

PUBLIC STORAGE CANADIAN PROPERTIES

2006 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 2006 income

Your share of the income of Public Storage Canadian Properties (the "Partnership") is entered in Box 18 of the T5013 slip. Enter this amount on the "net" line corresponding to line 122 of Schedule 4 of the individual Federal income tax return. The amount shown in Box 22 is your share of the Partnership's capital cost allowance. It has already been deducted by the Partnership in arriving at the amount included in Box 18. DO NOT deduct this amount on your tax return.

Important Note to individual unitholders preparing their Federal income tax returns using tax preparation software: When entering your T5013 slip information, the software program may require that the amount shown in Box 18 of your T5013 slip be entered on a line designated in the program as Box 22 (no Box 18 will be available for data entry). This discrepancy is due to recent changes to the Canada Revenue Agency's preprinted T5013 slips. The amount shown in Box 22 ("Capital Cost Allowance") on your T5013 slip should be entered on line designated in the program as Box 85.

All individual unitholders, regardless of province of residence, are required to file a Quebec personal income tax return for 2006. 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 2006 Quebec income tax return. Copy 2 of the slip should be filed with your return (See also "Allocation of Income from the Partnership Among the Provinces" below).

T5013/RL-15 slips have been issued to all unitholders who received cash distributions in 2006. If you received a cash distribution in 2006 and you did not receive a T5013/RL-15 slip, we have attached Table One 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 2006 income

The amount shown in Box 18 of the T5013 slip should be reflected on the corporation's Schedule 1 of the T2 Corporation Income Tax Return. Any cash distributions received from the Partnership would be excluded from corporate taxable income. The amount shown in Box 22 is the corporation's share of the Partnership's capital cost allowance. It has already been used by the Partnership in determining the amount included in Box 18. DO NOT deduct this amount on your corporate tax return.

3. Unitholders who held units as at December 31, 2006 but have not received T5013/RL-15 slips

To determine your share of net income, refer to Table One attached.

- i. Enter the number of partnership units held at March 15, 2006, June 15, 2006, September 15, 2006, and December 15, 2006, 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 and to line 122 of the T1 Jacket of your 2006 T1 General 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.
- iv. Copies of Table One and Table Three should be filed with your income tax return only if you did not receive a T5013/RL-15 slip from the registered holder of the units, as this slip is required to be included with your tax return. Copies of Table One and Table Three 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 Ontario, Alberta, British Columbia, and Quebec, the jurisdictions in which the Partnership carried on business during the year ended December 31, 2006. For individuals, the taxes payable to Ontario, Alberta, and B.C. are collected by the federal authorities along with the federal tax, and are accounted for on the partner’s federal General 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 2006 – 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 (18) of the T5013 slip (or Box 1 of the RL-15 slip) for the year ended December 31, 2006.

Filing Requirements

The following filing and reporting procedures in respect of your partnership income should be followed for your 2006 personal 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 2006, please state province or territory of self-employment."
- ii) Enter either the amount from Box (18) 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	\$ 1,210,666
Total Partnership salaries and wages attributable to B.C.	\$ 467,153
Total Partnership salaries and wages attributable to Alberta	\$ 102,260
Total Partnership salaries and wages attributable to Quebec	\$ 159,097
Total Partnership revenues attributable to Ontario	\$14,151,554
Total Partnership revenues attributable to B.C.	\$ 3,488,093
Total Partnership revenues attributable to Alberta	\$ 791,207
Total Partnership revenues attributable to Quebec	\$ 1,415,254

6. Unitholders who sold units during the period from January 1, 2006 to December 31, 2006

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, 2006 to December 31, 2006, and you are entitled to capital gain treatment you should report the resulting capital gain (loss) on your 2006 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 Two attached may be used to arrive at the ACB of the units on the date of sale as explained below.

I. Unitholders who sold units during the period from January 1, 2006 to December 31, 2006

NOTE: For unitholders who sold all of their Partnership units in 2006, the information contained in Table Two 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 2006 should consult their tax advisors to calculate the ACB of the units sold.

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

- i. If you purchased units prior to 2006, you should use Appendix to Table Two to calculate the total ACB adjustments for the period from the date of purchase to December 30, 2005. 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 Two. For example, if you purchased units on April 15, 2000 and sold them on April 10, 2006, your cumulative adjustment to the cost base of your units on December 30, 2005 is \$1.3217164908 per unit (from June 15, 2000 to December 30, 2005). Carry the result to line 1 of column B.
- ii. The cost base adjustments for 2006 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 April 10, 2006, your total cost base adjustment for 2006 is (\$1.6695862034) calculated as [-\$1.7855449524 + \$0.1159587490], which includes your share of the Partnership’s 2005 and 2006 taxable income and the first quarter distribution. Total the amounts in column B and enter the result on column B, line 7.
- iii. Enter the number of units sold in column C, line 7. Multiply this figure by the adjustment to cost base in column B, line 7 and record the result in Box D.

- iv. Box E represents your addition to ACB for either your purchase price, if bought in the open market (or if additional units were acquired via the rights offering in June, 2006) or your opening ACB if you transferred the units from the predecessor partnership(s) on December 31, 1998. If you didn't transfer the units on December 31, 1998, refer to your broker's advice for your original purchase transaction and extract the purchase price per unit. If you did transfer units on December 31, 1998, see note 7 below. Multiply the number of units sold by the purchase price per unit (or amount per unit determined under note 7 below) and enter the amount 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 2006 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 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 Two.
- 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 Two.

- 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 Two (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, 2006, 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, 2006:

Ontario	66.87%
British Columbia	20.83%
Alberta	4.63%
Quebec	<u>7.67%</u>
	<u>100.00%</u>

Table One

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

TAXABLE INCOME

<u>A</u>	<u>B</u>		<u>C</u>		<u>D</u>
<u>Record Date</u>	<u>Number of Units Held on Record Date</u>		<u>Partner's Canadian Business Income per Unit</u>		
March 15, 2006	_____	X	\$0.33404	=	
June 15, 2006	_____	X	\$0.33404	=	
September 15, 2006	_____	X	\$0.33404	=	
December 15, 2006	_____	X	\$0.33404	=	_____
TOTAL					=====

Filing Information

Business: Public Storage Canadian Properties
 General Partner: Canadian Mini-Warehouse Properties Company
 Address: 23805 Stuart Ranch Road, Suite 220
 Malibu, CA, 90265
 U.S.A.

NAME OF REGISTERED UNITHOLDER

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.

 Signature

Note: Gross income \$19,958,000

PUBLIC STORAGE CANADIAN PROPERTIES
(a limited partnership)

COMPUTATION OF ADJUSTED COST BASE OF PARTNERSHIP UNITS
FOR UNITHOLDERS WHO DISPOSED OF ALL UNITS IN 2006

	<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 <u>Base per Unit</u>	Cost base adjustments <u>(individual)</u>	<u>Number of</u> <u>units sold</u>	Total adjustment <u>to cost base</u>
1. Carryforward from Appendix to Table Two				
2. December 31, 2005	(\$1.7855449524)			
3. March 15, 2006	\$0.1159587490			
4. June 15, 2006	\$0.1159587490			
5. September 15, 2006	\$0.1159587490			
6. December 15, 2006	\$0.1159587490			
7. Adjustment to cost Base		_____	X _____	= \$ _____
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BOX E

BOX D

BOX F

Purchase price per broker's
advice or
elected amount on
December 31, 1998

Total Adjustment to Cost
Base

Adjusted
cost base

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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

TABLE THREE

PUBLIC STORAGE CANADIAN PROPERTIES

(a limited partnership)

INCOME STATEMENT FOR TAX PURPOSES

(to be used by limited partners as at December 31, 2006
who have not received a T5013/RL-15 Slip)

YEAR ENDED DECEMBER 31, 2006

Revenue

Rental Income	\$	19,846,000
Interest and Other Income		<u>112,000</u>

Total Revenue		<u>19,958,000</u>
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Costs and Expenses

Cost of operations	\$	6,775,000
Management fees		1,191,000
Administrative expenses		440,913
Interest expense		606,000
Repairs and painting costs capitalized for accounting		127,543
Capital cost allowance		1,801,992
Amortization of cumulative eligible capital		21,932
Non-deductible penalties		-691
Disallowed meals and entertainment		-62
Capital items expensed for accounting		-1,971
Amortization of financing costs for tax purposes		273,028
Amortization of financing costs for accounting		-31,190
Representation fees capitalized for accounting		78,890
Non-deductible reserves		<u>-45,445</u>

Total costs and expenses		11,236,939
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Gain on sale of land		<u>137,000</u>
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Net income for tax purposes for the year	\$	<u><u>8,858,061</u></u>
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This schedule was prepared solely for use in filing with the Limited Partners' income tax returns and is not appropriate for other purposes.