

**PUBLIC STORAGE CANADIAN PROPERTIES
INFORMATION TO ASSIST UNITHOLDERS WITH THEIR
2008 CANADIAN INCOME TAX RETURNS**

Prior to utilizing the information contained in the tables attached, Unitholders are advised to consult their tax advisors.

1. Individual Unitholders' share of 2008 income

Your share of the income of Public Storage Canadian Properties (the "Partnership") is entered in Box 22 of the T5013 slip. Enter this amount on line 122 of Schedule 4 of your federal individual income tax return. (See also "Allocation of Income from the Partnership Among the Provinces" below).

The amount entered in Box 27 represents the cash distributed to you from the Partnership during the year ended December 31, 2008. It is provided for information purposes only. Do not enter this amount on your federal individual income tax return.

The amount entered in Box 60 (if any) is not relevant for individual unitholders. Do not enter this amount on your federal individual income tax return.

The amount shown in Box 70 is your share of the Partnership's capital losses for the year. This amount should be reported on line 174 of Schedule 3.

All individual unitholders, regardless of province of residence, are required to file a Quebec individual income tax return for 2008. The income reported in Box 1 of your RL-15 slip should be reported on line 29 of Schedule L and on line 164 of your Quebec individual income tax return. The capital loss reported in Box 12 of your RL-15 should be reported on line 22 of Schedule G. Copy 2 of the slip should be filed with your return.

T5013/RL-15 slips have been issued to all unitholders who received cash distributions paid in 2008. If you received a cash distribution paid in 2008 and you did not receive a T5013/RL-15 slip, we have attached Table 1A and 1B for your use in calculating your share of the net income of the Partnership, and you should refer to the instructions below.

2. Corporate Unitholders' share of 2008 income

The amount shown in Box 22 of the T5013 slip should be reflected on the corporation's Schedule 1 of the T2 Corporation Income Tax Return. The amount shown in Box 70 should be reflected on the corporation's Schedule 6 of the T2 Corporation Income Tax Return. Any cash distributions received from the Partnership are shown in Box 27 and would be excluded from corporate taxable income.

For corporate unitholders that are Canadian-controlled private corporations, the amount entered in Box 22 is considered to be income from an active business carried on in Canada; therefore, this amount has also been reported in Box 60.

3. Unitholders who received cash distributions paid in 2008 but have not received T5013/RL-15 slips

To determine your share of net income, refer to **Table 1A** attached.

- i. Enter the number of partnership units held at March 14, 2008, June 13, 2008, September 15, 2008, and December 15, 2008, respectively, in the space shown under column B.
- ii. Multiply each figure in column B by the amount shown in column C, and enter the result in column D.
- iii. For unitholders who are individuals, transfer the total of column D to line 122 of Schedule 4 of your federal individual income tax return (see also "Allocation of Income from the Partnership among the Provinces" below). Also transfer the total of column D to line 29 of Schedule L and to line 164 of your Quebec Income Tax Return. For unitholders that are corporations, transfer the total of column D to Schedule 1 of the T2 Corporation Income Tax Return.

To determine your share of the capital loss, refer to **Table 1B** attached.

- i. Enter the number of partnership units held at March 14, 2008, June 13, 2008, September 15, 2008, and December 15, 2008, respectively, in the space shown under column B.
- ii. Multiply each figure in column B by the amount shown in column C, and enter the result in column D.
- iii. For unitholders who are individuals, transfer the total of column D to line 174 of Schedule 3 of your federal individual income tax return. Also transfer the total of column D to line 22 of Schedule G of your Quebec Income Tax Return. For unitholders that are corporations, transfer the total of column D to Schedule 6 of the T2 Corporation Income Tax Return.

Copies of Table 1A, 1B, and 3 should be filed with your income tax return only if you did not receive T5013/RL-15 slips from the registered holder of the units, as this slip is required to be included with your tax return. Copies of Table 1A, 1B, and 3 should be retained for your records.

4. Information for Individual Unitholders - Allocation of Income from the Partnership Among the Provinces

Each unitholder is subject to tax in the provinces of Alberta, British Columbia, Ontario, and Quebec, the jurisdictions in which the Partnership carried on business during the year ended December 31, 2008. For individuals, the taxes payable to Alberta, British Columbia, and

Ontario are collected by the federal authorities along with the federal tax, and are accounted for on the partner's federal income tax return.

In order to determine the portion of your income earned in each province and the Basic Federal Tax payable on that income, it is necessary to use Canada Revenue Agency's prescribed Form T2203 "*Provincial and Territorial Taxes for 2008 – Multiple Jurisdictions*" ("Form T2203"). For Quebec residents, you must also file a federal return and complete Form T2203 in order to calculate your income allocated to other provinces. You should receive a federal abatement for Quebec taxes which reduces your federal income tax payable.

If your only source of business income is income from the Partnership, apply the allocation percentages provided in Appendix 1 to your partnership income from Box 22 of the T5013 slip (or Box 1 of the RL-15 slip) for the year ended December 31, 2008.

Filing Requirements

The following filing and reporting procedures in respect of your partnership income should be followed for your 2008 individual income tax return:

- i) On page 1 of the T1 Jacket, enter "Multiple jurisdiction" as the response to the question "If you were self-employed in 2008, please state province or territory of self-employment."
- ii) Enter either the amount from Box 22 of the T5013 slip, or your partnership income calculated from Table One, on line 122 of Schedule 4, "Statement of Investment Income". The total of Line 122 on Schedule 4 is then transferred to Line 122 of the T1 Jacket, "Net partnership income: limited or non-active partners only".
- iii) Attach a copy of the T5013 slip and schedule T5013 S(1), "*Allocation of Income for Provincial Income Tax Purposes (Appendix 1)*", to your return.
- iv) Enter your provincial taxes payable from Form T2203 on line 428 of the T1 Jacket and make the following notation, "Provincial taxes per Form T2203", to the left of your entry.

For residents of Quebec, you should include your entire share of Partnership income in your Quebec return. Then, you should complete Form TP-22-V "*Income Tax Payable by an Individual who Carries on a Business in Canada, Outside Quebec*" ("Form TP-22-V") to determine the proportion of income earned in Quebec and to calculate your basic Quebec tax payable.

5. Information for Corporate Unitholders – Provincial Allocation

For unitholders that are corporations, the following information will be needed for completing Schedule 5 of the corporate tax return:

Total Partnership salaries and wages attributable to Ontario	\$ 1,503,288
Total Partnership salaries and wages attributable to B.C.	\$ 598,085
Total Partnership salaries and wages attributable to Alberta	\$ 113,035
Total Partnership salaries and wages attributable to Quebec	\$ 505,893
Total Partnership revenues attributable to Ontario	\$15,421,621
Total Partnership revenues attributable to B.C.	\$ 4,835,209
Total Partnership revenues attributable to Alberta	\$ 1,013,922
Total Partnership revenues attributable to Quebec	\$ 2,996,723

6. Unitholders who sold units during the period from January 1, 2008 to December 31, 2008

Unitholders could be considered to have sold units as part of a business activity in which case capital gains treatment would not be available. Unitholders should consult their tax advisors to ensure these rules do not apply before following these instructions.

If you sold Partnership units during the period from January 1, 2008 to December 31, 2008, and you are entitled to capital gain (loss) treatment you should report the resulting capital gain (loss) on your 2008 income tax return. In order to compute your capital gain (loss), you will need to calculate the Adjusted Cost Base (“ACB”) of the units for tax purposes at the time of sale. Table 2 attached may be used to arrive at the ACB of the units on the date of sale as explained below.

I. Unitholders who sold all of their units that were acquired at the same time during the period from January 1, 2008 to December 31, 2008

NOTE: For unitholders who sold all of their Partnership units in 2008, the information contained in Table 2 may be used to arrive at the ACB of the units on the date of sale. Unitholders who sold only a portion of their Partnership units in 2008 or did not acquire their units at the same time should consult their tax advisors to calculate the ACB of the units sold.

A separate Table 2 should be completed for each sale. The procedures are as follows:

- i. If you purchased units prior to March 14, 2008, you should use Appendix to Table 2 to calculate the total ACB adjustments for the period from the date of purchase to March 13, 2008. You must include all cost adjustments for the periods subsequent to the date of purchase, and enter this total on line 1 of column B in Table 2. For example, if you purchased units on April 15, 2006 and sold them on June 25, 2008, your cumulative adjustment to the cost base of your

units on March 13, 2008 is \$1.0047108710 per unit (from June 15, 2006 to March 13, 2008). Carry the result to line 1 of column B.

- ii. The cost base adjustments for March 14, 2008 to December 31, 2008 are outlined in column A. Enter in column B only the adjustments that correspond to the period in which you were a unitholder of record. In the same example, where you sold the units on June 25, 2008, your total cost base adjustment for 2008 is \$0.49604645 per unit calculated as $(\$0.248023225 + \$0.248023225)$, which includes your share of the Partnership's 2008 taxable income and the distributions for the first and second quarters. Total the amounts in column B and enter the result on column B, line 6.
- iii. Enter the number of units sold in column C, line 6. Multiply this figure by the adjustments to cost base in column B, line 6 and record the result in Box D.
- iv. Box E represents your opening ACB for either your purchase price, if bought in the open market, or your opening ACB if you transferred the units from the predecessor partnership(s) on December 31, 1998. Refer to your broker's advice for your original purchase transaction and determine your purchase price or, if you transferred units on December 31, 1998, see note 7 below. Enter your opening ACB in Box E.
- v. Subtract the amount in Box D from the amount in Box E to arrive at the ACB in Box F. Individual unitholders should then transfer the amount in Box F to the appropriate column of the section "Bonds, debentures, promissory notes, and other properties" on Schedule 3 of your 2008 income tax return.
- vi. Individual unitholders should enter the number of units sold, name of the Partnership (i.e., Public Storage Canadian Properties), the year of acquisition, the proceeds of disposition and the outlays and expenses on disposition (e.g., brokerage fees) in the appropriate columns on Schedule 3 and complete the form.

II. More Complex Situations

Unitholders who held units on December 31, 1998, purchased additional units (including additional units acquired via the rights offering in 2006 and/or 2007), and sold some units, or who made more than one purchase and sale during the year should consult with their tax advisors as to the methodology to calculate the ACB of the units sold.

7. Unitholders who exchanged their units on December 31, 1998

On December 31, 1998, all unitholders of the Old Public Storage Canadian Properties ("Old PSCP") and Public Storage Canadian Properties IV Limited Partnership ("PSCP IV") transferred their units into the Partnership under Subsection 97(2) of the Income Tax Act. Depending on the transfer price, you might have realized a capital gain or loss upon the transfer which you should have reported on your 1998 income tax return. In addition, the transfer price is the ACB of your units of the Partnership on January 1, 1999.

An Information Form was sent to you by the Transfer Agent to elect the most beneficial transfer price for your units:

- i) If your name and SIN was provided to the Transfer Agent but no Elected Amount was provided in respect of any Old PSCP and/or PSCP IV units beneficially owned by you, the transfer price will equal the ACB computed for your units in the old partnerships at the end of 1998, as calculated based on the 1998 memos. This is the minimum amount specified by the Transfer Agent. This amount combined for the Old PSCP and PSCP IV, per unit received in the Partnership, should be entered in Box E of Table 2.
- ii) If the Elected Amount provided by you exceeded the ACB, the transfer price will be equal to the combined Elected Amount for the Old PSCP and PSCP IV units. This amount combined for the Old PSCP and PSCP IV, per unit received in the Partnership, should be entered in Box E of Table 2.
- iii) If you did not file the Information Form with the Transfer Agent or you did not provide your name and SIN to the Transfer Agent, you will have realized a capital gain or a capital loss in 1998 upon the exchange. The proceeds of disposition was \$13.50 per unit for the Old PSCP and \$5.25 per unit for PSCP IV. This amount combined for the Old PSCP and PSCP IV, per unit received in the Partnership, should be entered in Box E of Table 2 (this will only apply if you reported a capital gain or loss in 1998 - see your tax advisor).

8. At Risk Rules

The Income Tax Act (Canada) provides rules [the "At-Risk Rules"] under which the maximum amount of business losses of the Partnership for a fiscal period that may be deducted by a Limited Partner cannot exceed the Limited Partner's "at-risk amount" at the end of the fiscal period. Generally, the "at-risk amount" of a first purchaser of units at the end of any fiscal period of the Partnership will be determined as the ACB of his/her Partnership interest at the end of the year plus his/her share of the income of the Partnership for the year, less [i] any amount owing to the Partnership by the Limited Partner and [ii] any portion of the Limited Partner's investment that may reasonably be considered to be, directly or indirectly, protected from loss.

As there is no loss for tax purposes in the year ended December 31, 2008, the At-Risk Rules do not apply this year. However, it is possible that the deductibility of Partnership losses could be affected by the At-Risk Rules in future years.

**PUBLIC STORAGE CANADIAN PROPERTIES
(a limited partnership)**

**ALLOCATION OF INCOME FOR PROVINCIAL
INCOME TAX PURPOSES**

For the Year Ended December 31, 2008:

Ontario	59.40%
British Columbia	20.96%
Alberta	4.17%
Quebec	<u>15.47%</u>
	<u>100.00%</u>

Table 1A

PUBLIC STORAGE CANADIAN PROPERTIES
(a limited partnership)

2008 TAXABLE INCOME

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
<u>Record Date</u>	Number of Units Held on <u>Record Date</u>	Partner's Canadian Business Income per <u>Unit</u>	
March 14, 2008		X \$0.20593	=
June 13, 2008		X \$0.20593	=
September 15, 2008		X \$0.20593	=
December 15, 2008		X \$0.20593	=

TOTAL

Filing Information

Business: Public Storage Canadian Properties
 General Partner: Canadian Mini-Warehouse Properties Company
 Address: 22917 Pacific Coast Highway, Suite 300A
 Malibu, CA, 90265
 U.S.A.

Nature of Business: Operation of storage service facilities
 Principal Service Provided: Storage services

Financial Statements supporting this schedule have been filed
 with the Federal partnership return.

Note: Gross income \$24,280,000

Signature

NAME OF REGISTERED UNITHOLDER

Table 1B

PUBLIC STORAGE CANADIAN PROPERTIES
(a limited partnership)

2008 CAPITAL LOSS

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
<u>Record Date</u>	Number of Units Held on <u>Record Date</u>	Partner's Capital Loss per <u>Unit</u>	
March 14, 2008		X \$0.00396	=
June 13, 2008		X \$0.00396	=
September 15, 2008		X \$0.00396	=
December 15, 2008		X \$0.00396	=
TOTAL			

Filing Information

Business: Public Storage Canadian Properties
 General Partner: Canadian Mini-Warehouse Properties Company
 Address: 22917 Pacific Coast Highway, Suite 300A
 Malibu, CA, 90265
 U.S.A.

Nature of Business: Operation of storage service facilities
 Principal Service Provided: Storage services

Financial Statements supporting this schedule have been filed with the Federal partnership return.

Note: Gross income \$24,280,000

NAME OF REGISTERED UNITHOLDER

 Signature

Table 2

**PUBLIC STORAGE CANADIAN PROPERTIES
(a limited partnership)**

**COMPUTATION OF ADJUSTED COST BASE OF PARTNERSHIP UNITS
FOR UNITHOLDERS WHO DISPOSED OF ALL UNITS IN 2008**

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
If unitholder of record at end of the following <u>business day:</u>	Adjustment to Adjusted Cost Base per unit	Cost base adjustments (per unit)	<u>Number of units sold</u>	Total adjustments to cost base
1. Result from Appendix to Table Two				
2. March 14, 2008	\$0.248023225			
3. June 13, 2008	\$0.248023225			
4. September 15, 2008	\$0.248023225			
5. December 15, 2008	\$0.248023225			
6. Adjustment to cost Base		_____	X _____	= \$ _____

<u>BOX E</u>		<u>BOX D</u>		<u>BOX F</u>
Purchase price per broker's advice or elected amount on December 31, 1998		Total Adjustments to Cost Base		Adjusted Cost Base
<input type="text"/>	—	<input type="text"/>	=	<input type="text"/>

PUBLIC STORAGE CANADIAN PROPERTIES (a limited partnership)

Adjustment to Adjusted Cost Base (per unit) :

March 15, 1999 distribution	0.3000000000
June 15, 1999 distribution	0.3000000000
September 15, 1999 distribution	0.3000000000
December 15, 1999 distribution	0.3000000000
December 31, 1999 taxable income	(1.5805769243)
March 15, 2000 distribution	0.3000000000
June 15, 2000 distribution	0.3300000000
September 15, 2000 distribution	0.3500000000
December 15, 2000 distribution	0.3500000000
December 31, 2000 taxable income	(1.6492582076)
March 15, 2001 distribution	0.3500000000
June 15, 2001 distribution	0.3500000000
September 15, 2001 distribution	0.4000000000
December 15, 2001 distribution	0.6500000000
December 31, 2001 taxable income	(1.9529998361)
March 15, 2002 distribution	0.4000000000
June 14, 2002 distribution	0.4000000000
September 13, 2002 distribution	0.4000000000
December 13, 2002 distribution	0.7500000000
December 31, 2002 taxable income	(1.9337395752)
March 14, 2003 distribution	0.4500000000
June 13, 2003 distribution	0.4500000000
September 15, 2003 distribution	0.4500000000
December 15, 2003 distribution	0.4500000000
December 31, 2003 taxable income	(1.6639966483)

March 15, 2004 distribution	0.4500000000
June 15, 2004 distribution	0.4500000000
September 15, 2004 distribution	0.4500000000
December 15, 2004 distribution	0.4500000000
December 31, 2004 taxable income	(1.6082892420)
March 15, 2005 distribution	0.4500000000
June 15, 2005 distribution	0.4500000000
September 15, 2005 distribution	0.4500000000
December 15, 2005 distribution	0.4500000000
December 31, 2005 taxable income	(1.7855449524)
March 15, 2006 distribution net of allocation of taxable income	0.1159587490
June 15, 2006 distribution net of allocation of taxable income	0.1159587490
September 15, 2006 distribution net of allocation of taxable income	0.1159587490
December 15, 2006 distribution net of allocation of taxable income	0.1159587490
March 15, 2007 distribution net of allocation of taxable income	0.1642086560
June 15, 2007 distribution net of allocation of taxable income	0.1642086560
September 14, 2007 distribution net of allocation of taxable income	0.1642086560
December 14, 2007 distribution net of allocation of taxable income	0.1642086560

TABLE 3

PUBLIC STORAGE CANADIAN PROPERTIES

(a limited partnership)

INCOME STATEMENT FOR TAX PURPOSES
(to be used by limited partners as at December 31, 2008
who have not received a T5013/RL-15 Slip)

YEAR ENDED DECEMBER 31, 2008

Revenue

Rental Income	\$ 24,267,474
Interest and Other Income	<u>13,096</u>

Total Revenue 24,280,570

Costs and Expenses

Cost of operations	\$ 9,758,612
Management fees	1,456,048
Administrative expenses	603,291
Interest expense	424,923
Repairs and repainting costs capitalized for accounting	129,079
Capital cost allowance	3,750,400
Amortization of cumulative eligible capital	30,083
Amortization of financing costs for tax purposes	399,786
Representation fees capitalized for accounting	387,376
Landscaping fees capitalized for accounting	21,391
Loss on sale of marketable securities on capital account	(143,044)
Reversal of prior year reserves	<u>15,955</u>

Total costs and expenses 16,833,900

Net income for tax purposes for the year \$ 7,446,670

This schedule was prepared solely for use in filing with the Limited Partners' income tax returns and is not appropriate for other purposes.