the Committee prior to the ninetieth day of the year in which the Grant is made and while the outcome is substantially uncertain. Performance objectives shall be based on Stock price, market share, sales, earnings per share, return on equity or costs. Performance objectives may include positive results, maintaining the status quo or limiting economic losses. Subject to the second sentence of this Section 13.2, the Committee also may, in its sole discretion, shorten or terminate the Restricted Period or waive any other restrictions applicable to all or a portion of the Restricted Stock or Restricted Stock Units. Neither Restricted Stock nor Restricted Stock Units may be sold, transferred, assigned, pledged or otherwise encumbered or disposed of during the Restricted Period or prior to the satisfaction of any other restrictions prescribed by the Committee with respect to such Restricted Stock or Restricted Stock Units.

13.3 Restricted Stock Certificates. The Company shall issue, in the name of each Grantee to whom Restricted Stock has been granted, stock certificates representing the total number of shares of Restricted Stock granted to the Grantee, as soon as reasonably practicable after the Grant Date. The Secretary of the Company shall hold such certificates for the Grantee's benefit until such time as the Restricted Stock is forfeited to the Company, or the restrictions lapse.

13.4 Rights of Holders of Restricted Stock. Unless the Committee otherwise provides in an Award Agreement, holders of Restricted Stock shall have the right to vote such Stock and the right to receive any dividends declared or paid with respect to such Stock. The Committee may provide that any dividends paid on Restricted Stock must be reinvested in shares of Stock, which may or may not be subject to the same vesting conditions and restrictions applicable to such Restricted Stock. All distributions, if any, received by a Grantee with respect to Restricted Stock as a result of any stock split, stock dividend, combination of shares, or other similar transaction shall be subject to the restrictions applicable to the original Grant.

13.5 Rights of Holders of Restricted Stock Units. Unless the Committee otherwise provides in an Award Agreement, holders of Restricted Stock Units shall have no rights as stockholders of the Company. The Committee may provide in an Award Agreement evidencing a Grant of Restricted Stock Units that the holder of such Restricted Stock Units shall be entitled to receive, upon the Company's payment of a cash dividend on its outstanding Stock, a cash payment for each Restricted Stock Unit held equal to the per-share dividend paid on the Stock. Such Award Agreement may also provide that such cash payment will be deemed reinvested in additional Restricted Stock Units at a price per unit equal to the Fair Market Value of a share of Stock on the date that such dividend is paid.

13.6 Termination of Employment or Other Relationship. Upon the termination of the employment of a Grantee with the Company or a Service Provider, or of a Service Provider's relationship with the Company, in either case other than, in the case of individuals, by reason of death or "permanent and total disability" (within the meaning of Section 22(e)(3) of the Code), any Restricted Stock or Restricted Stock Units held by such Grantee that has not vested, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited, unless the Committee, in its discretion, determines otherwise. Upon forfeiture of Restricted Stock or Restricted Stock Units, the Grantee shall have no further rights with respect to such Grant, including but not limited to any right to vote Restricted Stock or any right to receive dividends with respect to shares of Restricted Stock or Restricted Stock Units. Whether a leave of absence or leave on military or government service shall constitute a termination of employment for purposes of the Plan shall be determined by the Committee, which determination shall be final and conclusive. For purposes of the Plan, a termination of employment, service or other relationship shall not be deemed to occur if the Grantee is immediately thereafter employed with the Company or any other Service Provider, or is engaged as a Service Provider. Whether a termination of a Service Provider's relationship with the Company shall have occurred shall be determined by the Committee, which determination shall be final and conclusive.

13.7 Rights in the Event of Death. If a Grantee dies while employed by the Company or a Service Provider or while serving as a Service Provider, all Restricted Stock or Restricted Stock Units granted to such Grantee shall fully vest on the date of death, and the shares of Stock represented thereby shall be deliverable in accordance with the terms of the Plan to the executors, administrators, legatees or distributees of the Grantee's estate.

13.8 Rights in the Event of Disability. If a Grantee terminates employment with the Company or a Service Provider, or (if the Grantee is a Service Provider who is an individual) ceases to provide services to the Company, in either case by reason of the "permanent and total disability" (within the meaning of Section 22(e)(3) of the Code) of such Grantee, such Grantee's Restricted Stock or Restricted Stock Units shall continue to vest in accordance with the applicable Award Agreement for a period of one year after such termination of employment or service (or such longer period as the Committee, in its discretion, may determine prior to the expiration of such one-year period), subject to the earlier forfeiture of such Restricted Stock or Restricted Stock Units in accordance with the terms of the applicable Award Agreement. Whether a termination of employment or service is to be considered by reason of "permanent and total disability" for purposes of the Plan shall be determined by the Committee, which determination shall be final and conclusive.

13.9 Delivery of Stock and Payment Therefore. Upon the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee, the restrictions applicable to shares of Restricted Stock or Restricted Stock Units shall lapse, and, upon payment by the Grantee to the Company, in cash or by check, of the aggregate par value of the shares of Stock represented by such Restricted Stock or Restricted Stock Units, a stock certificate for such shares shall be delivered, free of all such restrictions, to the Grantee or the Grantee's beneficiary or estate, as the case may be.

14. PARACHUTE LIMITATIONS

Notwithstanding any other provision of this Plan or of any other agreement, contract, or understanding heretofore or hereafter entered into by a Grantee with the Company or any Subsidiary, except an agreement, contract, or understanding hereafter entered into that expressly modifies or excludes application of this paragraph (an "Other Agreement"), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to the Grantee (including groups or classes of participants or beneficiaries of which the Grantee is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for the Grantee (a "Benefit Arrangement"), if the Grantee is a "disqualified individual," as defined in Section 280G(c) of the Code, any Option, Restricted Stock or Restricted Stock Unit held by that Grantee and any right to receive any payment or other benefit under this Plan shall not become exercisable or vested (i) to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for the Grantee under this Plan, all Other Agreements, and all Benefit Arrangements, would cause any payment or benefit to the Grantee under this Plan to be considered a "parachute payment" within the meaning of Section 280G(b)(2) of the Code as then in effect (a "Parachute Payment") and (ii) if, as a result of receiving a Parachute Payment, the aggregate after-tax amounts received by the Grantee from the Company under this Plan, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that could be received by the Grantee without causing any such payment or benefit to be considered a Parachute Payment. In the event that the receipt of any such right to exercise, vesting, payment, or benefit under this Plan, in conjunction with all other rights, payments, or benefits to or for the Grantee under any Other Agreement or any Benefit Arrangement would cause the Grantee to be considered to have received a Parachute Payment under this Plan that would have the effect of decreasing the after-tax amount received by the Grantee as described in clause (ii) of the preceding sentence, then the Grantee shall have the right, in the Grantee's sole discretion, to designate those rights, payments, or benefits under this Plan, any Other Agreements, and any Benefit Arrangements that should be reduced or eliminated so as to avoid having the payment or benefit to the Grantee under this Plan be deemed to be a Parachute Payment.

15. REQUIREMENTS OF LAW

15.1 General. The Company shall not be required to sell or issue any shares of Stock under any Grant if the sale or issuance of such shares would constitute a violation by the Grantee, any other individual exercising an Option, or the Company of any provision of any law or regulation of any governmental authority, including without limitation any federal or state securities laws or regulations. If at any time the Company shall determine, in its

discretion, that the listing, registration or qualification of any shares subject to a Grant upon any securities exchange or under any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the issuance or purchase of shares hereunder, no shares of Stock may be issued or sold to the Grantee or any other individual exercising an Option pursuant to such Grant unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Company, and any delay caused thereby shall in no way affect the date of termination of the Grant. Specifically, in connection with the Securities Act, upon the exercise of any Option or the delivery of any shares of Restricted Stock or Stock underlying Restricted Stock Units, unless a registration statement under such Act is in effect with respect to the shares of Stock covered by such Grant, the Company shall not be required to sell or issue such shares unless the Committee has received evidence satisfactory to it that the Grantee or any other individual exercising an Option may acquire such shares pursuant to an exemption from registration under the Securities Act. Any determination in this connection by the Committee shall be final, binding, and conclusive. The Company may, but shall in no event be obligated to, register any securities covered hereby pursuant to the Securities Act. The Company shall not be obligated to take any affirmative action in order to cause the exercise of an Option or the issuance of shares of Stock pursuant to the Plan to comply with any law or regulation of any governmental authority. As to any jurisdiction that expressly imposes the requirement that an Option shall not be exercisable until the shares of Stock covered by such Option are registered or are exempt from registration, the exercise of such Option (under circumstances in which the laws of such jurisdiction apply) shall be deemed conditioned upon the effectiveness of such registration or the availability of such an exemption.

15.2 Rule 16b-3. It is the intent of the Company that Grants pursuant to the Plan and the exercise of Options granted hereunder will qualify for the exemption provided by Rule 16b-3 under the Exchange Act. To the extent that any provision of the Plan or action by the Committee does not comply with the requirements of Rule 16b-3, it shall be deemed inoperative to the extent permitted by law and deemed advisable by the Committee, and shall not affect the validity of the Plan. In the event that Rule 16b-3 is revised or replaced, the Board may exercise its discretion to modify this Plan in any respect necessary to satisfy the requirements of, or to take advantage of any features of, the revised exemption or its replacement.

16. AMENDMENT AND TERMINATION OF THE PLAN

The Board may, at any time and from time to time, amend, suspend, or terminate the Plan as to any shares of Stock as to which Grants have not been made; provided, however, that the Board shall not, without approval of the Company's shareholders, amend the Plan such that it does not comply with the Code. The Company may retain the right in an Award Agreement to cause a forfeiture of the gain realized by a Grantee on account of the Grantee taking actions in "competition with the Company," as defined in the applicable Award Agreement. Furthermore, the Company may annul a Grant if the Grantee is an employee of the Company or an affiliate and is terminated "for cause" as defined in the applicable Award Agreement. Except as permitted under this Section 16 or Section 17 hereof, no amendment, suspension, or termination of the Plan shall, without the consent of the Grantee, alter or impair rights or obligations under any Grant theretofore awarded under the Plan.

17. EFFECT OF CHANGES IN CAPITALIZATION

17.1 Changes in Stock. If the number of outstanding shares of Stock is increased or decreased or the shares of Stock are changed into or exchanged for a different number or kind of shares or other securities of the Company on account of any recapitalization, reclassification, stock split, reverse split, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in such shares effected without receipt of consideration by the Company occurring after the Effective Date, the number and kinds of shares for which Grants of Options, Restricted Stock and Restricted Stock Units may be made under the Plan shall be adjusted proportionately and accordingly by the Company. In addition, the number and kind of shares for which Grants are outstanding shall be adjusted proportionately and accordingly so that the proportionate interest of the Grantee immediately following such event shall, to the extent practicable, be the same as immediately before such event. Any such adjustment in outstanding Options shall not change the aggregate Option Price payable with respect to shares that are subject to the unexercised portion of the Option outstanding but shall include a corresponding proportionate adjustment in the Option Price per share. Notwithstanding the foregoing, the Committee shall not be required to make any adjustment to any outstanding Grant based on the Company's declaration or payment of a

stock dividend for which the Company will claim a dividends paid deduction under Section 561 of the Code (or any successor provision).

17.2 Reorganization in Which the Company Is the Surviving Entity and in Which No Change of Control Occurs. Subject to Section 17.3 hereof, if the Company shall be the surviving entity in any reorganization, merger, or consolidation of the Company with one or more other entities, any Option theretofore granted pursuant to the Plan shall pertain to and apply to the securities to which a holder of the number of shares of Stock subject to such Option would have been entitled immediately following such reorganization, merger, or consolidation, with a corresponding proportionate adjustment of the Option Price per share so that the aggregate Option Price thereafter shall be the same as the aggregate Option Price of the shares remaining subject to the Option immediately prior to such reorganization, merger, or consolidation. Subject to any contrary language in an Award Agreement evidencing a Grant of Restricted Stock, any restrictions applicable to such Restricted Stock shall apply as well to any replacement shares received by the Grantee as a result of the reorganization, merger or consolidation.

17.3 Reorganization, Sale of Assets or Sale of Stock Which Involves a Change of Control. Subject to the exceptions set forth in the last sentence of this Section 17.3, (i) upon the occurrence of a “Change of Control” (as defined below), all outstanding shares of Restricted Stock and Restricted Stock Units shall be deemed to have vested, and all restrictions and conditions applicable to such shares of Restricted Stock and Restricted Stock Units shall be deemed to have lapsed immediately prior to the occurrence of such Change of Control, and (ii) fifteen days prior to the scheduled consummation of a Change of Control, all Options outstanding hereunder shall become immediately exercisable and shall remain exercisable for a period of fifteen days. Any exercise of an Option during such fifteen-day period shall be conditioned upon the consummation of the Change of Control and shall be effective only immediately before the consummation of the Change of Control. Upon consummation of any Change of Control, the Plan and all outstanding but unexercised Options shall terminate. The Committee shall send written notice of an event that will result in such a termination to all individuals who hold Options not later than the time at which the Company gives notice thereof to its shareholders. For purposes of this Section 17.3, a “Change of Control” shall be deemed to occur upon (i) the dissolution or liquidation of the Company or upon a merger, consolidation, or reorganization of the Company with one or more other entities in which the Company is not the surviving entity, (ii) a sale of substantially all of the assets of the Company to another entity, or (iii) any transaction (including without limitation a merger or reorganization in which the Company is the surviving corporation) which results in any person or entity (other than B. Wayne Hughes and members of his family and their affiliates) owning 50% or more of the combined voting power of all classes of stock of the Company. This Section 17.3 shall not apply to any Change of Control to the extent that (A) provision is made in writing in connection with such Change of Control for the continuation of the Plan or the assumption of the Options, Restricted Stock and Restricted Stock Units theretofore granted, or for the substitution for such Options, Restricted Stock and Restricted Stock Units of new options, restricted stock and restricted stock units covering the stock of a successor corporation, or a parent, subsidiary or affiliate thereof, with appropriate adjustments as to the number and kind of shares and exercise prices, in which event the Plan and Options, Restricted Stock and Restricted Stock Units theretofore granted shall continue in the manner and under the terms so provided or (B) a majority of the full Board determines that such Change of Control shall not trigger application of the provisions of this Section 17.3.

17.4 Adjustments. Adjustments under this Section 17 related to shares of Stock or securities of the Company shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive. No fractional shares or other securities shall be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole share.

17.5 No Limitations on Company. The making of Grants pursuant to the Plan shall not affect or limit in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure or to merge, consolidate, dissolve, or liquidate, or to sell or transfer all or any part of its business or assets.

18. DISCLAIMER OF RIGHTS

No provision in the Plan or in any Grant or Award Agreement shall be construed to confer upon any individual the right to remain in the employ or service of the Company or any affiliate, or to interfere in any way with

any contractual or other right or authority of the Company or any Service Provider either to increase or decrease the compensation or other payments to any individual at any time, or to terminate any employment or other relationship between any individual and the Company or a Service Provider. No provision in the Plan or in any Grant awarded or Award Agreement entered into pursuant to the Plan shall be construed to confer upon any individual the right to remain in the service of the Company as a director (including as an Outside Director), or shall interfere with or restrict in any way the rights of the Company's shareholders to remove any director pursuant to the provisions of the California General Corporation Law, as from time to time amended. In addition, notwithstanding anything contained in the Plan to the contrary, unless otherwise stated in the applicable Award Agreement, no Grant awarded under the Plan shall be affected by any change of duties or position of the Optionee (including a transfer to or from the Company or a Service Provider), so long as such Grantee continues to be a director, officer, consultant, employee, or independent contractor (as the case may be) of the Company or a Service Provider. The obligation of the Company to pay any benefits pursuant to this Plan shall be interpreted as a contractual obligation to pay only those amounts described herein, in the manner and under the conditions prescribed herein. The Plan shall in no way be interpreted to require the Company to transfer any amounts to a third party trustee or otherwise hold any amounts in trust or escrow for payment to any participant or beneficiary under the terms of the Plan. No Grantee shall have any of the rights of a shareholder with respect to the shares of Stock subject to an Option except to the extent the certificates for such shares of Stock shall have been issued upon the exercise of the Option.

19. NONEXCLUSIVITY OF THE PLAN

Neither the adoption of the Plan nor the submission of the Plan to the shareholders of the Company for approval shall be construed as creating any limitations upon the right and authority of the Board to adopt such other incentive compensation arrangements (which arrangements may be applicable either generally to a class or classes of individuals or specifically to a particular individual or particular individuals) as the Board in its discretion determines desirable, including, without limitation, the granting of stock options otherwise than under the Plan.

20. WITHHOLDING TAXES

The Company, a Subsidiary or a Service Provider, as the case may be, shall have the right to deduct from payments of any kind otherwise due to a Grantee any Federal, state, or local taxes of any kind required by law to be withheld with respect to the vesting of or other lapse of restrictions applicable to Restricted Stock or Restricted Stock Units or upon the issuance of any shares of Stock upon the exercise of an Option. At the time of such vesting, lapse, or exercise, the Grantee shall pay to the Company, the Subsidiary or the Service Provider, as the case may be, any amount that the Company, the Subsidiary or the Service Provider may reasonably determine to be necessary to satisfy such withholding obligation. Subject to the prior approval of the Company, the Subsidiary or the Service Provider, which may be withheld by the Company, the Subsidiary or the Service Provider, as the case may be, in its sole discretion, the Grantee may elect to satisfy such obligations, in whole or in part, (i) by causing the Company, the Subsidiary or the Service Provider to withhold shares of Stock otherwise issuable to the Grantee or (ii) by delivering to the Company, the Subsidiary or the Service Provider shares of Stock already owned by the Grantee. The shares of Stock so delivered or withheld shall have an aggregate Fair Market Value equal to such withholding obligations. The Fair Market Value of the shares of Stock used to satisfy such withholding obligation shall be determined by the Company, the Subsidiary or the Service Provider as of the date that the amount of tax to be withheld is to be determined. A Grantee who has made an election pursuant to this Section 20 may satisfy his or her withholding obligation only with shares of Stock that are not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements.

21. CAPTIONS

The use of captions in this Plan or any Award Agreement is for the convenience of reference only and shall not affect the meaning of any provision of the Plan or such Award Agreement.

22. OTHER PROVISIONS

Each Grant awarded under the Plan may contain such other terms and conditions not inconsistent with the Plan as may be determined by the Committee, in its sole discretion.

23. NUMBER AND GENDER

With respect to words used in this Plan, the singular form shall include the plural form, the masculine gender shall include the feminine gender, etc., as the context requires.

24. SEVERABILITY

If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

25. GOVERNING LAW

The validity and construction of this Plan and the instruments evidencing the Grants awarded hereunder shall be governed by the laws of the State of California.

* * *

The Plan was duly adopted and approved by the Board of Directors of the Company as of the 13th day of August, 1996.

/S/ SARAH HASS
Sarah Hass
Secretary of the Company

The Plan was duly approved by the shareholders of the Company on the 7th day of October, 1996.

/S/ SARAH HASS
Sarah Hass
Secretary of the Company

The Plan was duly amended by the Board of Directors of the Company on the 7th day of October, 1996.

/S/ SARAH HASS
Sarah Hass
Secretary of the Company

The Plan was duly amended by the Board of Directors of the Company on the 11th day of November, 1997.

/S/ SARAH HASS
Sarah Hass
Secretary of the Company

The Plan was duly amended by the Board of Directors of the Company on the 6th day of May, 1999.

/S/ SARAH HASS
Sarah Hass
Secretary of the Company

The Plan was duly amended by the Board of Directors of the Company on the 1st day of May, 2000.

/S/ SARAH HASS
Sarah Hass
Secretary of the Company

PUBLIC STORAGE, INC.
EXHIBIT 11 - EARNINGS PER SHARE

	For the Year Ended December 31,		
	2000	1999	1998
	(amounts in thousands, except per share data)		
<u>Earnings Per Share:</u>			
Net income	\$ 297,088	\$ 287,885	\$ 227,019
Less: Preferred Stock Dividends:			
10% Cumulative Preferred Stock, Series A	(4,563)	(4,563)	(4,563)
9.20% Cumulative Preferred Stock, Series B	(5,488)	(5,488)	(5,488)
Adjustable Rate Preferred Stock, Series C	(2,052)	(2,024)	(2,024)
9.50% Cumulative Preferred Stock, Series D	(2,850)	(2,850)	(2,850)
10.00% Cumulative Preferred Stock, Series E	(5,488)	(5,488)	(5,488)
9.75% Cumulative Preferred Stock, Series F	(5,606)	(5,606)	(5,606)
8-7/8% Cumulative Preferred Stock, Series G	(15,309)	(15,309)	(15,309)
8.45% Cumulative Preferred Stock, Series H	(14,259)	(14,259)	(14,259)
8-5/8% Cumulative Preferred Stock, Series I	(8,625)	(8,625)	(8,625)
8% Cumulative Preferred Stock, Series J	(12,000)	(12,000)	(12,000)
8.25% Cumulative Preferred Stock, Series K	(9,488)	(9,040)	-
8.25% Cumulative Preferred Stock, Series L	(9,488)	(7,695)	-
8.75% Cumulative Preferred Stock, Series M	(4,922)	(1,846)	-
8.25% Convertible Preferred Stock	-	-	(2,163)
Total preferred dividends	<u>(100,138)</u>	<u>(94,793)</u>	<u>(78,375)</u>
	<u>\$ 196,950</u>	<u>\$ 193,092</u>	<u>\$ 148,644</u>
Allocation of net income allocable to common shareholders to classes:			
Net income allocable to shareholders of the Equity Stock, Series A	\$ 11,042	\$ -	\$ -
Net income allocable to shareholders of common stock	<u>185,908</u>	<u>193,092</u>	<u>148,644</u>
	<u>\$ 196,950</u>	<u>\$ 193,092</u>	<u>\$ 148,644</u>
Weighted average common and common equivalent shares outstanding:			
Basic weighted average common shares outstanding	131,566	126,308	113,929
Net effect of dilutive stock options - based on treasury stock method using average market price	<u>91</u>	<u>361</u>	<u>428</u>
Diluted weighted average common shares outstanding	<u>131,657</u>	<u>126,669</u>	<u>114,357</u>
Basic earnings per common and common equivalent share	<u>\$ 1.41</u>	<u>\$ 1.53</u>	<u>\$ 1.30</u>
Diluted earnings per common and common equivalent share	<u>\$ 1.41</u>	<u>\$ 1.52</u>	<u>\$ 1.30</u>

PUBLIC STORAGE, INC.
EXHIBIT 11 - EARNINGS PER SHARE

	For the Year Ended December 31,		
	2000	1999	1998
	(amounts in thousands, except per share data)		
<u>Diluted Earnings Per Share, assuming conversion of anti-dilutive securities</u>			
Net income allocable to common shareholders per calculation above	\$ 196,950	\$ 193,092	\$ 148,644
Add: Dividends to 8.25% Convertible Preferred Stock	-	-	2,163
Net income allocable to common shareholders for purposes of determining Diluted Earnings Per Share, assuming conversion of anti-dilutive securities	<u>\$ 196,950</u>	<u>\$ 193,092</u>	<u>\$ 150,807</u>
Diluted weighed average common shares outstanding	131,657	126,669	114,357
Pro forma weighted average common shares assuming conversion of 8.25% Convertible Preferred Stock at date of issuance (July 15, 1994) until actual conversion date (July 1, 1998)	-	-	1,763
Weighed average common shares for purposes of computation of Diluted Earnings Per Share, assuming conversion of anti-dilutive securities	<u>131,657</u>	<u>126,669</u>	<u>116,120</u>
Diluted Earnings Per Share, assuming conversion of anti-dilutive securities (1)	<u>\$ 1.41</u>	<u>\$ 1.52</u>	<u>\$ 1.30</u>

(1) Such amounts are anti-dilutive and are not presented in the Company's consolidated financial statements.

In addition, the Company has 7,000,000 shares of Class B Common Stock which are convertible into shares of the Company's Common Stock subject to the attainment of certain earnings milestone by the Company. As these earnings milestones have not been met in 1999 and 1998, the conversion has not been assumed.

PUBLIC STORAGE, INC.
EXHIBIT 12 – STATEMENT RE: COMPUTATION OF
RATIO OF EARNINGS TO FIXED CHARGES

	For the Year Ended December 31,				
	2000	1999	1998	1997	1996
	(Amounts in thousands)				
Net income	\$ 297,088	\$ 287,885	\$ 227,019	\$ 178,649	\$ 153,549
Add: Minority interest in income	38,356	16,006	20,290	11,684	9,363
Less: Minority interests in income which do not have fixed charges	(10,549)	(13,362)	(15,853)	(10,375)	(8,273)
Income from continuing operations	324,895	290,529	231,456	179,958	154,639
Interest expense	3,293	7,971	4,507	6,792	8,482
Total Earnings Available to Cover Fixed Charges	<u>\$ 328,188</u>	<u>\$ 298,500</u>	<u>\$ 235,963</u>	<u>\$ 186,750</u>	<u>\$ 163,121</u>
Total Fixed Charges - interest expense (a)	<u>\$ 13,071</u>	<u>\$ 12,480</u>	<u>\$ 7,988</u>	<u>\$ 9,220</u>	<u>\$ 10,343</u>
Preferred Stock dividends	100,138	94,793	78,375	88,393	68,599
Preferred OP Unit distributions	24,859	-	-	-	-
Total Preferred distributions	<u>\$ 124,997</u>	<u>\$ 94,793</u>	<u>\$ 78,375</u>	<u>\$ 88,393</u>	<u>\$ 68,599</u>
Total Combined Fixed Charges and Preferred Stock dividends	<u>\$ 138,068</u>	<u>\$ 107,273</u>	<u>\$ 86,363</u>	<u>\$ 97,613</u>	<u>\$ 78,942</u>
Ratio of Earnings to Fixed Charges	<u>25.11x</u>	<u>23.92x</u>	<u>29.54x</u>	<u>20.25x</u>	<u>15.77x</u>
Ratio of Earnings to Combined Fixed Charges and Preferred Stock dividends	<u>2.38x</u>	<u>2.78x</u>	<u>2.73x</u>	<u>1.91x</u>	<u>2.07x</u>
<u>Supplemental disclosure of Ratio of Earnings before Interest, Taxes, Depreciation and Amortization (“EBITDA”) to fixed charges:</u>					
EBITDA (a)	\$ 456,956	\$ 433,877	\$ 340,680	\$ 273,628	\$ 224,476
Interest expense	3,293	7,971	4,507	6,792	8,482
Adjusted EBITDA available to cover fixed charges	<u>\$ 460,249</u>	<u>\$ 441,848</u>	<u>\$ 345,187</u>	<u>\$ 280,420</u>	<u>\$ 232,958</u>
Total Fixed Charges - interest expense (b)	<u>\$ 13,071</u>	<u>\$ 12,480</u>	<u>\$ 7,988</u>	<u>\$ 9,220</u>	<u>\$ 10,343</u>
Preferred Stock dividends	100,138	94,793	78,375	88,393	68,599
Preferred OP Unit distributions	24,859	-	-	-	-
Total Preferred distributions	<u>\$ 124,997</u>	<u>\$ 94,793</u>	<u>\$ 78,375</u>	<u>\$ 88,393</u>	<u>\$ 68,599</u>
Total Combined Fixed Charges and Preferred Stock dividends	<u>\$ 138,068</u>	<u>\$ 107,273</u>	<u>\$ 86,363</u>	<u>\$ 97,613</u>	<u>\$ 78,942</u>
Ratio of FFO to Fixed Charges	<u>35.21x</u>	<u>35.40x</u>	<u>43.21x</u>	<u>30.41x</u>	<u>22.52x</u>
Ratio of FFO to Combined Fixed Charges and Preferred Stock dividends	<u>3.33x</u>	<u>4.12x</u>	<u>4.00x</u>	<u>2.87x</u>	<u>2.95x</u>

(a) EBITDA represents earnings prior to interest, taxes, depreciation and amortization. Amounts for 2000, 1999 and 1998 are set forth in the table on page 33 “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources”. It represents the line item, “Cash from operations allocable to the Company’s shareholders” as presented on the aforementioned table.

(b) “Total fixed charges - interest” includes interest expense plus capitalized interest.

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-36004) of Public Storage, Inc., formerly Storage Equities, Inc., pertaining to the 1990 Stock Option Plan, the Registration Statement on Form S-8 (No. 33-55541) pertaining to the 1994 Stock Option Plan, the Registration Statement on Form S-8 (No. 333-13463) pertaining to the 1996 Stock Option and Incentive Plan, the Registration Statement on Form S-8 (No. 333-75327) pertaining to the 1994 Share Incentive Plan, the Registration Statement on Form S-8 (No. 333-50270) pertaining to the PS 401(k)/Profit Sharing Plan, the Registration Statement on Form S-8 (No. 333-52400) pertaining to the 2000 Non-Executive/Non-Director Stock Option and Incentive Plan, the Registration Statement on Form S-3 (No. 333-81041) and in the related prospectus and the Registration Statement on Form S-4 (No. 333-86899) and in the related prospectus of our report dated February 23, 2001 with respect to the consolidated financial statements and schedule of Public Storage, Inc. included in the Annual Report (Form 10-K) for 2000 filed with the Securities and Exchange Commission.

ERNST & YOUNG LLP

March 16, 2001
Los Angeles, California