

SECURITIES AND EXCHANGE COMMISSION

FORM SC 14D1/A

Tender offer statement. [amend]

Filing Date: **1996-08-26**
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([HTML Version](#) on [secdatabase.com](#))

SUBJECT COMPANY

IDS SHURGARD INCOME GROWTH PARTNERS LP

CIK: **822816** | IRS No.: **911393767** | State of Incorpor.: **WA** | Fiscal Year End: **1231**
Type: **SC 14D1/A** | Act: **34** | File No.: **005-46267** | Film No.: **96620776**
SIC: **4220** Public warehousing & storage

Mailing Address
1201 THIRD AVENUE
SUITE 2200
SEATTLE WA 98101

Business Address
1201 THIRD AVE STE 2200
SEATTLE WA 98101
2066248100

FILED BY

SHURGARD STORAGE CENTERS INC

CIK: **906933** | IRS No.: **911603837** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **SC 14D1/A**
SIC: **6519** Lessors of real property, nec

Mailing Address
1201 THIRD AVENUE
SUITE 2200
SEATTLE WA 98101

Business Address
1201 THIRD AVE
STE 2200
SEATTLE WA 98101
2066248100

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14D-1/A

TENDER OFFER STATEMENT PURSUANT TO SECTION 14(d)(1)
of the Securities Exchange Act of 1934

(AMENDMENT NO. 8)

IDS/SHURGARD INCOME GROWTH PARTNERS L.P.

(Name of Subject Company)

SHURGARD STORAGE CENTERS, INC.

(Bidder)

LIMITED PARTNERSHIP UNITS
(Title of Class of Securities)

448933-309
(CUSIP Number of Class of Securities)

KRISTIN H. STRED, ESQ.
SENIOR VICE PRESIDENT, SECRETARY AND GENERAL COUNSEL
SHURGARD STORAGE CENTERS, INC.
1201 THIRD AVENUE
SUITE 2200
SEATTLE, WASHINGTON 98101
(206) 624-8100

(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications on Behalf of Bidder)

COPIES TO:

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WILLIAM J. CERNIUS, ESQ.
LATHAM & WATKINS
650 TOWN CENTER DRIVE
TWENTIETH FLOOR
COSTA MESA, CALIFORNIA 92626
(714) 540-1235

14D-1

<TABLE>
<CAPTION>
CUSIP NO.
<S> <C> <C>
1 NAME OF REPORTING PERSON AND S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2	SHURGARD STORAGE CENTERS, INC. (91-1603837) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a) / / (b) / /
3	SEC USE ONLY	
4	SOURCES OF FUNDS BK	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) OR 2(f)	/ /
6	CITIZENSHIP OR PLACE OF ORGANIZATION DELAWARE	
7	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON APPROXIMATELY 1,825 UNITS	
8	CHECK IF THE AGGREGATE AMOUNT IN ROW (7) EXCLUDES CERTAIN SHARES	/ /
9	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (7) APPROXIMATELY 1.2%	
10	TYPE OF REPORTING PERSON -- CO	

</TABLE>

This Amendment No. 8 to the Tender Offer Statement on Schedule 14D-1 (the "Schedule 14D-1") relates to a tender offer by Shurgard Storage Centers, Inc., a Delaware corporation (the "Purchaser"), to purchase up to 65,000 units of limited partnership interest (the "Units") in IDS/ Shurgard Income Growth Partners, L.P., a Washington limited partnership (the "Partnership"), at \$257 per Unit, net to the seller in cash and without interest, upon the terms of and subject to the conditions set forth in the Offer to Purchase dated July 2, 1996, as supplemented by the Purchaser's letter to Unitholders dated July 16, 1996 and the Supplement to Offer to Purchase dated August 26, 1996 (the "Supplement to Offer to Purchase"), a copy of which is attached hereto as Exhibit 99.19, and in the related Letter of Transmittal (which together constitute the "Offer"). This Amendment No. 8 is being filed by the Purchaser.

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ITEM 1. ISSUER AND CLASS OF SECURITY SUBJECT TO THE TRANSACTION.

Item 1 is hereby amended to add the following additional information:

(c) The information set forth in "MARKET PRICES OF UNITS" of the Supplement to the Offer to Purchase is incorporated herein by reference.

(d) The information set forth in SCHEDULE VIII of the Supplement to the Offer to Purchase is incorporated herein by reference.

ITEM 2. IDENTITY AND BACKGROUND.

Item 2 is hereby amended to add the following additional information:

(d) The information set forth in SCHEDULE I of the Supplement to Offer to Purchase is incorporated herein by reference.

ITEM 3. PAST CONTACTS, TRANSACTIONS OR NEGOTIATIONS WITH THE SUBJECT COMPANY.

Item 3 is hereby amended to add the following additional information.

(a)-(b) The information set forth on the Cover Page and in the SUMMARY, "SPECIAL CONSIDERATIONS," "BACKGROUND AND PURPOSES OF THE TRANSACTION -- Background of the Transaction" and "INTERESTS OF CERTAIN PERSONS" of the Supplement to Offer to Purchase is incorporated herein by reference.

ITEM 5. PURPOSE OF THE TENDER OFFER AND PLANS OR PROPOSALS OF THE BIDDER.

Item 5 is hereby amended to add the following additional information:

(a)-(g) The information set forth on the Cover Page and in "BACKGROUND AND PURPOSES OF THE TRANSACTION" of the Supplement to Offer to Purchase is incorporated herein by reference.

ITEM 7. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE SUBJECT COMPANY'S SECURITIES.

Item 7 is hereby amended to add the following additional information:

The information set forth in "BACKGROUND AND PURPOSES OF THE TRANSACTION -- Background of the Transaction" is incorporated herein by reference.

ITEM 9. FINANCIAL STATEMENTS OF CERTAIN BIDDERS.

Item 9 is hereby amended to add the following additional information:

The information set forth in "BACKGROUND AND PURPOSES OF THE TRANSACTION -- The Purchaser" and SCHEDULE VII of the Supplement to the Offer to Purchase is incorporated herein by reference.

ITEM 10. ADDITIONAL INFORMATION.

Item 10 is hereby amended to add the following additional information:

(a) The information set forth in the SUMMARY, "SPECIAL CONSIDERATIONS" and "INTERESTS OF CERTAIN PERSONS" of the Supplement to Offer to Purchase is incorporated herein by reference.

(e) The information set forth in "THE OFFER -- Section 11" ("Miscellaneous") is incorporated herein by reference.

(f) The information set forth in the Supplement to Offer to Purchase, a copy of which is attached hereto as Exhibit 99.19, is incorporated herein by reference.

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ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

Item 11 is hereby amended to add the following additional information:

<TABLE>	
<S>	<C>
99.19	Supplement to Offer to Purchase dated August 26, 1996.
99.20	Letter to Unitholders dated August 26, 1996.
99.21	Text of Press Release dated August 26, 1996.
</TABLE>	

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: August 26, 1996

SHURGARD STORAGE CENTERS, INC.

By: /s/ HARRELL L. BECK

Name: Harrell L. Beck
Title: Senior Vice President,
Chief Financial Officer and
Treasurer

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SUPPLEMENT TO
OFFER TO PURCHASE FOR CASH
UP TO 65,000 UNITS OF LIMITED PARTNERSHIP INTEREST

OF

IDS/SHURGARD INCOME GROWTH PARTNERS L.P.
AT

\$257 NET PER UNIT

BY

SHURGARD STORAGE CENTERS, INC.

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 6:00 P.M., NEW YORK CITY TIME, ON MONDAY, SEPTEMBER 9, 1996, UNLESS EXTENDED.

SHURGARD STORAGE CENTERS, INC. (THE "PURCHASER") IS OFFERING TO PURCHASE UP TO 65,000 UNITS OF LIMITED PARTNERSHIP INTEREST (THE "UNITS") IN IDS/SHURGARD INCOME GROWTH PARTNERS L.P. (THE "PARTNERSHIP") AT A NET CASH PRICE PER UNIT OF \$257 (THE "OFFER PRICE"). THIS OFFER IS NOT CONDITIONED UPON A MINIMUM NUMBER OF UNITS BEING VALIDLY TENDERED, BUT IT IS SUBJECT TO CERTAIN TERMS AND CONDITIONS DESCRIBED IN THE OFFER TO PURCHASE. SEE "THE OFFER" -- SECTION 7 ("CERTAIN CONDITIONS OF THE OFFER"). IF MORE THAN 65,000 UNITS (APPROXIMATELY 44% OF THE OUTSTANDING UNITS) ARE VALIDLY TENDERED, THE PURCHASER WILL ACCEPT ONLY 65,000 UNITS AND WILL PURCHASE UNITS FROM TENDERING UNITHOLDERS ON A PRO RATA BASIS AS DESCRIBED IN THE OFFER TO PURCHASE.

Following the completion of the purchase of Units pursuant to this Offer, the remaining Unitholders will be notified of a special meeting of Unitholders (the "Special Meeting") to be held to consider and vote upon approval of the merger of the Partnership with and into the Purchaser (the "Merger"). If the Merger is approved by the requisite vote of the Unitholders and certain other conditions to the Merger are satisfied or waived, (i) the Partnership will merge into the Purchaser and cease to exist as a separate legal entity and (ii) each Unit, other than Units held by the Purchaser (including Units purchased in this Offer), which will be cancelled, and Units, if any, held by Unitholders who perfect dissenters' rights, will be converted into the right to receive between 9.26 and 11.55 shares of Class A Common Stock of the Purchaser ("REIT Shares"), depending upon the average closing price of the REIT Shares on the New York Stock Exchange during a designated period prior to the Special Meeting. All REIT Shares will be aggregated for each Unitholder and cash will be issued in lieu of any fractional REIT Shares. If the average closing price used to determine the number of REIT Shares issuable in the Merger is less than \$21.50 per REIT Share, the Purchaser may provide additional cash consideration. See "The Acquisition Agreement."

In evaluating the matters described herein, Unitholders should consider the following, among other factors:

-The general partner of the Partnership, the Purchaser and their affiliates have significant conflicts of interest in connection with this Offer and the Merger, and no unaffiliated representatives were appointed to negotiate the terms of this Offer and the Merger on behalf of the Partnership. The conflicts of interest arise, among other things, from the fact that certain representatives of the general partner are also officers of the Purchaser. See "Special Considerations."

-As a result of this Offer, the Purchaser may hold the largest, or one of the largest, equity positions in the Partnership, and therefore may be in a position to influence the policies and affairs of the Partnership and the vote on approval of the Merger. See "Special Considerations."

-If the average price of REIT Shares for the designated period used to determine the number of REIT Shares issuable in the Merger is less than \$22.25 per share or if the market price of REIT Shares decreases after determination of the number of REIT Shares to be issued in the Merger and prior to the issuance of the REIT Shares, the market value of the REIT Shares received in the Merger may be lower than the Offer Price. See "Special Considerations."

(CONTINUED ON NEXT PAGE)

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") NOR HAS THE COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF THIS TRANSACTION OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

(CONTINUED FROM PREVIOUS PAGE)

-The Merger, if consummated, may affect the level of distributions made to Unitholders who become stockholders of the Purchaser, with the potential that, depending upon the number of REIT Shares issued in the Merger, some Unitholders may receive following the Merger smaller distributions than they would have received if the Merger had not been consummated and they had remained Unitholders. See "Fairness of the Transaction; Position of the General Partner."

-Certain valuations of the Partnerships (as defined in the Offer to Purchase) performed by Alex. Brown were above the aggregate consideration to be issued in the Transaction and Additional Transactions (each as defined in the Offer to Purchase) while other valuations of the Partnerships that Alex. Brown performed were below the aggregate consideration to be issued in the Transaction and Additional Transactions. In particular, the valuation of the Partnerships Alex. Brown performed in its analysis of publicly-traded REITs resulted in a higher valuation than the consideration to be issued in the Transaction and Additional Transactions, whereas the valuation of the Partnerships it performed in its analysis of selected real estate acquisitions resulted in a lower valuation than the consideration to be issued in the Transaction and Additional Transactions. See "Appraisal; Opinions of Financial Advisors -- Opinion of the Purchaser's Financial Advisor."

THE GENERAL PARTNER OF THE PARTNERSHIP IS SHURGARD ASSOCIATES L.P. (THE "GENERAL PARTNER"). THE GENERAL PARTNER HAS APPROVED THIS OFFER AND THE MERGER AND HAS DETERMINED THAT THE TERMS OF THIS OFFER AND THE MERGER ARE FAIR TO THE UNITHOLDERS. THE GENERAL PARTNER RECOMMENDS THAT THOSE UNITHOLDERS WHO DESIRE IMMEDIATE LIQUIDITY TENDER THEIR UNITS PURSUANT TO THIS OFFER AND THAT ALL OTHER UNITHOLDERS RETAIN THEIR UNITS AND, INSTEAD, PARTICIPATE IN THE MERGER. THERE CAN BE NO ASSURANCE, HOWEVER, THAT THE MERGER WILL BE CONSUMMATED.

IMPORTANT

Any Unitholder desiring to tender all or any portion of his or her Units should complete and sign the Letter of Transmittal in accordance with the instructions in the Letter of Transmittal, and mail or deliver it with any other required documents to the Depository at the address set forth on the back cover of the Offer to Purchase.

Questions and requests for assistance or additional copies of the Offer to Purchase, the Letter of Transmittal and this Supplement may be directed to the Information Agent at its address and telephone number set forth on the back cover of the Offer to Purchase. Unitholders may also contact brokers, dealers, commercial banks and trust companies for assistance concerning this Offer.

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Schedule V	--	Consolidated Financial Statements of IDS/Shurgard Income Growth Partners L.P.
Schedule VI	--	Management's Discussion and Analysis of Financial Condition and Results of Operations of the Partnership

Schedule VII	--	Pro Forma Consolidated Financial Statements
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INTRODUCTION

The Purchaser hereby amends and supplements the Offer to Purchase dated July 2, 1996, as supplemented by the Purchaser's letter to Unitholders dated July 16, 1996 (the "Offer to Purchase"). Except as set forth in this Supplement, the Offer continues to be governed by the terms and conditions set forth in the Offer to Purchase and the related Letter of Transmittal, and the information contained therein continues to be important to each Unitholder's decision with respect to the Offer. Accordingly, this Supplement should be carefully read in conjunction with the Offer to Purchase and the related Letter of Transmittal, which have been previously mailed to Unitholders. Capitalized terms not defined herein have the meanings set forth in the Offer to Purchase.

Procedures for tendering Units are set forth in the Section entitled "The Offer" of the Offer to Purchase. Tendering Unitholders should continue to use the Letter of Transmittal circulated with the Offer to Purchase. By tendering Units, Unitholders assign to the Purchaser all rights to cash distributions made subsequent to July 2, 1996 with respect to those Units.

UNITHOLDERS WHO HAVE VALIDLY TENDERED UNITS AND NOT WITHDRAWN THEIR TENDERS NEED TAKE NO FURTHER ACTION TO VALIDLY TENDER THOSE UNITS.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

THE FIRST PARAGRAPH OF THE SECTION ENTITLED "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

The following documents filed with the Commission by the Purchaser (File No. 0-23466) are incorporated by reference in this Offer to Purchase:

(i) the Purchaser's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1996 and June 30, 1996;

(ii) the Purchaser's Annual Report on Form 10-K for the year ended December 31, 1995;

(iii) the Purchaser's Proxy Statement for 1996 Annual Meeting of Stockholders;

(iv) the description of the Purchaser's Class A Common Stock, par value \$.001 per share, contained in the Purchaser's Registration Statement on Form 8-A, as amended, dated April 19, 1995; and

(v) the description of the Preferred Share Purchase Rights contained in the Purchaser's Registration Statement on Form 8-A, as amended, dated April 19, 1995.

CAUTIONARY STATEMENT

THE SECTION ENTITLED "CAUTIONARY STATEMENT" IS HEREBY DELETED.

SUMMARY

THE SECTION ENTITLED "SUMMARY -- CONFLICTS OF INTEREST" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

CONFLICTS OF INTEREST

The General Partner of the Partnership has substantial conflicts of interest in the Transaction because (i) Charles K. Barbo, the Chairman of the Board, President and Chief Executive Officer and a stockholder of the Purchaser, is an individual general partner of the General Partner and the sole shareholder and director of the corporate general partner of the General Partner, (ii) Arthur W. Buerk, a stockholder of the Purchaser, is an individual general partner of the General Partner, (iii) certain executive officers of the Purchaser are executive officers of the corporate general partner of the General Partner, (iv) pursuant to the terms of the Partnership's Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement"), the General Partner will receive 5% of the Merger Consideration in exchange for its general partner interest ("GP Interest") in the Partnership

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and (v) the Purchaser is a limited partner of the General Partner and manages the Partnership's properties pursuant to the Management Services Agreement between the Purchaser and the Partnership (the "Management Services Agreement"). In addition, pursuant to the terms of the Contingent Share Agreement (as defined in "Fairness of the Transaction; Position of the General Partner -- Factors Considered by the General Partner -- Fairness in View of Conflicts of Interest"), assuming the REIT Share Price is within the Share Price Range, Charles K. Barbo, Arthur W. Buerk and certain executive officers of the Purchaser will receive REIT Shares in connection with the Merger with a value of \$100,200, \$61,000 and \$23,400, respectively. See "Background and Purposes of the Transaction -- Relationships" and "Interests of Certain Persons."

Under the Partnership Agreement and related Management Services Agreement, the Partnership currently pays compensation, fees and distributions to the General Partner and its affiliates. Specifically, the General Partner is entitled to receive 5% of the Partnership's cash distributions, profits and losses and the percentage increases to 20% once Unitholders have received a specified return on their capital contributions to the Partnership. For the years ended December 31, 1993, 1994 and 1995 and the six months ended June 30, 1996, the General Partner received distributions of \$118,219, \$132,846, \$149,909 and \$75,564, respectively. The General Partner will receive, in exchange for its general partner interest in the Partnership, 5% of the Merger Consideration which, assuming the REIT Share Price is within the Share Price Range, results in the General Partner receiving REIT Shares with an aggregate value of \$2,003,000, of which Charles K. Barbo and Arthur W. Buerk will be entitled to REIT Shares with a value of \$202,300 and \$198,300, respectively. As the property manager, the Purchaser is entitled to receive 6% of gross revenues received from operations of the Partnership's properties, plus a monthly advertising fee of \$75 per property, as well as reimbursement for certain out-of-pocket expenses incurred in the management of the Partnership's assets. For the years ended December 31, 1993, 1994 and 1995 and the six months ended June 30, 1996, the Purchaser received property management and advertising fees totaling \$310,106, \$337,816, \$361,778 and \$183,291, respectively. In addition, the Purchaser was reimbursed by the Partnership for certain expenses it incurred as property manager. An affiliate of IPSC received from the Purchaser a quarterly fee of \$12,000 for each quarter commencing July 1, 1994 and ending June 30, 1996 as reimbursement for expenses in connection with the rendering of certain administrative services. The IPSC affiliate will be reimbursed by the Purchaser for expenses incurred in connection with the provision of certain administrative services with respect to the Transaction, which the IPSC affiliate does not expect to exceed \$50,000. See "Interests of Certain Persons -- Payments for Administrative Services."

If the Merger is consummated, all of the assets of the Partnership will be acquired by the Purchaser and, because the Purchaser is self-administered, the acquired assets will be managed by employees of the Purchaser and the General Partner and its affiliates will receive no property management or advertising fees. The General Partner and its affiliates will be entitled to receive dividends on the REIT Shares they each receive as a result of the Merger on the same basis as all other stockholders of the Purchaser.

SPECIAL CONSIDERATIONS

THE SECTION ENTITLED "SPECIAL CONSIDERATIONS -- CONFLICTS OF INTEREST" IS HEREBY RESTATED IN ITS ENTIRETY AS FOLLOWS:

CONFLICTS OF INTEREST. The General Partner has substantial conflicts of interest with respect to the Transaction because (i) Charles K. Barbo, the Chairman of the Board, President and Chief Executive Officer and a stockholder of the Purchaser, is an individual general partner of the General Partner and the sole shareholder and director of the corporate general partner of the General Partner, (ii) Arthur W. Buerk, a stockholder of the Purchaser, is an individual general partner of the General Partner, (iii) certain executive officers of the Purchaser are executive officers of the corporate general partner of the General Partner, (iv) the General Partner will be entitled to 5% of the Merger Consideration pursuant to the terms of the Partnership Agreement and (v) the Purchaser is a limited partner of the General Partner and the manager of the Partnership's properties pursuant to the Management

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Services Agreement. In addition, pursuant to the terms of the Contingent Share Agreement, assuming the REIT Share Price is within the Share Price Range, Charles K. Barbo, Arthur W. Buerk and certain executive officers of the Purchaser will receive REIT Shares in connection with the Merger with a value of \$100,200, \$61,000 and \$23,400, respectively. As general partners of the General Partner, Messrs. Barbo and Buerk control the day-to-day affairs of the Partnership. See "Interests of Certain Persons." For certain limitations on the authority of the general partners of the General Partner to enter into the Acquisition Agreement, see "The Acquisition Agreement -- IPSC Consent."

Under the Partnership Agreement and related Management Services Agreement, the Partnership currently pays compensation, fees and distributions to the

General Partner and its affiliates. Specifically, the General Partner is entitled to receive 5% of the Partnership's cash distributions, profits and losses and the percentage increases to 20% once Unitholders have received a specified return on their capital contributions to the Partnership. For the years ended December 31, 1993, 1994 and 1995 and the six months ended June 30, 1996, the General Partner received distributions of \$118,219, \$132,846, \$149,909 and \$75,564, respectively. The General Partner will receive, in exchange for its general partner interest in the Partnership, 5% of the Merger Consideration which, assuming the REIT Share Price is within the Share Price Range, results in the General Partner receiving REIT Shares with an aggregate value of \$2,003,000, of which Charles K. Barbo and Arthur W. Buerk will be entitled to REIT Shares with a value of \$202,300 and \$198,300, respectively. As the property manager, the Purchaser is entitled to receive 6% of gross revenues received from operations of the Partnership's properties, plus a monthly advertising fee of \$75 per property, as well as reimbursement for certain out-of-pocket expenses incurred in the management of the Partnership's assets. For the years ended December 31, 1993, 1994 and 1995 and the six months ended June 30, 1996, the Purchaser received property management and advertising fees totaling \$310,106, \$337,816, \$361,778 and \$183,291, respectively. In addition, the Purchaser was reimbursed by the Partnership for certain expenses it incurred as property manager. An affiliate of IPSC received from the Purchaser a quarterly fee of \$12,000 for each quarter commencing July 1, 1994 and ending June 30, 1996 as reimbursement for expenses in connection with the rendering of certain administrative services. The IPSC affiliate will be reimbursed by the Purchaser for expenses incurred in connection with the provision of certain administrative services, which the IPSC affiliate does not expect to exceed \$50,000. See "Interests of Certain Persons -- Payments for Administrative Services."

If the Merger is consummated, all of the assets of the Partnership will be acquired by the Purchaser and, because the Purchaser is self-administered, the acquired assets will be managed by employees of the Purchaser and the General Partner and its affiliates will receive no property management or advertising fees. The General Partner and its affiliates will be entitled to receive dividends on the REIT Shares they each receive as a result of the Merger on the same basis as all other stockholders of the Purchaser.

THE SECTION ENTITLED "SPECIAL CONSIDERATIONS -- INVESTMENT OBJECTIVES OF THE PURCHASER" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

INVESTMENT OBJECTIVES OF THE PURCHASER. The Purchaser is making this Offer with a view to further expanding its portfolio of self storage properties. There is a conflict between the desire of the Purchaser to purchase Units at a low price and the desire of the Unitholders to sell their Units at a high price. The Offer Price was determined based upon the Net Asset Value of the Partnership, which Net Asset Value was, in turn, based primarily upon the independently appraised value of the Partnership's real estate portfolio.

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BACKGROUND AND PURPOSES OF THE TRANSACTION

THE SECTION ENTITLED "BACKGROUND AND PURPOSES OF THE TRANSACTION -- THE PARTNERSHIP" IS HEREBY AMENDED BY ADDING THE FOLLOWING PARAGRAPH IMMEDIATELY AFTER THE THIRD PARAGRAPH OF THAT SECTION:

The General Partner of the Partnership is a limited partnership of which Charles K. Barbo, Arthur W. Buerk and SGPI are the general partners. The business address, current principal occupation or employment, five-year employment history and citizenship of Mr. Barbo, Mr. Buerk and the executive officers and directors of SGPI are set forth in Schedule I to this Offer to Purchase.

THE SECTION ENTITLED "BACKGROUND AND PURPOSES OF THE TRANSACTION -- THE PARTNERSHIP" IS HEREBY AMENDED BY REPLACING THE FIFTH PARAGRAPH AND THE TABLE IN THAT SECTION WITH THE FOLLOWING:

The following sets forth certain financial information for the Partnership which is derived from the historical consolidated financial statements of the Partnership. The unaudited financial data for the six months ended June 30, 1995 and 1996 include all adjustments (consisting only of normally recurring accruals) that the Partnership considers necessary for a fair presentation of consolidated operating results for those interim periods. Results for the unaudited interim periods are not necessarily indicative of results for the full year. This information should be read in conjunction with the Consolidated Financial Statements of the Partnership and Management's Discussion and Analysis of Financial Condition and Results of Operations of the Partnership included as Schedules V and VI, respectively, to this Supplement.

<TABLE>
<CAPTION>

SIX MONTHS ENDED
YEAR ENDED DECEMBER 31, JUNE 30,

	1993	1994	1995	1995	1996
	(IN THOUSANDS, EXCEPT PER UNIT DATA)				
<S>	<C>	<C>	<C>	<C>	<C>
OPERATING DATA:					
Rental revenue.....	\$ 5,463	\$ 5,996	\$ 6,465	\$ 3,143	\$ 3,278
Interest income.....	29	60	107	50	19
Earnings.....	1,821	2,224	2,503	1,142	867
Earnings per Unit (1).....	11.67	14.25	16.04	7.32	5.56
Distributions to Unitholders.....	2,246	2,524	2,848	1,413	1,436
Distributions per Unit (1).....	15.16	17.03	19.22	9.53	9.69
OTHER DATA:					
Cash flows provided by (used by):					
Operating activities.....	\$ 3,170	\$ 3,509	\$ 3,917	\$ 1,948	\$ 2,017
Investing activities.....	(111)	(137)	(99)	(10)	(28)
Financing activities.....	(2,631)	(2,777)	(5,027)	(1,819)	(1,793)
Funds from operations (2).....	2,825	3,233	3,500	1,654	1,759

<TABLE>
<CAPTION>

	DECEMBER 31,			JUNE 30,
	1994	1995	1995	1996
<S>	<C>	<C>	<C>	<C>
BALANCE SHEET DATA:				
Total assets.....	\$ 31,948	\$ 29,739	\$ 29,407	
Note payable.....	1,451	--	--	
Partners' equity.....	27,388	26,892	26,248	

(1) Earnings per Unit and Distributions per Unit are based on earnings and distributions, respectively, allocated to Unitholders divided by the number of Units outstanding during the period (approximately 148,202 Units for all periods shown).

(2) Funds from operations ("FFO"), as promulgated by the National Association of Real Estate Investment Trusts in its March 1995 White Paper on Funds from Operations, is defined as net

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income (calculated in accordance with generally accepted accounting principles ("GAAP")) excluding gains or losses from debt restructuring and sales of real estate, plus depreciation of rental real estate and amortization of intangible assets exclusive of deferred financing costs, plus or minus certain nonrecurring revenue and expenses. Contributions to FFO from unconsolidated entities in which the reporting entity holds an active interest are to be reflected in FFO on the same basis. The Partnership believes FFO is a meaningful disclosure as industry investors use FFO as a supplemental measure to compare the operational performance of equity REITs. FFO is not a substitute for net cash provided by operating activities or net income computed in accordance with GAAP, nor should it be considered an alternative indication of the Partnership's operating performance or liquidity.

FFO for each of the periods presented is calculated as follows:

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,			SIX MONTHS ENDED	
	1993	1994	1995	1995	JUNE 30,
	1993	1994	1995	1995	1996
<S>	<C>	<C>	<C>	<C>	<C>
(IN THOUSANDS)					
Earnings.....	\$ 1,821	\$ 2,224	\$ 2,503	\$ 1,142	\$ 867
Depreciation and amortization.....	1,008	1,013	1,001	514	467
Deferred financing costs.....	(4)	(4)	(4)	(2)	--
Transaction costs.....	--	--	--	--	425
Funds from operations.....	\$ 2,825	\$ 3,233	\$ 3,500	\$ 1,654	\$ 1,759

</TABLE>

THE SECTION ENTITLED "BACKGROUND AND PURPOSES OF THE TRANSACTION -- THE PURCHASER" IS HEREBY AMENDED BY REPLACING THE FIFTH PARAGRAPH AND TABLE IN THAT SECTION WITH THE FOLLOWING:

The following sets forth selected financial information of the Purchaser which is derived from the historical consolidated financial statements of the Purchaser. Selected unaudited financial data for the six months ended June 30, 1995 and 1996 include all adjustments (consisting only of normally recurring accruals) that the Purchaser considers necessary for a fair presentation of consolidated operating results for those interim periods. Results for the interim periods are not necessarily indicative of results for the full year. This information should be read in conjunction with the Purchaser's consolidated financial statements and other financial information incorporated by reference in the

Offer to Purchase. See "Incorporation by Reference." Certain pro forma financial information with respect to the Offer, the Additional Offers, the Merger and the Additional Mergers is set forth in Schedule VII to this Supplement.

<TABLE>
<CAPTION>

	PREDECESSOR (1)		PURCHASER (2)			
	YEAR ENDED	JAN. 1 TO	YEAR ENDED DEC. 31,		SIX MONTHS ENDED JUNE	
	DEC. 31,	MARCH 1,	1994	1995	1995	1996
	1993	1994				
	(IN THOUSANDS, EXCEPT PER SHARE DATA)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
OPERATING DATA:						
Total revenue.....	\$72,346	\$ 12,368	\$66,921	\$96,771	\$45,475	\$51,142
Net income.....	18,284	34,286	17,821	29,572	11,992	15,114
Net income per common share (3)....	34.11	63.97	1.05	1.43	.66	.65
Dividends declared per common share (3).....	59.57	732.05	1.02	2.38 (4)	1.36 (5)	.47 (6)
OTHER DATA:						
Cash flows provided by (used by):						
Operating activities.....	\$35,049	\$ 5,116	\$29,309	\$46,113	\$20,602	\$23,070
Investing activities.....	(5,582)	62,962	(115)	(86,311)	(60,699)	(31,802)
Financing activities.....	(30,269)	(589)	99,021	32,719	33,947	6,797
Funds from operations (7).....	39,657	5,980	29,759	45,788	19,574	25,078

</TABLE>

<TABLE>
<CAPTION>

	DECEMBER 31,		JUNE 30,	
	1994	1995	1995	1996
	<C>	<C>	<C>	<C>
<S>				
BALANCE SHEET DATA:				
Total assets.....	\$ 494,590	\$ 610,394	\$ 585,901	\$ 631,562
Total borrowings.....	167,137	142,840	132,391	171,140

</TABLE>

- (1) The Predecessor information reflects the combination of the 17 partnerships included in the Consolidation.
- (2) The Purchaser was inactive from January 1 through March 1, 1994.
- (3) Predecessor "per share" information is earnings and distributions per original \$1,000 investment. Distributions for the period from January 1, 1994 to March 1, 1994 include the liquidating distributions made in connection with the Consolidation.
- (4) Includes the special dividend of \$0.10 declared in November 1995 and the dividend of \$0.46 per share declared in December 1995 based on financial results for the quarter ended December 31, 1995.
- (5) Includes the dividend of \$0.44 per share declared in January 1995 based on financial results for the quarter ended December 31, 1994, the dividend of \$0.46 per share declared in May 1995 for the quarter ended March 31, 1995 and the dividend of \$0.46 per share declared in May 1995 based on financial results for the quarter ended June 30, 1995.
- (6) A dividend of \$0.47 per share relating to the financial results for the quarter ending March 31, 1996 was declared in April 1996.
- (7) FFO, as promulgated by the National Association of Real Estate Investment Trusts in its March 1995 White Paper on Funds from Operations, is defined as net income (calculated in accordance with GAAP) excluding gains or losses from debt restructuring and sales of real estate, plus depreciation of rental real estate and amortization of intangible assets exclusive of

deferred financing costs. Contributions to FFO from unconsolidated entities in which the reporting entity holds an active interest are to be reflected in FFO on the same basis. The Purchaser believes FFO is meaningful disclosure as industry investors use FFO as a supplemental measure to compare the operational performance of equity REITs. FFO is not a substitute for net cash provided by operating activities or net income computed in accordance with GAAP, nor should it be considered an alternative indication of the Purchaser's operating performance or liquidity.

FFO for each of the periods presented is calculated as follows:

<TABLE>
<CAPTION>

	PREDECESSOR		PURCHASER			
	YEAR ENDED	JAN. 1 TO	YEAR ENDED DEC.		SIX MONTHS ENDED	
	DEC. 31,	MARCH 1,	31,		JUNE 30,	
	1993	1994	1994	1995	1995	1996
(IN THOUSANDS)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net income.....	\$18,284	\$34,286	\$17,821	\$29,572	\$11,992	\$15,114
Depreciation and amortization.....	14,017	2,406	11,452	17,559	8,142	10,524
Deferred financing costs.....	(55)	(9)	(694)	(1,120)	(560)	(560)
Nonrecurring items.....	7,411(1)	(30,703)(2)	1,180(3)	(223)(4)	--	--
Funds from operations.....	\$39,657	\$ 5,980	\$29,759	\$45,788	\$19,574	\$25,078

</TABLE>

- (1) Litigation, hostile takeover and consolidation expenses.
- (2) Litigation, hostile takeover and consolidation expenses of \$12,180 less \$48,223 of gains in consolidation plus incentive management fees of \$5,340.
- (3) Extraordinary loss on retirement of debt.
- (4) Gain on condemnation.

THE THIRD PARAGRAPH OF THE SECTION ENTITLED "BACKGROUND AND PURPOSES OF THE TRANSACTION -- BACKGROUND OF THE TRANSACTION" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

In the fall of 1994, the General Partner and the general partners of the Other Partnerships (collectively, the "General Partners") began considering the termination of the Partnership and the Other Partnerships (collectively, the "Partnerships") through an acquisition of the Partnerships by the Purchaser. The representatives of the General Partners who considered the Partnerships' termination and the acquisition of the Partnerships' assets by the Purchaser were also executive officers of the Purchaser. The representatives of the General Partners and the Purchaser recognized that an acquisition might require the consent of IPSC under the terms of the partnership agreements of the General Partners. Consequently, on September 22, 1994, a representative of the Purchaser sent IPSC a letter discussing potential advantages and disadvantages of an acquisition of the Partnerships by the Purchaser for the appraised values of the Partnerships, whereby the limited partners of the Partnerships would receive either cash or REIT Shares in exchange for their limited partnership interests. The letter presented preliminary analyses of the value of the Partnership's properties of \$31.8 million to \$35.2 million, resulting in a net asset value of \$30.4 million to \$33.5 million and a net asset value per Unit of \$205 to \$226. For purposes of the letter, net asset value was comprised of the sum of the Purchaser's internal valuation of the Partnership's properties and the book value of the Partnership's non-real estate assets less the sum of the Partnership's liabilities and estimated transaction costs. The analyses were based upon the Partnership's 1994 budgeted net operating income adjusted based upon the Partnership's actual performance when compared against budget through July 1994, capitalization rates ranging from 10.5% to 9.5% and selling costs of 5% of property value. The letter invited IPSC to contact the Purchaser concerning how or if IPSC and the Purchaser might wish to proceed. At the time the initial letter was sent to IPSC in 1994, the Purchaser and Shurgard Incorporated, the manager of the Purchaser at that time, were negotiating the terms of the merger of Shurgard Incorporated into the Purchaser (the "Management Company Merger") which was completed in March 1995. Although representatives of the Purchaser and the Partnerships had occasional discussions with representatives of IPSC concerning the business of the Partnerships during that period, they did not pursue a potential transaction due to the Purchaser's

representatives' involvement in the Management Company Merger.

THE SECTION ENTITLED "BACKGROUND AND PURPOSES OF THE TRANSACTION -- BACKGROUND OF THE TRANSACTION" IS HEREBY AMENDED BY ADDING THE FOLLOWING PARAGRAPHS IMMEDIATELY AFTER THE FIFTH PARAGRAPH OF THAT SECTION:

The letter noted the following benefits of a merger: Unitholders participating in the merger would acquire stock in an infinite life entity with a larger asset base, greater diversification, larger

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market capitalization than all three Partnerships combined and the ability to grow through increasing cash flows from its existing portfolio, as well as through new investments; the merger would permit Unitholders to exchange their illiquid Units for shares of a publicly traded entity which they could liquidate at the time of their own choosing; the merger would permit Unitholders to take advantage of the then-current market for REIT securities which more fully reflected the underlying net asset value of REITs (such as the Purchaser) with the ability to grow; the merger would permit Unitholders to benefit from the increasing strength of the self-storage industry over the past several years; while the merger would be a taxable event, the then-current tax liability would be minimal, but would increase the longer the merger was delayed, assuming no change in other factors; and the merger would avoid certain of the costs associated with a liquidation of the Partnership's properties, such as real estate broker fees and transfer taxes.

The letter outlined a merger which would contain the following elements: the ability of Unitholders to exchange their Units for cash or stock of the Purchaser, based on the net asset value of the Partnership; net asset value would be determined based upon an appraisal of the Partnership's real estate assets as adjusted for the Partnership's other assets and liabilities; upon completion of the merger, the Partnership would make a liquidating cash distribution to partners in order to reconcile to the Partnership's net asset value; the number of shares to be received by Unitholders would be determined based upon the average closing price of REIT Shares for the 20 trading days preceding the week prior to the special meeting of the Unitholders; the merger would require the approval of 75% of Unitholders; any Unitholder who did not vote or did not specify either cash or stock would receive stock in the merger; consummation of the merger with respect to the Partnership would not be dependent upon consummation of the mergers with respect to the Other Partnerships; and the solicitation period with respect to the merger would be 30 to 45 days.

The letter presented preliminary analyses of the value of the Partnership's properties of \$37.0 million to \$38.8 million, resulting in a net asset value of \$36.3 million to \$38.2 million and a net asset value per Unit of \$230 to \$245. For purposes of the letter, net asset value was comprised of the sum of the Purchaser's internal valuation of the Partnership's properties and the book value of the Partnership's non-real estate assets less the sum of the Partnership's liabilities and estimated transaction costs. The analyses were based upon the Partnership's 1995 budgeted net operating income adjusted based upon the Partnership's actual performance when compared against budget through June 1995, capitalization rates of 10.5% to 10% and Partnership transaction costs of 1.5% of net asset value. In addition, the letter compared the distributions received by Unitholders for the first quarter of 1995 with the estimated dividends that would be received by Unitholders exchanging their Units for shares based upon the Purchaser's then-current Partnership distribution rate of \$.46 per share, assuming a share price of \$23. Based upon these assumptions, dividends would range from 5% below to 5% above then-current Partnership distributions. The letter also contained an analysis of the taxable gain per Unit as a result of the transaction based upon the Partnership's 1994 tax return. The letter also noted that the anticipated total transaction costs would be from 2% to 3% of net asset value and proposed that the costs be shared by the Partnerships and the Purchaser.

The letter included consideration of the liquidation of the Partnerships' assets, concluding that it was a less than optimal time to liquidate the Partnerships' portfolios. This conclusion was based upon then-current general market conditions and performance of the properties owned and managed by the Purchaser. The letter noted the general deterioration of the real estate market which had affected property values and decreased sales activities, the reduced sources of traditional real estate financing and the oversupply in the real estate market caused by overbuilding and sales of troubled properties acquired by financial institutions. Although conditions had been improving more recently, these developments had resulted in a reduced market for sale and financing of commercial real estate. The letter noted that, during the same time period, the financial performance of the properties owned and managed by the Purchaser had improved and, assuming that development of new facilities did not disproportionately impact the Partnerships, the Partnerships' financial performance was anticipated to improve. The letter noted that the Unitholders' net proceeds available for reinvestment after

liquidation would be significantly reduced as a result of real estate commissions and other sales expenses. Based upon these considerations, Mr. Barbo concluded that it was not the appropriate time to liquidate the Partnerships' portfolios; however, a merger of the Partnerships with the Purchaser would provide Unitholders with an opportunity to participate in the benefits of publicly traded REITs in general and the Purchaser in particular.

The letter also discussed the benefits and detriments of a continuation of the operation of the Partnership and concluded that, while the Partnerships were performing well and it was anticipated that distributions and cash flow from operations would continue to improve, continuation would not provide Unitholders with the benefits of the merger. In addition, the letter noted that it was anticipated that the Purchaser's cash flow and funds from operations would improve at a faster rate than the Partnerships' as a result of greater asset diversification and acquisition and development activities.

THE FIRST SENTENCE OF THE TWELFTH PARAGRAPH IN THE SECTION ENTITLED "BACKGROUND AND PURPOSES OF THE TRANSACTION -- BACKGROUND OF THE TRANSACTION" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

On March 25, 1996, in connection with preliminary discussions relating to a potential business transaction which were subsequently terminated, the Purchaser and Public Storage, Inc. ("PS") entered into a customary confidentiality and standstill agreement whereby PS agreed that it would not acquire any interest in the Purchaser or any of the Purchaser's affiliates (including the Partnerships) for a period of two years without the Purchaser's consent (preventing PS from making a competing tender offer for the units of limited partnership interest in the Partnerships or proposing an alternative transaction with the Partnerships without the permission of the Purchaser).

THE THIRTEENTH PARAGRAPH IN THE SECTION ENTITLED "BACKGROUND AND PURPOSES OF THE TRANSACTION -- BACKGROUND OF THE TRANSACTION" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

From late March 1996 through May 1996, representatives of the Purchaser and the Partnerships discussed the possibility of the Purchaser's acquisition of the Partnerships. During this time, the parties discussed the possibility of structuring the acquisition as a cash tender offer followed by a merger of the Partnerships into the Purchaser in which limited partners of the Partnerships would receive REIT Shares in exchange for their limited partnership interests. The parties viewed a two-step transaction (a partial cash tender offer followed by a stock merger) as being more desirable than a one-step cash-election merger transaction. Completion of a merger would be subject to a number of conditions (including the approval of limited partners of each of the Partnerships and registration of the REIT Shares) that would not be conditions to a cash tender offer. Thus, the two-step transaction would provide limited partners of the Partnerships with an opportunity to obtain liquidity for a portion of their limited partnership interests more quickly than waiting for completion of the merger. In addition, the Purchaser favored a two-step transaction because it believed that such structure might enable it to acquire an ownership position in the Partnerships more quickly than would be the case in a one-step merger and would enable the Purchaser to acquire Units that it could then vote in favor of a second-step merger. During the last week of May 1996, the Special Committee proposed to the Partnerships that the Purchaser acquire the Partnerships for a price equal to each of their respective net asset values pursuant to a cash tender offer for up to a designated percentage of outstanding units of limited partnership interest followed by a merger in which limited partners of the Partnerships would receive REIT Shares with a value equal to the respective per unit net asset value of the Partnership. The value attributable to a REIT Share was proposed to be the average of the closing prices for a REIT Share on the NYSE during a designated future period (the "Average Price"). The parties discussed the provision in each Partnership's partnership agreement which prohibits the transfer of any unit of limited partnership interest if the proposed transfer would cause the Partnership to terminate for federal income tax purposes due to a sale or exchange of 50% or more of the total interest in the Partnership's capital and profits in a 12 month period. See "Certain Federal Income Tax Consequences -- No Constructive Termination of the Partnership." The parties concluded that

they should set the percentage of limited partnership interests that would be sought in the first step tender offer so that if the offer were fully subscribed, the number of limited partnership interests sold to the Purchaser would not result in a termination of any of the Partnerships and thus the limited partnership interests could be transferred to the Purchaser in accordance with the terms of the partnership agreements.

THE FIRST SENTENCE OF THE FIRST PARAGRAPH IN THE SECTION ENTITLED "BACKGROUND AND PURPOSES OF THE TRANSACTION -- PURPOSES AND STRUCTURE OF THE

TRANSACTION" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

This Offer is being made and the Merger will be proposed for approval (i) to enable the Purchaser to acquire the entire equity interest in the Partnership and (ii) to give Unitholders an opportunity to (a) liquidate their Units for cash subject to the proration provisions of this Offer if greater than 65,000 Units are tendered (see "The Offer" -- Section 1 ("Terms of the Offer") or (b) continue to own an equity interest in a portfolio of properties, including the Partnership's properties, through an acquisition of REIT Shares.

THE THIRD SENTENCE OF THE SECOND PARAGRAPH IN THE SECTION ENTITLED "BACKGROUND AND PURPOSES OF THE TRANSACTION--PURPOSES AND STRUCTURE OF THE TRANSACTION" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

Because the Partnership Agreement prohibits the transfer of any Unit if the proposed transfer would cause the Partnership to terminate for federal tax purposes due to a sale or exchange of 50% or more of the total interest in the Partnership's capital and profits in a 12 month period, the maximum percentage of Units sought by the Purchaser in the Offer was set to prevent a termination of the Partnership under those circumstances.

FAIRNESS OF THE TRANSACTION; POSITION OF THE GENERAL PARTNER

THE SECTION ENTITLED "FAIRNESS OF THE TRANSACTION; POSITION OF THE GENERAL PARTNER -- RECOMMENDATION OF THE GENERAL PARTNER" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

RECOMMENDATION OF THE GENERAL PARTNER

Based upon its analysis of the Transaction, the General Partner has concluded that the Offer Price and the Merger Consideration constitute fair consideration to Unitholders and that the terms of this Offer and the Merger, when considered as a whole, are fair to the Unitholders. The General Partner formed this conclusion notwithstanding the fact that no independent representative was engaged by the General Partner to negotiate the terms of the Transaction on behalf of the Unitholders and that the Partnership Agreement does not require a majority vote of unaffiliated Unitholders to approve the Transaction. The factors considered by the General Partner in its analysis of the fairness of the Offer and the Merger are set forth below. Charles K. Barbo and SGPI, each an affiliate of the Partnership, have adopted the analysis of the General Partner as set forth in this Offer to Purchase.

The General Partner recommends that those Unitholders who desire immediate liquidity tender their Units pursuant to this Offer and that all other Unitholders retain their Units and, instead, participate in the Merger. There can be no assurance that the approval of the Merger by the holders of greater than 75% of the Units will be received or that the other conditions to the Merger will be satisfied or waived, and that the Merger will be consummated. If the Merger is not consummated, those Unitholders who do not tender their Units in this Offer will continue to have an economic interest in the Partnership. The General Partner has significant conflicts of interest in this transaction, which conflicts arise, among other things, from the fact that certain representatives of the General Partner are also officers of the Purchaser. See "Special Considerations."

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THE THIRD PARAGRAPH OF THE SECTION ENTITLED "FAIRNESS OF THE TRANSACTION; POSITION OF THE GENERAL PARTNER -- FACTORS CONSIDERED BY THE GENERAL PARTNER -- DETERMINATION OF MERGER CONSIDERATION" IS HEREBY AMENDED BY ADDING THE FOLLOWING SENTENCE IMMEDIATELY AFTER THE LAST SENTENCE OF THAT PARAGRAPH:

Unitholders should note that although the Stanger Fairness Opinions do not address the fairness of the Merger Consideration if the actual REIT Share Price is less than \$22.25, the General Partner believes the method for determining the Merger Consideration is fair if the REIT Share Price is between \$22.25 and \$21.50 for the reasons stated in clause (iv) of the previous sentence and is fair if the REIT Share Price is less than \$21.50 because the General Partner may withdraw its recommendation in favor of the Merger or terminate the Acquisition Agreement if the Purchaser does not agree to pay the Additional Consideration.

THE SECTION ENTITLED "FAIRNESS OF THE TRANSACTION; POSITION OF THE GENERAL PARTNER -- FACTORS CONSIDERED BY THE GENERAL PARTNER -- FAIRNESS IN VIEW OF CONFLICTS OF INTEREST" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

FAIRNESS IN VIEW OF CONFLICTS OF INTEREST. Charles K. Barbo, the Chairman of the Board, President and Chief Executive Officer and a stockholder of the Purchaser, is an individual general partner of the General Partner and the sole shareholder and director of the corporate general partner of the General Partner. Arthur W. Buerk, a stockholder of the Purchaser, is an individual general partner of the General Partner, and the Purchaser is a limited partner of the General Partner. The General Partner will receive 5% of the Merger

Consideration in exchange for its interest as the General Partner of the Partnership. See "Interests of Certain Persons -- General Partner's Interest."

In connection with the merger of Shurgard Incorporated with the Purchaser in 1995, the Purchaser agreed to deliver REIT Shares as additional consideration for that merger under certain circumstances upon the liquidation of the assets of certain partnerships sponsored by Shurgard Incorporated, including the Partnership and the Other Partnerships (the "Contingent Share Agreement"). The Purchaser entered into the Contingent Share Agreement because the Purchaser had concluded that it would be difficult at the time of the Management Company Merger to value Shurgard Incorporated's interests in certain limited partnerships (including the Partnerships). Accordingly, Shurgard Incorporated shareholders did not receive any consideration with respect to such interests at the time of the Management Company Merger, but instead are entitled to receive additional consideration at a future valuation date or when the Purchaser receives proceeds from the sale of such interests. If any of the Merger and the Additional Mergers is consummated, certain executive officers and other members of the Purchaser's management will receive REIT Shares pursuant to the Contingent Share Agreement. See "Interests of Certain Persons -- Contingent Share Agreement."

The General Partner did not engage independent representatives of the Unitholders to negotiate, review and approve the terms of the Transaction and the terms of the Transaction are not the results of arms' length negotiations. The General Partner believes that its recommendation results from a determination that the Transaction is more attractive to Unitholders than any alternatives considered by the General Partner, and that this determination results from the General Partner's discharge of its fiduciary duties to the Unitholders and is not affected by the conflicts of interest described above. The General Partner has based its conclusion regarding the fairness of the Transaction to Unitholders on the factors discussed in this "Fairness of the Transaction; Position of the General Partner" section. The General Partner believes that the analysis was performed in a good faith exercise of its fiduciary duty, unaffected by these conflicts of interest.

THE SECOND PARAGRAPH OF THE SECTION ENTITLED "FAIRNESS OF THE TRANSACTION; POSITION OF THE GENERAL PARTNER -- FACTORS CONSIDERED BY THE GENERAL PARTNER -- COMPARISON OF CERTAIN BENEFITS AND DETRIMENTS OF ALTERNATIVES TO THE TRANSACTION -- LIQUIDATION OF THE PARTNERSHIP" IS HEREBY AMENDED BY ADDING THE FOLLOWING SENTENCE IMMEDIATELY AFTER THE LAST SENTENCE OF THAT PARAGRAPH:

While Unitholders could purchase REIT Shares in the public market using the proceeds of liquidation, the number of REIT Shares they would be able to purchase would be less than the number

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of REIT Shares they would receive in the Merger because the Partnership would incur more expenses in a liquidation than in the Merger and because Unitholders would typically incur brokerage commissions in connection with their purchase of the REIT Shares in the public market.

THE LAST TWO PARAGRAPHS OF THE SECTION ENTITLED "FAIRNESS OF THE TRANSACTION; POSITION OF THE GENERAL PARTNER -- FACTORS CONSIDERED BY THE GENERAL PARTNER -- COMPARISON OF CERTAIN BENEFITS AND DETRIMENTS OF ALTERNATIVES TO THE TRANSACTION -- LIQUIDATION OF THE PARTNERSHIP" ARE HEREBY AMENDED AND RESTATED IN THEIR ENTIRETY AS FOLLOWS:

The transaction costs associated with the Merger are expected to be significantly less than those which would be incurred in a liquidation of the Partnership's assets, primarily because the Partnership would incur brokerage fees and real estate transfer taxes if the properties were liquidated and would likely be responsible for 100% of those expenses rather than sharing the transaction costs with the acquiror as provided in the Acquisition Agreement. See "The Acquisition Agreement -- Fees and Expenses." The General Partner estimates that the brokerage fees would be approximately 2% of the appraised value of the Partnership's properties (or approximately \$800,000) and that the transfer taxes would total approximately \$160,000. If the Merger is consummated, the Partnership will effectively dispose of all of its assets and liabilities in a single transaction, which will minimize the liquidation costs. If the assets of the Partnership were liquidated over time, not only is it likely that higher transaction costs would be incurred, but distributions to the Unitholders from the Partnership's cash flow from operations may be reduced since the Partnership's fixed costs, such as general and administrative expenses, would not be proportionately reduced with the liquidation of assets.

The General Partner favors the Transaction over liquidation of the Partnership's assets because this Offer permits those Unitholders desiring immediate liquidity to obtain cash, while permitting the remaining Unitholders to participate in the Merger which, if consummated, will enable them to participate in acquisition and development opportunities existing in the real estate market through equity ownership in the Purchaser. Unlike the Partnership, which is not in a position to take advantage of external growth opportunities

since it has already committed its capital and is not authorized to raise additional funds or reinvest net sale or refinancing proceeds for new investments, the Purchaser not only may reinvest net sale or refinancing proceeds but also may raise additional capital through the sale of debt or equity securities, allowing the Purchaser to take advantage of investment opportunities for acquisition or development that may be available. In addition, the estimated transaction costs associated with the Transaction are significantly less than those which would be incurred in a liquidation of the Partnership's assets on a single transaction or multiple transaction basis.

THE SECTION ENTITLED "FAIRNESS OF THE TRANSACTION; POSITION OF THE GENERAL PARTNER -- FACTORS CONSIDERED BY THE GENERAL PARTNER -- COMPARISON OF CERTAIN BENEFITS AND DETRIMENTS OF ALTERNATIVES TO THE TRANSACTION -- CONTINUATION OF THE PARTNERSHIP" IS HEREBY AMENDED BY ADDING THE FOLLOWING PARAGRAPH IMMEDIATELY AFTER THE THIRD PARAGRAPH OF THAT SECTION:

One of the significant differences between the Partnership and the Purchaser is that the Partnership is a finite life entity and the Purchaser is an infinite life entity. Continuing the Partnership would preserve Unitholders' investment in a finite life entity, with the eventual liquidation of that investment resulting from a sale of the assets of the Partnership. In contrast, the Purchaser does not expect to dispose of its investments within any specific time periods and, in any event, plans to retain the net sale proceeds for future investments. Stockholders are expected to achieve liquidity for their investments by trading REIT Shares in the public market and not through the liquidation of the Purchaser's assets. The REIT Shares may trade at a discount from, or premium to, the liquidation value of the Purchaser's properties.

THE THIRD PARAGRAPH AND TABLE IN THE SECTION ENTITLED "FAIRNESS OF THE TRANSACTION; POSITION OF THE GENERAL PARTNER -- COMPARISON OF TRANSACTION CONSIDERATION TO ALTERNATIVES -- GENERAL" ARE HEREBY AMENDED AND RESTATED IN THEIR ENTIRETY AS FOLLOWS:

The estimated values presented in the following table are based upon certain assumptions that relate, among other things, to (i) the REIT Share Price as of the date of the Merger being within the Share Price Range, (ii) projections as to the Partnership's future revenues, expenses, cash flow and other significant financial matters, (iii) the capitalization rates that will be used by prospective buyers when the Partnership's assets are liquidated, (iv) selling costs, (v) appropriate discount rates to apply to expected cash flows in computing the present value of the cash flows and (vi) the manner of sale of the Partnership's properties. Actual results may vary from those set forth below based on numerous factors, including interest rate fluctuations, tax law changes, supply and demand for self storage facilities, the manner in which the properties are sold and changes in availability of capital to finance acquisitions of self storage properties. Each Unit in the following table represents an original investment of \$250.

<TABLE>
<CAPTION>

OFFER PRICE PER UNIT	MERGER CONSIDERATION PER UNIT (1)		SECONDARY MARKET PRICE PER UNIT (2)		ESTIMATED GOING CONCERN VALUE PER UNIT (3)		ESTIMATED LIQUIDATION VALUE PER UNIT ASSUMING PARTNERSHIP ASSETS SOLD AT:	
	-----		-----		-----		APPRAISED	NET BOOK
			HIGH	LOW	HIGH	LOW	VALUE (4)	VALUE (5)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
\$ 257	\$ 257	\$ 198	\$ 150	\$ 251	\$ 235	\$ 253	\$ 175	

- (1) Assumes the REIT Share Price is within the Share Price Range. The Merger Consideration is payable in REIT Shares, cash in lieu of any fractional REIT Shares and, in certain circumstances, additional cash consideration. See "The Acquisition Agreement -- The Merger."
- (2) The secondary market prices are those reported to Stanger for the first calendar quarter of 1996. See "Market Prices of Units."
- (3) The going concern value estimates are based upon a number of assumptions regarding the future net operating income and cash distributions of the Partnership and assume a disposition of the Partnership's assets at the end of 2000. See "-- Going Concern Value." The per Unit going concern value estimates were calculated based upon the General Partner's aggregate high and low going concern value estimates for Unitholders of \$37,128,461 and \$34,777,892, respectively.
- (4) Estimated Liquidation Value at Appraised Value is based primarily upon the Appraisal and adjustments for non-real estate assets and liabilities and

estimated selling costs. See "-- Liquidation Value." The per Unit liquidation value at Appraised Value estimate was calculated based upon the General Partner's aggregate liquidation value at Appraised Value estimate for Unitholders of \$37,422,115.

(5) Estimated Liquidation Value at Net Book Value is computed as of March 31, 1996 less estimated selling costs. See "-- Liquidation Value." The aggregate net book value of \$25,930,707 represents the value of the Partnership's equity as of March 31, 1996 allocable to Unitholders computed in accordance with GAAP, less selling costs equal to 4% of the book value of the Partnership's real estate assets.

THE SECOND PARAGRAPH OF THE SECTION ENTITLED "FAIRNESS OF THE TRANSACTION; POSITION OF THE GENERAL PARTNER -- COMPARISON OF TRANSACTION CONSIDERATION TO ALTERNATIVES -- GOING CONCERN VALUE" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

The General Partner has presented two estimates of the going concern value of the Partnership on a per Unit basis, which estimates are based on the five-year property cash flows beginning in 1996 used by Stanger in preparing the Appraisal, adjusted for general and administrative expenses (which are assumed to increase at the rate of 3.5% per year) and to reflect the allocation of the Partnership's value among Unitholders and the General Partner in accordance with the Partnership Agreement. The 1996 beginning property cash flow used in performing the going concern value analysis was \$3,962,000, and that amount was increased for purposes of the analysis by a compound annual rate of approximately 3.0% over the projection period. The going concern value was established by computing the present value of the projected distributions with respect to the Units, discounted at the rate of 13% per annum under the conservative scenario and at the rate of 12% per annum under the more favorable scenario. In determining the going concern value of the Partnership, the General Partner

assumed that the Partnership's non real estate assets and liabilities on December 31, 2000 are the same as those on December 31, 1995, resulting in an excess of non real estate assets over non real estate liabilities of \$444,317. In determining the discount rates deemed appropriate for the going concern analysis, the General Partner considered, among other factors, the rates of return generally required by real estate investors, and the discount rates utilized in the Appraisal. Under the conservative scenario, the Partnership's assets are sold at the end of 2000 for an all-cash purchase price of \$43,333,333, which is sufficient to yield the buyer a 10.5% return based on projected property cash flows for 2001 of approximately \$4,550,000. Under the more favorable scenario, it is assumed that the Partnership's assets are sold at the end of 2000 for an all-cash purchase price of \$45,500,000, which is sufficient to yield the buyer a 10% return based upon projected property cash flows in 2001 of approximately \$4,550,000.

THE SECTION ENTITLED "FAIRNESS OF THE TRANSACTION; POSITION OF THE GENERAL PARTNER -- COMPARISON OF TRANSACTION TO ALTERNATIVES -- GOING CONCERN VALUE" IS HEREBY AMENDED BY ADDING THE FOLLOWING AFTER THE THIRD PARAGRAPH OF THAT SECTION:

Set forth below is a chart showing the calculation of the Partnership's cash flows used to calculate the going concern value based upon the assumptions described above.

<TABLE>
<CAPTION>

YEAR	PROPERTY CASH FLOW (1)	GENERAL AND ADMINISTRATIVE EXPENSES	UNITHOLDERS' SHARE OF NET CASH FLOW
<S>	<C>	<C>	<C>
1996.....	\$ 3,962,000	\$ (210,100)	\$ 3,564,305
1997.....	4,036,000	(217,454)	3,627,619
1998.....	4,159,000	(225,064)	3,737,239
1999.....	4,285,000	(232,942)	3,849,455
2000.....	4,416,000	(241,095)	3,966,160
Total.....	\$ 20,858,000	\$ (1,126,654)	\$ 18,744,779

</TABLE>

(1) Includes 70% of the cash flow from the properties owned by SJP II.

The Partnership does not as a matter of course make public forecasts or projections as to future performance or earnings. However, in performing its going concern analysis, the General Partner prepared the above projections

relating to the Partnership's future cash flows. THE PROJECTIONS WERE PREPARED SOLELY FOR INTERNAL USE AND NOT WITH A VIEW TO PUBLIC DISCLOSURE OR COMPLIANCE WITH PUBLISHED GUIDELINES OF THE COMMISSION REGARDING PROJECTIONS OR THE GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS REGARDING PROJECTIONS AND ARE INCLUDED IN THIS OFFER TO PURCHASE ONLY BECAUSE SUCH INFORMATION WAS MADE AVAILABLE TO STANGER AND ALEX. BROWN. In addition, because the estimates and assumptions underlying these projections are inherently subject to significant economic and competitive uncertainties and contingencies, which are beyond the Partnership's control, there can be no assurance that the projections will be realized. Actual results may be higher or lower than those set forth above. Deloitte & Touche LLP, the Partnership's independent auditor, has not examined, compiled or otherwise applied procedures to the financial projections presented above, and, accordingly, does not express an opinion or any other form of assurance on the financial projections.

THE SECTION ENTITLED "FAIRNESS OF THE TRANSACTION; POSITION OF THE GENERAL PARTNER -- THE SPECIAL COMMITTEE -- RECOMMENDATION OF THE GENERAL PARTNER" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

RECOMMENDATION OF THE GENERAL PARTNER. The Special Committee considered the conclusions as to fairness of the General Partner and adopted the analysis underlying those conclusions for purposes of reaching its own conclusion that the Transaction is fair to Unitholders. See "-- Recommendation of the General Partner," "-- Factors Considered by the General Partner" and "-- Comparison of

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Transaction Consideration to Alternatives." The General Partner has significant conflicts of interest in this transaction, which conflicts arise, among other things, from the fact that certain representatives of the General Partner are also officers of the Purchaser. See "Special Considerations."

THE SECTION ENTITLED "FAIRNESS OF THE TRANSACTION; POSITION OF THE GENERAL PARTNER -- THE SPECIAL COMMITTEE -- PREMIUM OVER RECENT MARKET PRICES" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

PREMIUM OVER RECENT MARKET PRICES. The Special Committee considered the fact that the Offer Price and the Merger Consideration (assuming the REIT Share Price remains within the Share Price Range) represents a premium of more than 28% over the highest sales price in the secondary market of the Unit known to the General Partner between January 1, 1992 and the end of the first quarter of 1996. See "Market Prices of Units."

APPRAISAL; OPINIONS OF FINANCIAL ADVISORS

THE FOURTH PARAGRAPH OF THE SECTION ENTITLED "APPRAISAL; OPINIONS OF FINANCIAL ADVISORS -- REAL ESTATE PORTFOLIO APPRAISAL BY STANGER -- INCOME APPROACH" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY TO READ AS FOLLOWS:

Stanger then capitalized, at terminal capitalization rates ranging from 10.0% to 10.50% the estimated net operating income of each property for the 12 months ending December 31, 2006, to determine the property's residual value. The residual value was discounted after deducting appropriate sales expenses to a present value using the same discount rate applied to the stream of annual cash flows. The discount rates utilized, ranging from 12.0% to 12.5%, were based on current acquisition criteria among self storage facility investors, commercial/industrial property investors' target rates for return and the historical spread in rates of return between real estate and other investments. Stanger then correlated the values resulting from each method (direct capitalization and discounted cash flow) to arrive at a final income approach valuation. The indicated aggregate value of the portfolio of properties based on the income approach valuation was \$40,370,000, after adjustment for joint venture interests and any deferred maintenance items.

THE SECTION ENTITLED "APPRAISAL; OPINIONS OF FINANCIAL ADVISORS -- REAL ESTATE PORTFOLIO APPRAISAL BY STANGER -- SALES COMPARISON APPROACH" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY TO READ AS FOLLOWS:

SALES COMPARISON APPROACH. Stanger compiled transaction data involving properties similar in type to the Partnership's properties by interviewing sources in local markets to identify recent sales of self storage or office/storage properties, reviewing publicly available information on acquisitions of self storage properties, reviewing information provided by management, and contacting industry sources. Using this data, Stanger performed a comparable sales analysis based upon price per square foot. A probable range of value per square foot was estimated for each property based on the relationship between observed sales prices per square foot and net operating income per square foot. Price per square foot as estimated by this analysis was multiplied by the rentable square footage of each property to derive an estimated range of value. The indicated aggregate value of the portfolio of properties based on the sales comparison approach was \$40,050,000 after adjustment for joint venture interests and any deferred maintenance items.

Stanger reconciled the estimated values resulting from the sales comparison approach and the income approach for each property, and the resulting values were summed to determine the estimated value of the Partnership's entire portfolio. Stanger adjusted the value conclusion for joint venture interests and to reflect any deferred maintenance items associated with the properties. In determining a final value of the portfolio of properties, Stanger also reconciled the indicated aggregate portfolio values based on the income approach and the sales comparison approach. In determining a final

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conclusion as to value, the income approach was given primary consideration by Stanger because properties such as those owned by the Partnership are typically purchased and sold based upon their income characteristics. Stanger gave the sales comparison approach secondary consideration.

THE SECTION ENTITLED "APPRAISAL; OPINIONS OF FINANCIAL ADVISORS -- REAL ESTATE PORTFOLIO APPRAISAL BY STANGER -- COMPENSATION AND MATERIAL RELATIONSHIPS" IS HEREBY AMENDED BY ADDING THE FOLLOWING IMMEDIATELY AFTER THE LAST SENTENCE IN THAT PARAGRAPH:

The General Partner has adopted the Appraisal in forming its conclusions regarding the fairness of the Transaction to Unitholders.

THE SECTION ENTITLED "APPRAISAL; OPINIONS OF FINANCIAL ADVISORS -- OPINIONS OF THE PARTNERSHIP'S FINANCIAL ADVISOR -- APPRAISAL" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

APPRAISAL. In preparing its opinions, Stanger performed an independent appraisal of the Partnership's portfolio of properties. During the course of the Appraisal, Stanger performed site inspections of each property owned by the Partnership, conducted inquiries into local market conditions affecting each property, reviewed historical and budgeted operating statements for each property, conducted interviews with Partnership and property management personnel, reviewed the acquisition criteria in use in the marketplace by major self storage property investors and owners and other real estate investors, reviewed information concerning transactions involving self storage properties, and estimated the market value of the portfolio utilizing the income and sales comparison approaches to value See "-- Real Estate Portfolio Appraisal by Stanger." Stanger observed that the Offer Price equals the pro rata interest per Unit in the Appraised Value as adjusted by the General Partner for non-real estate assets and liabilities of the Partnership, estimated Transaction costs to be borne by the Partnership and the Unitholders' share of the resulting Net Asset Value according to the provisions of the Partnership Agreement. Stanger believes that the Net Asset Value of the Partnership, which is based primarily on the appraised value of the Partnership's portfolio of properties, is a reasonable basis for determining the consideration offered in the transaction.

THE THIRD PARAGRAPH IN THE SECTION ENTITLED "APPRAISAL; OPINIONS OF FINANCIAL ADVISORS -- OPINIONS OF THE PARTNERSHIP'S FINANCIAL ADVISOR -- REVIEW OF LIQUIDATION ANALYSIS" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

Stanger observed that the Offer Price and the Merger Consideration exceeded the estimated liquidation value per Unit by approximately \$4. The fact that the Offer Price and Merger Consideration exceed the estimated value which would be received by Unitholders in a liquidation of the Partnership supports Stanger's conclusion as to the fairness of the Offer Price and the Merger Consideration.

THE SECOND PARAGRAPH IN THE SECTION ENTITLED "APPRAISAL; OPINIONS OF FINANCIAL ADVISORS -- OPINIONS OF THE PARTNERSHIP'S FINANCIAL ADVISOR -- REVIEW OF GOING CONCERN ANALYSIS" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

Stanger observed that the estimated going concern values resulting from the above analyses ranged from \$251 to \$235 per Unit compared with the Offer Price of \$257 per Unit. The fact that the Offer Price and the Merger Consideration exceed the estimated value per Unit of continuing to operate the Partnership as a going concern supports Stanger's conclusion as to the fairness of the Offer Price and the Merger Consideration.

THE THIRD PARAGRAPH IN THE SECTION ENTITLED "APPRAISAL; OPINIONS OF FINANCIAL ADVISORS -- OPINIONS OF THE PARTNERSHIP'S FINANCIAL ADVISOR -- REVIEW OF TENDER OFFER AND SECONDARY MARKET PRICES" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

Stanger also observed that, based on prices reported to Stanger by various firms active in the informal secondary market for partnership interests, the highest selling price reported for Units in the informal secondary market between January 1, 1995 and the end of the first quarter of 1996 was \$200 per Unit compared with the Offer Price of \$257 per Unit. Although prices in the informal

secondary market for partnership interests generally do not reflect the full value of a partnership's assets (due in part to the discount a buyer would ascribe to a minority interest), the fact that the Offer, if not followed by the Merger, could result in the acquisition by the Purchaser of a minority interest in the Partnership and that the Offer Price exceeds the selling prices reported for Units in the informal secondary market, in a prior tender offer and in a prior bulk purchase of Units by the Purchaser supports Stanger's conclusion as to the fairness of the Offer Price.

THE SECTION ENTITLED "APPRAISAL; OPINIONS OF FINANCIAL ADVISORS -- OPINIONS OF THE PARTNERSHIP'S FINANCIAL ADVISOR -- COMPENSATION AND MATERIAL RELATIONSHIPS" IS HEREBY AMENDED BY ADDING THE FOLLOWING SENTENCE IMMEDIATELY PRIOR TO THE LAST SENTENCE OF THAT SECTION:

The General Partner has adopted the Stanger Fairness Opinions in forming its conclusions regarding the fairness of the Transaction to Unitholders.

THE SIXTH PARAGRAPH OF THE SECTION ENTITLED "APPRAISAL; OPINIONS OF FINANCIAL ADVISORS -- OPINION OF THE PURCHASER'S FINANCIAL ADVISOR" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY TO READ AS FOLLOWS:

In connection with the delivery of the Alex. Brown Opinion, Alex. Brown presented to the Special Committee a report summarizing the material analyses performed and the material factors considered by Alex. Brown in connection with rendering the Alex. Brown Opinion (the "Alex. Brown Report"). The following is a summary of such material analyses and material factors as described in the Alex. Brown Report and as presented to the Special Committee.

THE SECTION ENTITLED "APPRAISAL; OPINIONS OF FINANCIAL ADVISORS -- OPINION OF THE PURCHASER'S FINANCIAL ADVISOR -- HISTORICAL FINANCIAL POSITION" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY TO READ AS FOLLOWS:

HISTORICAL FINANCIAL POSITION. Alex. Brown reviewed and analyzed for informational purposes the historical and current financial condition of the Purchaser and the Partnerships which included: (i) an assessment of the Partnerships' recent financial statements; (ii) an analysis of the Purchaser's and the Partnerships' revenue, growth and operating performance trends; and (iii) an assessment of the Partnerships' leverage, market share and access to markets. Alex. Brown reviewed that information solely to provide a context for its financial analyses and reached no conclusions based upon that information.

THE SECTION ENTITLED "APPRAISAL; OPINIONS OF FINANCIAL ADVISORS -- OPINION OF THE PURCHASER'S FINANCIAL ADVISOR -- HISTORICAL STOCK PRICE PERFORMANCE" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY TO READ AS FOLLOWS:

HISTORICAL STOCK PRICE PERFORMANCE. Alex. Brown reviewed and analyzed the daily closing per share market prices, trading volume, and 20 day moving average stock price for the REIT Shares, from June 25, 1995 to June 25, 1996. This information was presented to give the Special Committee background trading information over the period indicated. Alex. Brown also reviewed and analyzed information regarding the market prices and trading volume of the Partnerships' units, on a quarterly basis from September 1995 to April 1996. Alex. Brown reviewed that information solely to provide a context for its financial analyses and reached no conclusions based upon that information.

THE SECTION ENTITLED "APPRAISAL; OPINIONS OF FINANCIAL ADVISORS -- OPINION OF THE PURCHASER'S FINANCIAL ADVISOR -- REAL ESTATE MARKET AND ECONOMIC FACTORS" IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY TO READ AS FOLLOWS:

REAL ESTATE MARKET AND ECONOMIC FACTORS. In rendering its opinion, Alex. Brown considered, among other factors, the condition of the U.S. stock markets, particularly in the real estate sector, and the current level of economic activity. However, Alex. Brown did not reach any independent conclusion from the consideration of those factors.

THE SECTION ENTITLED "APPRAISAL; OPINION OF FINANCIAL ADVISOR -- OPINION OF THE PURCHASER'S FINANCIAL ADVISOR" IS HEREBY AMENDED TO ADD THE FOLLOWING SENTENCE IMMEDIATELY PRIOR TO THE SECOND TO LAST PARAGRAPH OF THAT SECTION:

The foregoing description of the Alex. Brown Report is qualified by reference to the full text of such report which has been filed with the Commission as an exhibit to the Schedule 13E-3 and which is incorporated herein by reference. Copies of the Alex. Brown Report will be made available for inspection and copying at the principal executive offices of the Purchaser during regular business hours by any interested Unitholder, or by his or her representative who has been so designated in writing, and may be inspected and copied, and obtained by mail, from the Commission as set forth in "Additional Information."

MARKET PRICES OF UNITS

THE SECTION ENTITLED "MARKET PRICES OF UNITS -- VOLUME OF SALES" IS HEREBY AMENDED BY REPLACING THE LAST LINE OF THE TABLE IN THAT SECTION WITH THE FOLLOWING:

<TABLE>

<CAPTION>

PERIOD	NO. OF UNITS TRANSFERRED	% OF TOTAL UNITS OUTSTANDING	NO. OF TRANSACTIONS
-----	-----	-----	-----
<S>	<C>	<C>	<C>
Six months ended June 30, 1996.....	993	0.670%	28

</TABLE>

THE SECTION ENTITLED "MARKET PRICES OF UNITS -- SECONDARY MARKET INFORMATION" IS HEREBY SUPPLEMENTED BY ADDING THE FOLLOWING IMMEDIATELY AFTER THE LAST LINE OF THE TABLE IN THAT SECTION:

<TABLE>

<CAPTION>

REPORTING PERIOD	TRANSACTION PRICE		NUMBER OF UNITS
	LOW	HIGH	
-----	-----	-----	-----
<S>	<C>	<C>	<C>
Quarter 2.....	\$ 185.00	\$ 214.00	380

</TABLE>

INTERESTS OF CERTAIN PERSONS

THE SECTION ENTITLED "INTERESTS OF CERTAIN PERSONS -- GENERAL PARTNER'S INTEREST" IS HEREBY AMENDED BY REPLACING THE FIFTH SENTENCE OF THE FIRST PARAGRAPH OF THAT SECTION WITH THE FOLLOWING SENTENCE:

Accordingly, the General Partner has been limited to receiving 5% of Partnership cash distributions resulting in the receipt of such distributions by the General Partner of \$118,219, \$132,846 and \$149,909 for the years ended December 31, 1993, 1994 and 1995, respectively, and \$75,564 for the six months ended June 30, 1996.

THE SECTION ENTITLED "INTERESTS OF CERTAIN PERSONS -- PROPERTY MANAGEMENT SERVICES" IS HEREBY SUPPLEMENTED BY REPLACING THE SECOND SENTENCE OF THE FIRST PARAGRAPH OF THAT SECTION WITH THE FOLLOWING SENTENCE:

The Purchaser (or the Predecessor under the Management Services Agreement) received from the Partnership in payment of these property management and advertising fees \$310,106, \$337,816 and \$361,778 for the years ended December 31, 1993, 1994 and 1995, respectively, and \$183,291 for the six months ended June 30, 1996.

THE OFFER

THE FIRST PARAGRAPH OF THE SECTION ENTITLED "THE OFFER" -- SECTION 7 ("CERTAIN CONDITIONS OF THE OFFER") IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

7. CERTAIN CONDITIONS OF THE OFFER. Notwithstanding any other provisions of this Offer and subject to the applicable rules of the Securities and Exchange Commission, the Purchaser will not be required to accept for purchase any Units, may postpone the acceptance for purchase of Units tendered and may terminate or amend this Offer if prior to the Expiration Date any of the following shall occur or the Purchaser shall have learned of the occurrence of any such events:

THE SECTION ENTITLED "THE OFFER"-- SECTION 11 ("MISCELLANEOUS") IS HEREBY AMENDED TO ADD THE FOLLOWING PARAGRAPHS IMMEDIATELY FOLLOWING THE SECOND PARAGRAPH OF THAT SECTION:

PENDING LITIGATION. On July 16, 1996, Irving and Roberta B. Schuman (the "Plaintiffs"), unitholders of IDS2, filed a purported class and derivative action complaint (the "Complaint") on behalf of themselves and all other unitholders of the Partnerships and derivatively on behalf of the Partnerships in the Superior Court of the State of Washington in and for the County of King naming the Purchaser, Charles K. Barbo, Arthur W. Buerk, Shurgard Associates L.P., Shurgard Associates L.P. II, Shurgard Associates L.P. III, Shurgard General Partner, Inc. and certain other individuals (each of whom has since been dismissed as a Defendant) as Defendants and the Partnerships as Nominal Defendants.

In the Complaint, the Plaintiffs asserted claims for breach of fiduciary

duty, aiding and abetting a breach of fiduciary duty, breach of contract and fraud against each of the Defendants for their actions taken in connection with the Transaction. The Plaintiffs seek monetary damages and equitable relief, including an order enjoining the consummation of the Offers, or alternatively, an order requiring the Defendants to issue disclosures to correct allegedly false and misleading statements and omissions of material facts in all documents prepared, filed with the SEC, issued or disseminated to the unitholders of the Partnerships by Defendants in connection with the Offers.

The Defendants intend to vigorously defend the lawsuit.

EXCEPT AS AMENDED OR SUPPLEMENTED HEREBY, ALL PROVISIONS OF THE OFFER REMAIN UNAFFECTED.

SHURGARD STORAGE CENTERS, INC.

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SCHEDULE I OF THE OFFER TO PURCHASE IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

SCHEDULE I

DIRECTORS AND EXECUTIVE OFFICERS OF
SHURGARD STORAGE CENTERS, INC., SHURGARD GENERAL PARTNER, INC.
AND THE INDIVIDUAL GENERAL PARTNERS OF
SHURGARD ASSOCIATES L.P.

The following table sets forth the name, business address, principal occupation or employment at the present time and during the last five years, and the name, principal business and address of any corporation or other organization in which such occupation or employment is or was conducted, of the directors and executive officers of the Purchaser and SGPI and the individual general partners of the General Partner, all of whom are citizens of the United States. Except as otherwise noted, the address of each such corporation or organization listed and the business address of each person listed is 1201 Third Avenue, Suite 2200, Seattle, Washington 98101. Except as otherwise noted, the principal business of each corporation or organization listed is real estate investment and each person listed has had the principal occupation or employment listed for more than the past five years.

<TABLE>

<CAPTION>

NAME	COMPANY/ADDRESS/ DESCRIPTION OF BUSINESS	OFFICE AND DATE OF ELECTION
<S>	<C>	<C>
Charles K. Barbo	Shurgard Storage Centers, Inc.	Director (1995-present); Chairman of the Board, President and Chief Executive Officer (1995-present)
	Shurgard General Partner, Inc.	Chairman of the Board; President (1992-present)
	Shurgard Incorporated	Chairman of the Board and Chief Executive Officer (1972-1995)
	Shurgard Associates L.P.	General Partner
	Shurgard Associates L.P. II	General Partner
	Shurgard Associates L.P. III	General Partner
Arthur W. Buerk	Shurgard General Partner, Inc.	Director (1979-1996); President (1983-1992)
	Shurgard Associates L.P.	General Partner
	Shurgard Associates L.P. II	General Partner
	Shurgard Associates L.P. III	General Partner
	Northwestern Trust	Co-Chairman (1995-1996); President (1993-1995)
	1201 Third Avenue, Suite 2000 Seattle, WA 98101 (banking)	
	Manus Services Corp.	President (1992)
	1130 Rainier Seattle, WA 98140 (marketing)	
	Shurgard Incorporated	President (1983-1991)
Harrell L. Beck	Shurgard Storage Centers, Inc.	Director (1993-present); President (1993-1995); Chief Financial Officer, Treasurer (1993-present); Senior Vice President (1995-present)
	Shurgard General Partner, Inc.	Treasurer (1992-present)
	Shurgard Incorporated	Chief Financial Officer (1990-1995)
Michael Rowe	Shurgard Storage Centers, Inc.	Executive Vice President (1993-present); Chief Operating Officer (March 19, 1996-present)
	Shurgard General Partner, Inc.	Vice President (1994-present); Treasurer (1991-1992)
	Shurgard Incorporated	Director of Storage Operations (1987-1993)
Kristin H. Stred	Shurgard Storage Centers, Inc.	Secretary (1993-present); Senior Vice President (1995-present)
	Shurgard General Partner, Inc.	Secretary (1993-present)

</TABLE>

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<TABLE>
<CAPTION>

NAME	COMPANY/ADDRESS/ DESCRIPTION OF BUSINESS	OFFICE AND DATE OF ELECTION
<S>	<C>	<C>
David K. Grant	Shurgard Storage Centers, Inc.	Executive Vice President (1993-present); Director of European Operations (May 14, 1996-present)
Donald W. Lusk	Shurgard Incorporated Shurgard Storage Centers, Inc. Lusk Consulting Group P.O. Box 3235 Redmond, WA 98087 (General management consulting)	Director of Real Estate Investments (1985-1995) Director (1994-present) President
Wendell J. Smith	Shurgard Storage Centers, Inc. W.J.S. & Associates 1301 Gary Way Carmichael, CA 95608 (advisory and consulting services)	Director (1994-present) Founder
Howard Johnson	Shurgard Storage Centers, Inc. Howard Johnson & Company 375 Park Avenue New York, NY 10152 (independent consulting)	Director (1996-present) Chairman, President and Chief Executive Officer
Greenlaw Grupe	Shurgard Storage Centers, Inc. The Grupe Company 3255 W. March Lane, 4th Floor Stockton, CA 95219	Director (1996-present) Chairman and Chief Executive Officer
Mark Hall	Shurgard General Partner, Inc. Shurgard Storage Centers, Inc. Shurgard Incorporated	Vice President (February, 1996-present) Regional Vice President (1993-present) Regional Vice President (1993-1995) Northwest Regional Manager (1991-1993)

</TABLE>

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SCHEDULE V IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

SCHEDULE V
CONSOLIDATED FINANCIAL STATEMENTS OF
IDS/SHURGARD INCOME GROWTH PARTNERS L.P.
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	DECEMBER 31,		JUNE 30, 1996
	1994	1995	
<S>	<C>	<C>	<C>
ASSETS:			(UNAUDITED)
Cash and cash equivalents.....	\$ 1,877,311	\$ 668,672	\$ 865,281
Storage centers, net.....	29,770,641	28,760,097	28,270,167
Other assets.....	280,497	294,954	258,941
Amortizable assets, less accumulated amortization of \$1,150,148, \$1,154,322 and \$1,156,409.....	19,131	14,957	12,870
Total Assets.....	\$ 31,947,580	\$ 29,738,680	\$ 29,407,259
LIABILITIES AND PARTNERS' EQUITY (DEFICIT):			
Liabilities:			
Accounts payable.....	59,496	105,669	41,370
Other accrued expenses.....	40,790	44,953	130,913
Accrued transaction costs.....			318,985
Due to affiliates.....	40,208	39,082	41,442
Unearned rent and tenant deposits.....	172,231	174,935	177,828
Note payable.....	1,451,399	--	--
Total Liabilities.....	1,764,124	364,639	710,538
Minority interest in joint partnership.....	2,795,612	2,481,862	2,448,602

Partners' equity (deficit):			
Limited partners.....	27,657,121	27,186,240	26,574,383
General partner.....	(269,277)	(294,061)	(326,264)
Total Partners' Equity.....	27,387,844	26,892,179	26,248,119
Total Liabilities and Partners' Equity.....	\$ 31,947,580	\$ 29,738,680	\$ 29,407,259

</TABLE>

See notes to consolidated financial statements

Schedule V - Page 1

CONSOLIDATED STATEMENTS OF EARNINGS

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1993	1994	1995	1995	1996
	(UNAUDITED)				
<S>	<C>	<C>	<C>	<C>	<C>
REVENUE:					
Rental.....	\$ 5,462,738	\$ 5,995,824	\$ 6,465,170	\$ 3,143,073	\$ 3,278,117
Interest income.....	28,570	60,204	107,234	49,929	19,210
Total Revenue.....	5,491,308	6,056,028	6,572,404	3,193,002	3,297,327
EXPENSES:					
Operating.....	1,325,571	1,383,594	1,493,285	753,276	756,936
Property management fees.....	327,766	359,655	387,904	188,698	197,126
Depreciation and amortization.....	1,119,109	1,126,049	1,113,748	570,865	519,579
Real estate taxes.....	502,219	490,913	465,662	223,883	252,485
Interest.....	94,915	96,731	130,022	66,449	--
Transaction costs.....					425,373
Administrative.....	172,236	179,596	215,529	128,355	136,376
Total Expenses.....	3,541,816	3,636,538	3,806,150	1,931,526	2,287,875
Minority interest in joint partnership earnings.....	(128,767)	(195,781)	(263,750)	(119,048)	(142,240)
EARNINGS.....	\$ 1,820,725	\$ 2,223,709	\$ 2,502,504	\$ 1,142,248	\$ 867,212
EARNINGS PER UNIT OF LIMITED PARTNERSHIP INTEREST.....	\$ 11.67	\$ 14.25	\$ 16.04	\$ 7.32	\$ 5.56
DISTRIBUTIONS PER UNIT OF LIMITED PARTNERSHIP INTEREST.....	\$ 15.16	\$ 17.03	\$ 19.22	\$ 9.53	\$ 9.69

</TABLE>

See notes to consolidated financial statements

Schedule V - Page 2

CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

<TABLE>
<CAPTION>

	LIMITED PARTNERS		GENERAL PARTNER	TOTAL
	<C>	<C>	<C>	<C>
Balance, January 1, 1993.....	\$ 28,585,167	\$ (220,433)	\$ 28,364,734	
Distributions.....	(2,246,190)	(118,219)	(2,364,409)	
Earnings.....	1,729,689	91,036	1,820,725	
Balance, December 31, 1993.....	28,068,666	(247,616)	27,821,050	
Distributions.....	(2,524,069)	(132,846)	(2,656,915)	
Earnings.....	2,112,524	111,185	2,223,709	

Balance, December 31, 1994.....	27,657,121	(269,277)	27,387,844
Distributions.....	(2,848,260)	(149,909)	(2,998,169)
Earnings.....	2,377,379	125,125	2,502,504
Balance, December 31, 1995.....	27,186,240	(294,061)	26,892,179
Distributions (unaudited).....	(1,435,708)	(75,564)	(1,511,272)
Earnings (unaudited).....	823,851	43,361	867,212
Balance, June 30, 1996 (unaudited).....	\$ 26,574,383	\$ (326,264)	\$ 26,248,119

</TABLE>

See notes to consolidated financial statements

Schedule V - Page 3

CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>

<CAPTION>

	YEAR ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1993	1994	1995	1995	1996
				(UNAUDITED)	
<S>	<C>	<C>	<C>	<C>	<C>
OPERATING ACTIVITIES:					
Earnings.....	\$ 1,820,725	\$ 2,223,709	\$ 2,502,504	\$ 1,142,428	\$ 867,212
Adjustments to reconcile earnings to net cash provided by operating activities:					
Transaction costs.....					425,373
Minority interest in joint partnership earnings.....	128,767	195,781	263,750	119,048	142,240
Depreciation and amortization.....	1,119,109	1,126,049	1,113,748	570,865	519,579
Changes in operating accounts:					
Other assets.....	85,209	(62,984)	(14,457)	66,933	36,013
Accounts payable.....	(3,626)	14,142	46,173	(20,682)	(64,299)
Other accrued expenses.....	10,837	(5,805)	4,163	76,494	85,960
Due to affiliates.....	(4,786)	12,689	(1,126)	(3,821)	2,360
Unearned rent and tenant deposits.....	13,947	5,395	2,704	(3,722)	2,893
Net cash provided by operating activities.....	3,170,182	3,508,976	3,917,459	1,947,543	2,017,331
INVESTING ACTIVITIES:					
Proceeds from grant of easements.....	7,599				
Improvements to storage centers.....	(118,994)	(136,846)	(99,030)	(9,997)	(27,562)
Net cash used in investing activities.....	(111,395)	(136,846)	(99,030)	(9,997)	(27,562)
FINANCING ACTIVITIES:					
Payments on note payable.....	(41,096)	(44,587)	(1,451,399)	(14,553)	
Distributions to partners.....	(2,364,409)	(2,656,915)	(2,998,169)	(1,486,897)	(1,511,272)
Distributions to minority partners in joint partnership.....	(225,000)	(75,000)	(577,500)	(318,000)	(175,500)
Payment of transaction costs.....					(106,388)
Net cash used in financing activities.....	(2,630,505)	(2,776,502)	(5,027,068)	(1,819,450)	(1,793,160)
Increase (decrease) in cash and cash equivalents.....	428,282	595,628	(1,208,639)	118,096	196,609
Cash and cash equivalents at beginning of year.....	853,401	1,281,683	1,877,311	1,877,311	668,672
Cash and cash equivalents at end of year.....	\$ 1,281,683	\$ 1,877,311	\$ 668,672	\$ 1,995,407	\$ 865,281
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:					
Cash paid during year for interest.....	\$ 94,915	\$ 96,731	\$ 130,022	\$ 66,449	\$ --

</TABLE>

See notes to consolidated financial statements

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

GENERAL: IDS/Shurgard Income Growth Partners L.P. (the Partnership) was organized under the laws of the State of Washington on September 29, 1987, to serve as a vehicle for investments in and ownership of a professionally managed real estate portfolio consisting of self storage properties which provide month-to-month leases for business and personal use. The Partnership will terminate December 31, 2030, unless terminated at an earlier date. The general partner is Shurgard Associates L.P., a Washington limited partnership.

As of June 30, 1996, there were approximately 5,520 limited partners in the Partnership. There were approximately 148,202 units of limited partnership interest outstanding at a contribution of \$250 per unit.

CONSOLIDATED FINANCIAL STATEMENTS: In 1988, the Partnership and Shurgard Income Properties -- Fund 18 ("Shurgard 18"), an affiliated partnership, formed a joint venture, Shurgard Joint Partners II ("SJP II"), which purchased four self storage facilities located in Detroit, Michigan. The Partnership contributed 70% of the funds needed for the organization of SJP II, with Shurgard 18 contributing the remaining 30%.

On March 1, 1994, Shurgard 18 was merged into Shurgard Storage Centers, Inc. ("SSCI") as part of the consolidation of 17 Shurgard-sponsored limited partnerships. As a result of the merger, SSCI succeeded to all of Shurgard 18's interest in SJP II, and assumed its obligations as a partner. The Partnership consented to SSCI's admission as a successor partner in SJP II. SSCI granted to the Partnership the right to sell its interest in SJP II at any time in the future to either SSCI or, at SSCI's request, to any wholly owned subsidiary thereof, at a price mutually agreeable to the parties or, if no mutual agreement could be reached, at a price determined through an appraisal process.

The Partnership and SSCI receive cash distributions from SJP II and are allocated all income, gain, loss and credit in proportion to their respective capital contributions to SJP II.

The consolidated financial statements include the accounts of the Partnership and SJP II. All material interpartnership transactions and balances have been eliminated. The minority partner's interests in the joint partnership are shown separately on the accompanying consolidated financial statements.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results can differ from those estimates.

The consolidated interim financial statements included in this report are unaudited. In the opinion of the Partnership, all adjustments necessary for a fair presentation of such financial statements have been included. Such adjustments consisted only of normal recurring items. Interim results are not necessarily indicative of results for a full year.

CASH EQUIVALENTS: Cash equivalents consist of money market instruments with original maturities of 90 days or less.

STORAGE CENTERS: Storage centers, including land, buildings and equipment, are recorded at cost. Depreciation on buildings and equipment is recorded on a straight-line basis over their estimated useful lives which range from three to thirty years.

AMORTIZABLE ASSETS: Amortizable assets, which consist primarily of noncompete covenants and loan costs, are amortized over their expected useful lives of two to five years.

RENTAL REVENUE: Rental revenue is recognized as earned under accrual accounting principles.

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TAXES ON INCOME: The consolidated financial statements do not reflect a provision for federal income taxes because such taxes, including a proportionate interest in any SJP II taxes, are the responsibility of the individual partners.

LITIGATION: The Partnership has a policy of accruing for probable losses, which, if any, could be material to the future financial position or results of operations. As of June 30, 1996, there are currently no known probable losses; therefore, no such accruals have been made.

EARNINGS PER UNIT OF LIMITED PARTNERSHIP INTEREST: Earnings per unit of limited partnership interest is based on earnings allocated to the limited partners divided by the number of limited partnership units outstanding during the year (148,202 units for each of the three years ended December 31, 1995 and the six months ended June 30, 1996 and 1995).

DISTRIBUTIONS PER UNIT OF LIMITED PARTNERSHIP INTEREST: Distributions per unit of limited partnership interest is based on the total amount distributed to limited partners divided by the number of limited partnership units outstanding during the year (148,202 units for each of the three years ended December 31, 1995 and the six months ended June 30, 1996 and 1995).

VALUATION OF LONG LIVED ASSETS: The Partnership, using its best estimates based on reasonable and supportable assumptions and projections, reviews storage centers and other assets for impairment whenever events or changes in circumstances have indicated that the carrying amounts of its assets might not be recoverable. Impaired assets are reported at the lower of cost or fair value. At June 30, 1996, no assets had been written down.

RECLASSIFICATION: Certain items in the 1993 and 1994 consolidated financial statements have been reclassified to conform with the current year presentation.

NOTE B -- STORAGE CENTERS

Storage centers consist of the following:

<TABLE>
<CAPTION>

	DECEMBER 31,		
	1994	1995	JUNE 30, 1996
			(UNAUDITED)
<S>	<C>	<C>	<C>
Land.....	\$ 6,429,852	\$ 6,429,852	\$ 6,429,852
Buildings.....	28,390,139	28,463,189	28,490,751
Equipment.....	1,174,025	1,200,005	1,200,005
	35,994,016	36,093,046	36,120,608
Less accumulated depreciation.....	(6,223,375)	(7,332,949)	(7,850,441)
	\$ 29,770,641	\$ 28,760,097	\$ 28,270,167

</TABLE>

NOTE C -- NOTE PAYABLE

At December 31, 1994, the Partnership held a seven-year note payable to a commercial bank bearing interest at 7.75% per annum. On December 6, 1995, the Partnership repaid the balance of this note.

NOTE D -- TRANSACTIONS WITH AFFILIATES

In connection with the management of both the storage centers and the Partnership, the Partnership has paid or accrued a monthly property management fee equal to 6% of the properties' gross revenue to SSCI, an affiliate of the general partner. On March 24, 1995, Shurgard Incorporated merged with SSCI. Prior to the merger date such fees were paid to Shurgard Incorporated.

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INDEPENDENT AUDITORS' REPORT

General Partner and Limited Partners
IDS/Shurgard Income Growth Partners L.P.
Seattle, Washington

We have audited the accompanying consolidated balance sheets of IDS/Shurgard Income Growth Partners L.P. and subsidiary as of December 31, 1994 and 1995, and the related consolidated statements of earnings, partners' equity (deficit), and cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of IDS/Shurgard Income Growth Partners L.P. and subsidiary as of December 31, 1994 and 1995, and the results

of their operations and their cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles.

Deloitte & Touche LLP
Seattle, Washington
March 1, 1996

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SCHEDULE VI IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

SCHEDULE VI
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS OF THE PARTNERSHIP

RESULTS OF OPERATIONS - SIX MONTHS ENDED JUNE 30, 1996 AND 1995

REVENUES: The Partnership's rental revenue for the six months ended June 30, 1996 increased \$135,000 compared to the same period in 1995. Morgan Falls, Midlothian Turnpike, and Warren storage centers contributed the largest revenue gains for the Partnership through June 30, 1996. Earnings from operations for the six months ended June 30, 1996 also increased \$137,600 compared to the same period in 1995. These increases are primarily due to a 5.3% increase in the average rental rate per square foot and generally stable occupancies throughout the Partnership at an average of 91% at June 30, 1996 compared to 92% at June 30, 1995.

EXPENSES: Real estate taxes increased \$28,600 for the six months ended June 30, 1996 compared to the same period in 1995. The majority of this increase is due to tax refunds received in the second quarter of 1995 as a result of successful real estate tax appeals for the Fraser and Margate storage centers which lowered the 1995 expense. Depreciation expense declined as certain assets became fully depreciated; this decrease does not affect the Partnership's cash flow. Additionally, there was an elimination of interest expense resulting from the payoff of the Partnership's bank note in late 1995.

RESULTS OF OPERATIONS - YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993

REVENUE: Partnership performance increased in 1995 and 1994 as a result of significant increases in revenue and earnings. Earnings rose 13% from 1994 to 1995 and 22% from 1993 to 1994. Rental revenue also rose \$469,000 in 1995 after a \$533,000 increase in 1994. The 1995 revenue increase was due to a slight increase in average occupancies and a 7.5% increase in average rental rates. Additionally, all the SJP II stores, in which the Partnership owns a 70% interest, had significant revenue gains, with 1995 averaging 13.7% over 1994. Revenue gains from 1993 to 1994 were primarily the result of stable occupancies and a 9.5% increase in average rental rates. Average occupancy has increased slightly, averaging 88% at December 31, 1993 and 1994 to 89% at December 31, 1995. The Partnership seeks to maximize revenue by adjusting rents to match demand. Store managers evaluate their store's rental rates, based on unit demand, unit availability and competitors' rental rates. The Partnership trains its store managers in revenue optimization and empowers them to adjust marginal rental rates based on their "on the ground" analysis of demand and availability at their particular store. In addition, the use of month-to-month leases, combined with customer turnover, allows rents to be quickly adjusted to match current demand in a flexible manner.

EXPENSES: Operating expenses increased \$110,000 in 1995 and \$58,000 in 1994. The majority of the 1995 increase was due to the increased personnel costs resulting from additional hours worked by managers, an increase in landscaping expense during the spring and summer months at the Canton, Fraser and Warren storage centers, and repairs made to the air conditioning units at the Margate storage center. In 1994, operating expenses increased due to higher utility usage from a colder than normal winter in the South, additional phone lines installed for modem communications, and increased repair and maintenance at the Livonia and Morgan Falls storage centers due to snow removal and landscaping.

Interest expense increased \$33,000 in 1995 after remaining stable in 1994. The majority of the change in 1995 reflects the rise in the interest rate from 7.75% at December 1994 to 9.25% at December 1995.

Schedule VI - Page 1

Real estate taxes decreased \$25,000 in 1995 after an \$11,300 drop in 1994. The 1995 decrease was due to tax refunds received as a result of successful real estate tax appeals for the Fraser, Margate and Ontario storage centers. The 1994 decrease was largely due to levy decreases in the Michigan districts. The Partnership does not expect to be able to continue to decrease real estate taxes in the future.

Administrative expenses rose \$36,000 in 1995 after a slight increase in 1994. The 1995 increase is primarily due to the increase in printing costs for

the Partnership's quarterly and annual reports.

LIQUIDITY AND CAPITAL RESOURCES - SIX MONTHS ENDED JUNE 30, 1996 AND 1995

TRANSACTION COSTS. On July 1, 1996, the Partnership entered into a merger agreement with the Purchaser and two affiliated Partnerships whereby: (1) the Purchaser would commence a cash tender offer for up to 65,000 Units of the Partnership and (2) following completion of the tender offer, the Partnership would seek the requisite approval by the limited partners to merge into the Purchaser. Upon consummation of the merger all limited partners would receive stock in the Purchaser.

In connection with this transaction, the Partnership is expected to incur approximately \$939,800 in costs. As of June 30, 1996, transaction costs totaling approximately \$425,400 have been posted as expenses on the Partnership's books (of which approximately \$106,400 has already been paid). In the event the merger is not consummated, the Partnership will bear certain expenses as defined in the merger agreement.

Due to this transaction, Partnership distributions have been temporarily suspended. Upon completion of the merger, a final cash distribution will be made from the Partnership in an amount, if any, by which the Partnership's Closing Net Asset Value exceeds its Net Asset Value as defined in the merger agreement. This distribution will be received only by those who were partners immediately prior to the merger.

INVESTING ACTIVITIES: Capital improvements for the six months ended June 30, 1996 totaled \$27,600 which was comprised largely of ground and building improvements to the Morgan Falls storage center as well as security upgrades to the Fraser storage center.

DISTRIBUTIONS TO PARTNERS: Annualized distribution rates were 7.75% for the six months ended June 30, 1996 and 1995.

LIQUIDITY AND CAPITAL RESOURCES - YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993

CASH FROM OPERATIONS: Cash from operations increased by \$338,800 from 1993 to 1994 and \$408,500 from 1994 to 1995, reflecting the increase in earnings. Management believes that cash balances and cash flow from operations will be adequate to support the future operating needs of the Partnership.

INVESTING ACTIVITIES: Investments in storage centers have been \$99,000, \$137,000, and \$119,000 during 1995, 1994 and 1993, respectively. The majority of improvements in 1995 included building improvements at the Ontario and Canton storage centers as well as pavement upgrades at the Warren and Canton storage centers. Improvements completed during 1994 were security upgrades at the South Military Highway, Walnut and Ontario storage centers and pavement work at the Canton and Warren storage centers. In 1993, investments were for pavement work at the Canton and Livonia storage centers and security equipment at the Midlothian Turnpike storage center. Planned improvements for 1996 total approximately \$63,300 and are expected to be funded from operations and cash reserves.

FINANCING ACTIVITIES: On December 6, 1995, the Partnership repaid its seven-year note payable to a bank of \$1,418,201 with cash accumulated from operations. During 1995, 1994 and 1993, the Partnership had made principal payments on this note of \$33,000, \$45,000, and \$41,000, respectively. The Partnership now has no outstanding long-term debt.

DISTRIBUTIONS TO PARTNERS: The average annual distribution rates were 7.69%, 6.81% and 6.06% for 1995, 1994 and 1993, respectively.

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SCHEDULE VII IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

SCHEDULE VII
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The following pro forma consolidated balance sheets as of June 30, 1996 set forth the effect of the Transaction and Additional Transactions as if such had occurred on June 30, 1996. The following pro forma consolidated statements of income for the six months ended June 30, 1996 set forth the effect of the Transaction and Additional Transactions as if such had occurred on January 1, 1995. The following pro forma consolidated statements of income for the year ended December 31, 1995 set forth the effect of certain material transactions of the Purchaser not related to the Transaction or Additional Transactions and the effect of the Transaction and Additional Transactions as if such had occurred on January 1, 1995. The Transaction and Additional Transactions will be accounted for under the purchase method of accounting for business combinations. The purchase price of the Transaction and Additional Transactions will be allocated as follows:

<TABLE>
<CAPTION>
(IN THOUSANDS)

	IDS1	IDS2	IDS3	TOTAL
<S>	<C>	<C>	<C>	<C>
Storage centers, at appraised value.....	\$ 40,370	\$ 30,520	\$ 50,890	\$ 121,780
Cash, cash equivalents and other assets.....	1,004	576	889	2,469
Accounts payable and other liabilities.....	(1,307)	(1,403)	(1,797)	(4,507)
Notes payable.....	--	(2,831)	(10,333)	(13,164)
Total purchase price.....	\$ 40,067	\$ 26,862	\$ 39,649	\$ 106,578

</TABLE>

These pro forma consolidated financial statements are presented in two scenarios: (a) the purchase by the Purchaser through the Offer and the Additional Offers of 29,640, 23,022 and 23,843 of the outstanding units of IDS1, IDS2 and IDS3, respectively (representing approximately 20% of the total outstanding units) and (b) the purchase by the Purchaser of 65,000, 49,000 and 52,000 of the outstanding units of IDS1, IDS2 and IDS3, respectively (representing the maximum number of units that may be acquired by the Purchaser through the Offer and the Additional Offers). The pro forma consolidated financial statements assume that all of the Partnerships participate in the Merger.

The pro forma consolidated financial statements are not necessarily indicative of what the Purchaser's actual financial position or results of operations would have been as of the date or for the periods indicated, nor do they purport to represent the Purchaser's financial position or results of operations as of or for any future period. The pro forma consolidated financial statements should be read in conjunction with all financial statements included elsewhere herein or incorporated by reference in this Offer to Purchase.

Schedule VII - Page 1

PRO FORMA CONSOLIDATED BALANCE SHEET
20% TENDER ASSUMPTION
JUNE 30, 1996

(IN THOUSANDS)	PURCHASER HISTORICAL	PURCHASER ADJUSTMENTS	PURCHASER PRE-MERGER (1) PRO FORMA	IDS1 HISTORICAL	IDS2 HISTORICAL	IDS3 HISTORICAL	ADJUSTMENTS (5)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Storage centers, net.....	\$549,658	\$--	\$549,658	\$28,270	\$24,547	\$33,979	\$ 37,068
Other real estate investments.....	25,127	20,072 (2)	45,199	--	--	--	(22,521)
Cash, cash equivalents and other assets.....	56,777	1,358 (3)	58,135	1,137	650	1,152	(790)
Total assets.....	\$631,562	\$21,430	\$652,992	\$29,407	\$25,197	\$35,131	\$ 13,757
Accounts payable and other liabilities.....	\$ 57,881	--	\$ 57,881	\$ 710	\$ 924	\$ 917	\$ 1,545
Notes payable.....	132,250	21,430 (4)	153,680	--	2,831	10,333	--
Total liabilities.....	190,131	21,430	211,561	710	3,755	11,250	1,545
Minority interest.....	2,561	--	2,561	2,449	--	--	(2,449)
Stockholders' equity.....	438,870	--	438,870	26,248	21,442	23,881	14,661
Total liabilities and stockholders' equity.....	\$631,562	\$21,430	\$652,992	\$29,407	\$25,197	\$35,131	\$ 13,757

<CAPTION>

(IN THOUSANDS)	PURCHASER POST-MERGER PRO FORMA
<S>	<C>
Storage centers, net.....	\$673,522
Other real estate investments.....	22,678
Cash, cash equivalents and other assets.....	60,284
Total assets.....	\$756,484

Accounts payable and other liabilities.....	\$ 61,977
Notes payable.....	166,844
Total liabilities.....	228,821
Minority interest.....	2,561
Stockholders' equity.....	525,102
Total liabilities and stockholders' equity.....	\$756,484

</TABLE>

- (1) Purchaser Adjustments reflect the purchase of 29,640, 23,022 and 23,843 Units of IDS1, IDS2 and IDS3, for \$257, \$222 and \$308 per unit, respectively ("Tendered Units"), as if such occurred on January 1, 1995.
- (2) Amount reflects Purchaser's acquisition of the Tendered Units.
- (3) Amount reflects funds borrowed to pay the unpaid amount of the Purchaser's estimated costs of \$2,300,000 related to the Mergers and the Offers.
- (4) Amount reflects the additional debt incurred to finance the purchase of the Tendered Units and the Purchaser's estimated transaction costs.
- (5) Adjustments by Partnerships are as follows:

<TABLE>
<CAPTION>
(IN THOUSANDS)

	IDS1	IDS2	IDS3	ADJUSTMENTS
Storage centers, net.....	\$ 14,184 (a)	\$ 5,973	\$ 16,911	\$ 37,068 (c)
Other real estate investments.....	(10,066)	(5,111)	(7,344)	(22,521) (d)
Cash, cash equivalents and other assets.....	(126)	(207)	(457)	(790) (e)
Accounts payable and other liabilities.....	515	345	685 (b)	1,545 (f)
Minority interest.....	(2,449)	--	--	(2,449) (g)
Stockholders' equity.....	5,926	310	8,425	14,661 (h)

</TABLE>

(a) Adjustment includes only 70% of the step-up to market value of SJP II's storage centers as the remaining 30% was owned by the Purchaser prior to the Mergers and will continue to be carried at the Purchaser's historical cost.

(b) Historical amount has been adjusted to include \$176,000 of estimated costs to complete the expansion of Dobson Ranch, the market value of which was included in the Appraisal.

(c) Amount reflects market value of self storage centers based on the Appraisals.

(d) Historical amounts have been adjusted to eliminate the Tendered Units and the Purchaser's 30% interest in SJP II.

(e) Historical assets have been reduced to eliminate (i) amortizable assets which were specifically excluded from the calculation of Net Asset Value per the Acquisition Agreement, and (ii) cash that would be payable to Unitholders at the time of the Mergers as liquidating distributions of \$113,000, \$134,000 and \$196,000 for IDS1, IDS2 and IDS3, respectively. The actual amounts of such liquidating distributions may be greater than or less than pro forma amounts depending upon the actual amount of transaction costs incurred by each Partnership and the Partnerships' results of operations prior to the consummation of the Mergers.

(f) Historical amounts have been adjusted to include estimated liabilities for unaccrued Partnership transaction costs. See "The Offer" -- Section 10 ("Fees and Expenses").

(g) Amount reflects elimination of minority interest related to the Purchaser's 30% interest in SJP II.

(h) Amount reflects step-up to Net Asset Value less the value of the Tendered Units.

PRO FORMA CONSOLIDATED STATEMENT OF NET INCOME
20% TENDER ASSUMPTION
SIX MONTHS ENDED JUNE 30, 1996

<TABLE>
<CAPTION>

(IN THOUSANDS, EXCEPT SHARE DATA)	PURCHASER		PURCHASER	IDS1	IDS2	IDS3	ADJUSTMENTS (5)
	HISTORICAL	ADJUSTMENTS	PRE-MERGER (1) PRO FORMA	HISTORICAL	HISTORICAL	HISTORICAL	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Rental revenue.....	\$ 48,513	\$--	\$ 48,513	\$ 3,278	\$ 2,255	\$ 3,673	\$ --
Revenue from other real estate investments.....	895	591 (2)	1,486	--	--	--	(733)
Property management revenue...	1,734	--	1,734	--	--	--	(673)
Total revenue.....	51,142	591	51,733	3,278	2,255	3,673	(1,406)
Operating expense.....	14,192	--	14,192	757	506	919	4
Property management fees.....	--	--	--	197	135	219	(551)
Depreciation and amortization.....	10,399	38 (3)	10,437	520	464	667	81
Real estate taxes.....	4,190	--	4,190	252	174	273	--
General and administrative....	2,244	--	2,244	136	94	113	(53)
Total expenses.....	31,025	38	31,063	1,862	1,373	2,191	(519)
Income from operations.....	20,117	553	20,670	1,416	882	1,482	(887)
Transaction expenses.....	--	--	--	(425)	(285)	(421)	1,131
Minority interest in income...	(57)	--	(57)	(142)	--	--	142
Interest and other income.....	302	--	302	18	9	15	--
Interest expense.....	(5,248)	(883) (4)	(6,131)	--	(139)	(432)	8
Total other income (expense).....	(5,003)	(883)	(5,886)	(549)	(415)	(838)	1,281
Net income (loss).....	\$ 15,114	\$(330)	\$ 14,784	\$ 867	\$ 467	\$ 644	\$ 394
Net income per share.....	\$ 0.65	\$(0.01)	\$ 0.64				
Weighted average number of shares.....	23,199,023		23,199,023	1,276,768	856,513	1,274,965	3,408,246
Weighted average number of units.....				148,202	115,110	119,215	382,527

<CAPTION>

(IN THOUSANDS, EXCEPT SHARE DATA)	PURCHASER
	POST-MERGER PRO FORMA
<S>	<C>
Rental revenue.....	\$ 57,719
Revenue from other real estate investments.....	753
Property management revenue...	1,061
Total revenue.....	59,533
Operating expense.....	16,378
Property management fees.....	--
Depreciation and amortization.....	12,169
Real estate taxes.....	4,889
General and administrative....	2,534
Total expenses.....	35,970
Income from operations.....	23,563
Transaction expenses.....	--
Minority interest in income...	(57)
Interest and other income.....	344
Interest expense.....	(6,694)
Total other income (expense).....	(6,407)

Net income (loss).....	\$ 17,156
Net income per share.....	\$ 0.64
Weighted average number of shares.....	26,607,269
Weighted average number of units.....	--

</TABLE>

-
- (1) Purchaser Adjustments recognize the acquisition of the Tendered Units as if such had occurred on January 1, 1995.
 - (2) Amount reflects the Purchaser's 20% interest in the Partnerships' earnings allocated to the Unitholders.
 - (3) Amounts reflects amortization of transaction costs of \$2.3 million on a straight-line basis over 30 years.
 - (4) Amount reflects interest at 8.25% per annum on additional debt incurred to finance the acquisition of the Tendered Units and the transaction costs.

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- (5) Adjustments by Partnership are as follows:

<TABLE>
<CAPTION>
(IN THOUSANDS, EXCEPT SHARE DATA)

	IDS1	IDS2	IDS3	TOTAL
<S>	<C>	<C>	<C>	<C>
Revenue from other real estate investments.....	\$ (388)	\$ (143)	\$ (202)	\$ (733) (a)
Property management revenue.....	(244)	(168)	(261)	(673) (b)
Operating expense.....	3	1	--	4 (c)
Property management fees.....	(197)	(135)	(219)	(551) (d)
Depreciation and amortization.....	75	(37)	43	81 (e)
General and administrative.....	(20)	(14)	(19)	(53) (f)
Transaction expenses.....	425	285	421	1,131 (g)
Minority interest in income.....	142	--	--	142 (h)
Interest expense.....	--	3	5	8 (i)
Weighted average number of shares.....	1,276,768	856,513	1,274,965	3,408,246 (j)
Weighted average number of units.....	148,203	115,110	119,215	382,527

-
- Historical amounts have been adjusted to eliminate the Purchaser's 20% interest related to the Tendered Units and the Purchaser's 30% interest in the earnings of SJP II.
 - Amount reflects elimination of property management fees, advertising fees (at \$900 per year per storage center), the Purchaser's interest in the General Partners and administrative reimbursements paid to the Purchaser by the Partnerships.
 - Amount represents elimination of advertising fees paid by the Partnerships to the Purchaser.
 - Amount reflects elimination of property management fees paid by the Partnerships to the Purchaser.
 - Amount reflects the change in depreciation of storage centers. Depreciation on a new basis of \$97,424 will be recognized on a straight line basis over five to 30 years. Amortization of amortizable assets has been eliminated as such assets are not included in Net Asset Value.
 - Amount reflects elimination of administrative reimbursements paid by the Partnerships to the Purchaser.
 - Amount reflects elimination of transaction expenses as such costs have been included in the calculation of Net Asset Value.
 - Amount reflects the elimination of the Purchaser's 30% minority interest in the earnings of SJP II.
 - Amount reflects the refinancing of the debt of the Partnerships at 8.25% per annum.
 - Weighted average number of shares to be issued to each Partnership, assuming a \$25.00 share price, is calculated as follows:

</TABLE>

<TABLE>
<CAPTION>

IDS1	IDS2	IDS3
-----	-----	-----

<S>	<C>	<C>	<C>
Net Asset Value.....	\$40,066,700	\$26,861,846	\$39,649,643
Less value of Tendered Units.....	(7,617,480)	(5,110,884)	(7,343,644)
Purchaser's interest in General Partner.....	(530,000)	(338,125)	(431,875)
	-----	-----	-----
Consideration allocable to Unitholders participating in the Merger.....	\$31,919,220	\$21,412,837	\$31,874,124
	DIVIDED BY	DIVIDED BY	DIVIDED BY
Assumed share price.....	25.00	25.00	25.00
	-----	-----	-----
Weighted average number of shares allocable to Unitholders participating in the Mergers.....	1,276,768	856,513	1,274,965
	-----	-----	-----

</TABLE>

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PRO FORMA CONSOLIDATED STATEMENT OF NET INCOME
20% TENDER ASSUMPTION
YEAR ENDED DECEMBER 31, 1995

<TABLE>							
<CAPTION>							
(IN THOUSANDS, EXCEPT SHARE DATA)	PURCHASER HISTORICAL	PURCHASER ADJUSTMENTS	PURCHASER PRE-MERGER (1) PRO FORMA	IDS1 HISTORICAL	IDS2 HISTORICAL	IDS3 HISTORICAL	ADJUSTMENTS (10)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Rental revenue.....	\$ 92,397	\$ 1,984	\$ 94,381	\$ 6,465	\$ 4,309	\$ 7,225	\$ --
Revenue from other real estate investments.....	1,396	1,111 (2)	2,507	--	--	--	(1,375)
Property management revenue...	2,978	802 (3)	3,780	--	--	--	(1,424)
	-----	-----	-----	-----	-----	-----	-----
Total revenue.....	96,771	3,897	100,668	6,465	4,309	7,225	(2,799)
	-----	-----	-----	-----	-----	-----	-----
Operating expense.....	26,171	23 (4)	26,194	1,493	944	1,800	24
Property management fees.....	--	--	--	388	258	433	(1,079)
Depreciation and amortization.....	17,410	733 (5)	18,143	1,114	919	1,505	(75)
Real estate taxes.....	7,596	131 (6)	7,727	466	324	506	--
General and administrative....	4,859	684 (7)	5,543	216	159	170	(223)
	-----	-----	-----	-----	-----	-----	-----
Total expenses.....	56,036	1,571	57,607	3,677	2,604	4,414	(1,353)
	-----	-----	-----	-----	-----	-----	-----
Income from operations.....	40,735	2,326	43,061	2,788	1,705	2,811	(1,446)
	-----	-----	-----	-----	-----	-----	-----
Minority interest in income...	--	--	--	(264)	--	--	264
Interest and other income.....	885	(368) (8)	517	109	10	35	--
Interest expense.....	(12,038)	24 (9)	(12,014)	(130)	(254)	(961)	220
	-----	-----	-----	-----	-----	-----	-----
Total other income (expense).....	(11,153)	(344)	(11,497)	(285)	(244)	(926)	484
	-----	-----	-----	-----	-----	-----	-----
Net (loss) income.....	\$ 29,582	\$ 1,982	\$ 31,564	\$ 2,503	\$ 1,461	\$ 1,885	\$ (962)
	-----	-----	-----	-----	-----	-----	-----
Net income per share.....	\$ 1.43	\$ 0.79	\$ 1.36				
	-----	-----	-----	-----	-----	-----	-----
Weighted average number of shares.....	20,675,536	2,518,385	23,193,921	1,276,768	856,513	1,274,965	3,408,246
	-----	-----	-----	-----	-----	-----	-----
Weighted average number of units.....				148,202	115,110	119,215	382,527
				-----	-----	-----	-----

<CAPTION>

(IN THOUSANDS, EXCEPT SHARE DATA)	PURCHASER POST-MERGER PRO FORMA
<S>	<C>
Rental revenue.....	\$ 112,380
Revenue from other real estate investments.....	1,132
Property management revenue...	2,356

Total revenue.....	115,868

Operating expense.....	30,455
Property management fees.....	--

Depreciation and amortization.....	21,606
Real estate taxes.....	9,023
General and administrative....	5,865

Total expenses.....	66,949

Income from operations.....	48,919

Minority interest in income...	--
Interest and other income.....	671
Interest expense.....	(13,139)

Total other income (expense).....	(12,468)

Net (loss) income.....	\$ 36,451

Net income per share.....	\$ 1.37

Weighted average number of shares.....	26,602,167

Weighted average number of units.....	

</TABLE>

(1) This column details adjustments related to the recognition of the acquisition of the Tendered Units as if such had occurred on January 1, 1995 and the effect of the following transactions as if such had occurred on January 1, 1995:

(i) the merger of Shurgard Incorporated which occurred in March 1995 and was accounted for as a purchase;

(ii) the acquisition of Shurgard Evergreen Limited Partnership ("Evergreen") which occurred in May 1995 and was accounted for as a purchase. Evergreen owned 7 storage centers directly and an interest in 3 additional stores through a joint venture;

(iii) the sale of approximately 4.9 million shares of common stock of the Purchaser which occurred in June and July 1995; and

(iv) the acquisition of four storage centers, one was purchased in March 1995; the others, in summer 1995.

Any additional net income resulting from the assumption of consummation of these transactions on January 1, 1995 is assumed to have been distributed to the Purchaser's stockholders during 1995.

(2) Amount reflects the Purchaser's 20% interest in the Partnerships' earnings allocated to Unitholders.

(3) Amounts reflects increase in property management fees from the merger of Shurgard Incorporated.

(4) Amount reflects increased operating expenses attributable to the acquisition of storage centers.

(5) Amount reflects increased depreciation related to the acquisition of storage centers which are being depreciated over an estimated useful life of 30 years and the amortization of \$2.3 million of transaction costs over an estimated useful life of 30 years.

(6) Amount reflects increased real estate taxes related to the acquisition of storage centers.

(7) Amount reflects increased expenses related to the merger of Shurgard Incorporated.

(8) Amount reflects decrease in investment income as a result of using cash to finance the acquisitions described in (1) above.

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(9) Amount reflects reduction of interest expense as a result of cash provided by the offering of common stock described in (1) above.

(10) Adjustments by Partnership are as follows:

<TABLE> <CAPTION> (IN THOUSANDS, EXCEPT SHARE DATA)	IDS1	IDS2	IDS3	ADJUSTMENTS
<S>	<C>	<C>	<C>	<C>
Revenue from other real estate investments.....	\$ (740)	\$ (278)	\$ (357)	\$ (1,375) (a)
Property management revenue.....	(514)	(359)	(551)	(1,424) (b)
Operating expense.....	11	8	5	24 (c)
Property management fees.....	388	258	433	1,079 (d)
Depreciation and amortization.....	75	(65)	(85)	(75) (e)
General and administrative.....	(77)	(70)	(76)	(223) (f)
Minority interest in earnings.....	264	--	--	264 (g)
Interest expense.....	130	(18)	108	220 (h)
Weighted average number of shares.....	1,276,768	856,513	1,274,965	3,408,246 (i)
Weighted average number of units.....	148,202	115,110	119,215	382,527

</TABLE>

(a) Historical amounts have been adjusted to eliminate the Purchaser's 20% interest related to the Tendered Units and the Purchaser's 30% interest in the earnings of SJP II.

(b) Amount reflects elimination of property management fees, advertising fees (at \$900 per year per storage center), the Purchaser's interest in the General Partners and administrative reimbursements paid to the Purchaser by the Partnerships.

(c) Amount represents elimination of advertising fees paid by the Partnerships to the Purchaser.

(d) Amount reflects elimination of property management fees paid by the Partnerships to the Purchaser.

(e) Amount reflects the change in depreciation of storage centers. Depreciation on a new basis of \$97,424 will be recognized on a straight line basis over five to 30 years. Amortization of amortizable assets has been eliminated as such assets are not included in Net Asset Value.

(f) Amount reflects elimination of administrative reimbursements paid by the Partnerships to the Purchaser.

(g) Amount reflects the elimination of the Purchaser's 30% minority interest in the earnings of SJP II.

(h) Amount reflects the refinancing of the debt of the Partnerships at 8.25% per annum.

(i) Weighted average number of shares to be issued to each Partnership, assuming a \$25.00 share price, is calculated as follows:

<TABLE> <CAPTION>	IDS1	IDS2	IDS3
<S>	<C>	<C>	<C>
Net Asset Value.....	\$40,066,700	\$26,861,846	\$39,649,643
Less value of Tendered Units.....	(7,617,480)	(5,110,884)	(7,343,644)
Purchaser's interest in General Partner.....	(530,000)	(338,125)	(431,875)
Consideration allocable to Unitholders participating in the Merger.....	\$31,919,220	\$21,412,837	\$31,874,124
Assumed share price.....	25.00	25.00	25.00
Weighted average number of shares allocable to Unitholders participating in the Merger.....	1,276,768	856,513	1,274,965

</TABLE>

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PRO FORMA CONSOLIDATED BALANCE SHEET
MAXIMUM TENDER ASSUMPTION
JUNE 30, 1996

<TABLE>
<CAPTION>

PURCHASER

(IN THOUSANDS)	PURCHASER HISTORICAL	PURCHASER ADJUSTMENTS	PRE-MERGER (1) PRO FORMA	IDS1 HISTORICAL	IDS2 HISTORICAL	IDS3 HISTORICAL	ADJUSTMENTS (5)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Storage centers, net.....	\$549,658	\$--	\$549,658	\$28,270	\$24,547	\$33,979	\$ 37,068
Other real estate investments.....	25,127	43,599 (2)	68,726	--	--	--	(46,048)
Cash, cash equivalents and other assets.....	56,777	1,358 (3)	58,135	1,137	650	1,152	(790)
Total assets.....	\$631,562	\$44,957	\$676,519	\$29,407	\$25,197	\$35,131	\$ (9,770)
Accounts payable and other liabilities.....	\$ 57,881	--	\$ 57,881	\$ 710	\$ 924	\$ 917	\$ 1,545
Notes payable.....	132,250	44,957 (4)	177,207	--	2,831	10,333	--
Total liabilities.....	190,131	44,957	235,088	710	3,755	11,250	1,545
Minority interest.....	2,561	--	2,561	2,449	--	--	(2,449)
Stockholders' equity.....	438,870	--	438,870	26,248	21,442	23,881	(8,866)
Total liabilities and stockholders' equity.....	\$631,562	\$44,957	\$676,519	\$29,407	\$25,197	\$35,131	\$ (9,770)

<CAPTION>

(IN THOUSANDS)	PURCHASER POST-MERGER PRO FORMA
<S>	<C>
Storage centers, net.....	\$673,522
Other real estate investments.....	22,678
Cash, cash equivalents and other assets.....	60,284
Total assets.....	\$756,484
Accounts payable and other liabilities.....	\$ 61,977
Notes payable.....	190,371
Total liabilities.....	252,348
Minority interest.....	2,561
Stockholders' equity.....	501,575
Total liabilities and stockholders' equity.....	\$756,484

</TABLE>

(1) Purchaser adjustments reflect the purchase of 65,000, 49,000 and 52,000 Units of IDS1, IDS2 and IDS3, for \$257, \$222 and \$308 per unit, respectively ("Maximum Tendered Units"), as if such occurred on January 1, 1995.

(2) Amount reflects Purchaser's acquisition of the Tendered Units.

(3) Amount reflects funds borrowed to pay the unpaid amount of the Purchaser's estimated costs of \$2,300,000 related to the Mergers and the Offers.

(4) Amount reflects the additional debt incurred to finance the purchase of the Tendered Units and the Purchaser's estimated transaction costs.

(5) Adjustments by Partnership are as follows:

(IN THOUSANDS)	IDS1	IDS2	IDS3	ADJUSTMENTS
<S>	<C>	<C>	<C>	<C>
Storage centers, net.....	\$ 14,184 (a)	\$ 5,973	\$ 16,911	\$ 37,068 (c)
Other real estate investments.....	(19,154)	(10,878)	(16,016)	(46,048) (d)
Cash, cash equivalents and other assets.....	(126)	(207)	(457)	(790) (e)
Accounts payable and other liabilities.....	515	345	685 (b)	1,545 (f)
Minority interest.....	(2,449)	--	--	(2,449) (g)
Stockholders' equity.....	(3,162)	(5,457)	(247)	(8,866) (h)

(a) Adjustment includes only 70% of the step-up to market value of SJP II's storage centers as the remaining 30% was owned by the Purchaser prior to the Mergers and will continue to be carried at the Purchaser's historical cost.

(b) Historical amount has been adjusted to include \$176,000 of estimated costs to complete the expansion of Dobson Ranch, the market value of which was included in the Appraisal.

(c) Amount reflects market value of self storage centers based on the Appraisals.

(d) Historical amounts have been adjusted to eliminate the Maximum Tendered Units and the Purchaser's 30% interest in SJP II.

(e) Historical assets have been reduced to eliminate (i) amortizable assets which were specifically excluded from the calculation of Net Asset Value per the Acquisition Agreement, and (ii) cash that would be payable to Unitholders at the time of the Mergers as liquidating distributions of \$113,000, \$134,000 and \$196,000 for IDS1, IDS2 and IDS3, respectively. The actual amounts of such liquidating distributions may be greater than or less than pro forma amounts depending upon the actual amount of transaction costs incurred by each Partnership and the Partnerships' results of operations prior to the consummation of the Mergers.

(f) Historical amounts have been adjusted to include estimated liabilities for unaccrued Partnership transaction costs. See "The Offer" -- Section 10 ("Fees and Expenses").

(g) Amount reflects elimination of minority interest related to the Purchaser's 30% interest in SJP II.

(h) Amount reflects step-up to Net Asset Value less the value of the Maximum Tendered Units.

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PRO FORMA CONSOLIDATED STATEMENT OF NET INCOME
MAXIMUM TENDER ASSUMPTION
SIX MONTHS ENDED JUNE 30, 1996

<TABLE>

<CAPTION>

(IN THOUSANDS, EXCEPT SHARE DATA)	PURCHASER HISTORICAL	PURCHASER ADJUSTMENTS	PURCHASER PRE-MERGER (1) PRO FORMA	IDS1 HISTORICAL	IDS2 HISTORICAL	IDS3 HISTORICAL	ADJUSTMENTS (5)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Rental revenue.....	\$ 48,513	\$--	\$ 48,513	\$ 3,278	\$ 2,255	\$ 3,673	\$ --
Revenue from other real estate investments.....	895	1,285 (2)	2,180	--	--	--	(1,427)
Property management revenue...	1,734	--	1,734	--	--	--	(673)
Total revenue.....	51,142	1,285	52,427	3,278	2,255	3,673	(2,100)
Operating expense.....	14,192	--	14,192	757	506	919	4
Property management fees.....	--	--	--	197	135	219	(551)
Depreciation and amortization.....	10,399	38 (3)	10,437	520	464	667	81
Real estate taxes.....	4,190	--	4,190	252	174	273	--
General and administrative....	2,244	--	2,244	136	94	113	(53)
Total expenses.....	31,025	38	31,063	1,862	1,373	2,191	(519)
Income from operations.....	20,117	1,247	21,364	1,416	882	1,482	(1,581)
Transaction expenses.....	--	--	--	(425)	(285)	(421)	1,131
Minority interest in income...	(57)	--	(57)	(142)	--	--	142
Interest and other income.....	302	--	302	18	9	15	--
Interest expense.....	(5,248)	(1,854) (4)	(7,102)	--	(139)	(432)	8
Total other income (expense).....	(5,003)	(1,854)	(6,857)	(549)	(415)	(838)	1,281
Net income (loss).....	\$ 15,114	\$ (607)	\$ 14,507	\$ 867	\$ 467	\$ 644	\$ (300)
Net income per share.....	\$ 0.65	\$ (0.03)	\$ 0.63				

Weighted average number of shares.....	23,199,023	23,199,028	23,199,023	913,268	625,828	928,070	2,467,166
Weighted average number of units.....				148,202	115,110	119,215	382,527

<CAPTION>

(IN THOUSANDS, EXCEPT SHARE DATA)	PURCHASER POST-MERGER PRO FORMA
<S>	<C>
Rental revenue.....	\$ 57,719
Revenue from other real estate investments.....	753
Property management revenue...	1,061
Total revenue.....	59,533
Operating expense.....	16,378
Property management fees.....	--
Depreciation and amortization.....	12,169
Real estate taxes.....	4,889
General and administrative....	2,534
Total expenses.....	35,970
Income from operations.....	23,563
Transaction expenses.....	--
Minority interest in income...	(57)
Interest and other income.....	344
Interest expense.....	(7,665)
Total other income (expense).....	(7,378)
Net income (loss).....	\$ 16,185
Net income per share.....	\$ 0.63
Weighted average number of shares.....	25,666,189

Weighted average number of units.....
</TABLE>

-
- (1) Purchaser Adjustments recognize the acquisition of the Maximum Tendered Units as if such had occurred on January 1, 1995.
 - (2) Amount reflects the Purchaser's 20% interest in the Partnership's earnings allocated to the Unitholders.
 - (3) Amounts reflects amortization of transaction costs of \$2.3 million on a straight-line basis over 30 years.
 - (4) Amount reflects interest at 8.25% per annum on additional debt incurred to finance the acquisition of the Maximum Tendered Units and the transaction costs.

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- (5) Adjustments by Partnership are as follows:

<CAPTION> (IN THOUSANDS, EXCEPT SHARE DATA)	IDS1	IDS2	IDS3	TOTAL
<S>	<C>	<C>	<C>	<C>
Revenue from other real estate investments.....	\$ (681)	\$ (305)	\$ (441)	\$ (1,427) (a)
Property management revenue.....	(244)	(168)	(261)	(673) (b)
Operating expense.....	3	1	--	4 (c)
Property management fees.....	(197)	(135)	(219)	(551) (d)
Depreciation and amortization.....	75	(37)	43	81 (e)

General and administrative.....	(20)	(14)	(19)	(53) (f)
Transaction expenses.....	425	285	421	1,131 (g)
Minority interest in earnings.....	142	--	--	142 (h)
Interest expense.....	--	3	5	8 (i)
Weighted average number of shares.....	913,268	625,828	928,070	2,467,166 (j)
Weighted average number of units.....	148,203	115,110	119,215	382,527

- (a) Historical amounts have been adjusted to eliminate the Purchaser's 20% interest related to the Maximum Tendered Units and the Purchaser's 30% interest in the earnings of SJP II.
- (b) Amount reflects elimination of property management fees, advertising fees (at \$900 per year per storage center), the Purchaser's interest in the General Partners and administrative reimbursements paid to the Purchaser by the Partnerships.
- (c) Amount represents elimination of advertising fees paid by the Partnerships to the Purchaser.
- (d) Amount reflects elimination of property management fees paid by the Partnerships to the Purchaser.
- (e) Amount reflects the change in depreciation of storage centers. Depreciation on a new basis of \$97,424 will be recognized on a straight line basis over five to 30 years. Amortization of amortizable assets has been eliminated as such assets are not included in Net Asset Value.
- (f) Amount reflects elimination of administrative reimbursements paid by the Partnerships to the Purchaser.
- (g) Amount reflects elimination of transaction expenses as such costs have been included in the calculation of Net Asset Value.
- (h) Amount reflects the elimination of the Purchaser's 30% minority interest in the earnings of SJP II.
- (i) Amount reflects the refinancing of the debt of the Partnerships at 8.25% per annum.
- (j) Weighted average number of shares to be issued to each Partnership, assuming a \$25.00 share price, is calculated as follows:

</TABLE>

<TABLE>
<CAPTION>

	IDS1	IDS2	IDS3
	-----	-----	-----
<S>	<C>	<C>	<C>
Net Asset Value.....	\$40,066,700	\$26,861,846	\$39,649,643
Less value of Maximum Tendered Units.....	(16,705,000)	(10,878,000)	(16,016,000)
Purchaser's interest in General Partner.....	(530,000)	(338,125)	(431,875)
	-----	-----	-----
Consideration allocable to Unitholders participating in the Merger.....	\$22,831,700	\$15,645,721	\$23,201,768
		DIVIDED BY	DIVIDED BY
Assumed share price.....	25.00	25.00	25.00
	-----	-----	-----
Weighted average number of shares allocable to Unitholders participating in the Mergers.....	913,268	625,828	928,070
	-----	-----	-----

</TABLE>

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PRO FORMA CONSOLIDATED STATEMENT OF NET INCOME
MAXIMUM TENDER ASSUMPTION
YEAR ENDED DECEMBER 31, 1995

<TABLE>
<CAPTION>

(IN THOUSANDS, EXCEPT SHARE DATA)	PURCHASER HISTORICAL	PURCHASER ADJUSTMENTS	PURCHASER PRE-MERGER (1) PRO FORMA	IDS1 HISTORICAL	IDS2 HISTORICAL	IDS3 HISTORICAL	ADJUSTMENTS (10)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Rental revenue.....	\$ 92,397	\$ 1,984	\$ 94,381	\$ 6,465	\$ 4,309	\$ 7,225	\$ --
Revenue from other real estate investments.....	1,396	2,416 (2)	3,812	--	--	--	(2,680)
Property management revenue...	2,978	802 (3)	3,780	--	--	--	(1,424)
	-----	-----	-----	-----	-----	-----	-----
Total revenue.....	96,771	5,202	101,973	6,465	4,309	7,225	(4,104)
	-----	-----	-----	-----	-----	-----	-----
Operating expense.....	26,171	23 (4)	26,194	1,493	944	1,800	24
Property management fees.....	--	--	--	388	258	433	(1,079)
Depreciation and amortization.....	17,410	733 (5)	18,143	1,114	919	1,505	(75)
Real estate taxes.....	7,596	131 (6)	7,727	466	324	506	--
General and administrative....	4,859	684 (7)	5,543	216	159	170	(223)
	-----	-----	-----	-----	-----	-----	-----
Total expenses.....	56,036	1,571	57,607	3,677	2,604	4,414	(1,353)

Income from operations.....	40,735	3,631	44,366	2,788	1,705	2,811	(2,751)
Minority interest in income...	--	--	--	(264)	--	--	264
Interest and other income.....	885	(368) (8)	517	109	10	35	
Interest expense.....	(12,038)	(1,918) (9)	(13,956)	(130)	(254)	(961)	220
Total other income (expense).....	(11,153)	(2,286)	(13,439)	(285)	(244)	(926)	484
Net (loss) income.....	\$ 29,582	\$ 1,345	\$ 30,927	\$ 2,503	\$ 1,461	\$ 1,885	\$ (2,267)
Net income per share.....	\$ 1.43	\$ 0.53	\$ 1.33				
Weighted average number of shares.....	20,675,536	2,518,385	23,193,921	913,268	625,828	928,070	2,467,166
Weighted average number of units.....				148,202	115,110	119,215	382,527

<CAPTION>

(IN THOUSANDS, EXCEPT SHARE
DATA)

	PURCHASER POST-MERGER PRO FORMA
<S>	<C>
Rental revenue.....	\$ 112,380
Revenue from other real estate investments.....	1,132
Property management revenue...	2,356
Total revenue.....	115,868
Operating expense.....	30,455
Property management fees.....	--
Depreciation and amortization.....	21,606
Real estate taxes.....	9,023
General and administrative....	5,865
Total expenses.....	66,949
Income from operations.....	48,919
Minority interest in income...	--
Interest and other income.....	671
Interest expense.....	(15,081)
Total other income (expense).....	(14,410)
Net (loss) income.....	\$ 34,509
Net income per share.....	\$ 1.34
Weighted average number of shares.....	25,661,087
Weighted average number of units.....	

</TABLE>

(1) This column details adjustments related to the recognition of the acquisition of the Maximum Tendered Units as if such had occurred on January 1, 1995 and the effect of the following transactions as if such had occurred on January 1, 1995:

- (i) the merger of Shurgard Incorporated which occurred in March 1995 and was accounted for as a purchase;
- (ii) the acquisition of Shurgard Evergreen Limited Partnership ("Evergreen") which occurred in May 1995 and was accounted for as a purchase. Evergreen owned 7 storage centers directly and an interest in 3 additional stores through a joint venture;

(iii) the sale of approximately 4.9 million shares of common stock of the Purchaser which occurred in June and July 1995; and

(iv) the acquisition of four storage centers, one was purchased in March 1995; the others, in summer 1995.

Any additional net income resulting from the assumption of consummation of these transactions on January 1, 1995 is assumed to have been distributed to the Purchaser's stockholders during 1995.

- (2) Amount reflects the Purchaser's 20% interest in the Partnerships' earnings allocated to Unitholders.
- (3) Amounts reflects increase in property management fees from the merger of Shurgard Incorporated.
- (4) Amount reflects increased operating expenses attributable to the acquisition of storage centers.
- (5) Amount reflects increased depreciation related to the acquisition of storage centers which are being depreciated over an estimated useful life of 30 years and the amortization of \$2.3 million of transaction costs over an estimated useful life of 30 years.
- (6) Amount reflects increased real estate taxes related to the acquisition of storage centers.
- (7) Amount reflects increased expenses related to the merger of Shurgard Incorporated.
- (8) Amount reflects decrease in investment income as a result of using cash to finance the acquisitions described in (1) above.

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(9) Amount reflects reduction of interest expense as a result of cash provided by the offering of common stock described in (1) above.

(10) Adjustments by Partnership are as follows:

<TABLE>
<CAPTION>
(IN THOUSANDS, EXCEPT SHARE DATA)

	IDS1	IDS2	IDS3	ADJUSTMENTS
<S>	<C>	<C>	<C>	<C>
Revenue from other real estate investments.....	\$ (1,308)	\$ (591)	\$ (781)	\$ (2,680) (a)
Property management revenue.....	(514)	(359)	(551)	(1,424) (b)
Operating expense.....	11	8	5	24 (c)
Property management fees.....	388	258	433	1,079 (d)
Depreciation and amortization.....	75	(65)	(85)	(75) (e)
General and administrative.....	(77)	(70)	(76)	(223) (f)
Minority interest in earnings.....	264	--	--	264 (g)
Interest expense.....	130	(18)	108	220 (h)
Weighted average number of shares.....	913,268	625,828	928,070	2,467,166 (i)
Weighted average number of units.....	148,202	115,110	119,215	382,527

</TABLE>

(a) Historical amounts have been adjusted to eliminate the Purchaser's 20% interest related to the Maximum Tendered Units and the Purchaser's 30% interest in the earnings of SJP II.

(b) Amount reflects elimination of property management fees, advertising fees (at \$900 per year per storage center), the Purchaser's interest in the General Partners and administrative reimbursements paid to the Purchaser by the Partnerships.

(c) Amount represents elimination of advertising fees paid by the Partnerships to the Purchaser.

(d) Amount reflects elimination of property management fees paid by the Partnerships to the Purchaser.

(e) Amount reflects the change in depreciation of storage centers. Depreciation on a new basis of \$97,424 will be recognized on a straight line basis over five to 30 years. Amortization of amortizable assets has been eliminated as such assets are not included in Net Asset Value.

(f) Amount reflects elimination of administrative reimbursements paid by the Partnerships to the Purchaser.

(g) Amount reflects the elimination of the Purchaser's 30% minority interest in the earnings of SJP II.

(h) Amount reflects the refinancing of the debt of the Partnerships at 8.25% per annum.

(i) Weighted average number of shares to be issued to each Partnership, assuming a \$25.00 share price, is calculated as follows:

<TABLE>
<CAPTION>

	IDS1	IDS2	IDS3
	<C>	<C>	<C>
Net Asset Value.....	\$40,066,700	\$26,861,846	\$39,649,643
Less value of Maximum Tendered Units.....	(16,705,000)	(10,878,000)	(16,016,000)
Purchaser's interest in General Partner.....	(530,000)	(338,125)	(431,875)
Consideration allocable to Unitholders participating in the Merger.....	\$22,831,700	\$15,645,721	\$23,201,768
Assumed share price.....	25.00	25.00	25.00
Weighted average number of shares allocable to Unitholders participating in the Merger.....	913,268	625,828	928,070

</TABLE>

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SCHEDULE VIII IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

SCHEDULE VIII
PARTNERSHIP DISTRIBUTIONS

The following table sets forth the distributions paid per Unit (original purchase price \$250 per Unit) in the periods indicated below:

<TABLE>
<CAPTION>

YEAR	DISTRIBUTION
<S>	<C>
1988	
Third Quarter.....	\$ 2.25
Fourth Quarter.....	3.03
1989	
First Quarter.....	2.76
Second Quarter.....	3.75
Third Quarter.....	3.75
Fourth Quarter.....	3.75
1990	
First Quarter.....	3.75
Second Quarter.....	3.75
Third Quarter.....	3.75
Fourth Quarter.....	3.75
1991	
First Quarter.....	3.75
Second Quarter.....	3.75
Third Quarter.....	3.75
Fourth Quarter.....	3.75
1992	
First Quarter.....	3.75
Second Quarter.....	3.75
Third Quarter.....	3.75
Fourth Quarter.....	3.75
1993	
First Quarter.....	3.75
Second Quarter.....	3.75
Third Quarter.....	3.75
Fourth Quarter.....	3.91
1994	
First Quarter.....	4.06
Second Quarter.....	4.14
Third Quarter.....	4.38
Fourth Quarter.....	4.45
1995	
First Quarter.....	4.69
Second Quarter.....	4.84

Third Quarter.....	4.84
Fourth Quarter.....	4.84
1996	
First Quarter.....	4.84
Second Quarter.....	4.84

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SCHEDULE IX IS HEREBY AMENDED AND RESTATED IN ITS ENTIRETY AS FOLLOWS:

SCHEDULE IX
PROPERTY INFORMATION

The following table sets forth certain information regarding each of the Partnership's self storage centers, including occupancy at December 31, 1991, 1992, 1993, 1994, 1995 and June 30, 1996.

PROPERTY NAME	PROPERTY LOCATION	OWNED SINCE	YEAR BUILT	NET RENTABLE SQUARE FEET	ACREAGE	OCCUPANCY AT		
						DEC. 31, 1991	DEC. 31, 1992	DEC. 31, 1993
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
South Military Hwy.	Virginia Beach, VA	1988	1984	48,000	2.7	*	*	*
Midlothian Turnpike	Richmond, VA	1988	1984	44,000	2.9	*	*	*
Burke	Fairfax, VA	1988	1984	32,000	1.7	*	*	*
Margate	Margate, FL	1988	1984/86	75,000	4.0	89	96	92
Walnut	Walnut, CA	1988	1986	96,000	3.6	76	86	83
Ontario	Ontario, CA	1988	1984	57,000	2.1	*	*	*
Morgan Falls	Dunwoody, GA	1988	1990	76,000	3.7	74	94	95
Factoria Square	Bellevue, WA	1990	1989	70,000	1.9	70	93	95
Canton**	Canton, MI	1988	1986	58,000	3.3	*	*	*
Fraser**	Fraser, MI	1988	1985	73,000	5.2	*	*	*
Livonia**	Livonia, MI	1988	1985	67,000	4.8	*	*	*
Warren**	Warren, MI	1988	1985	68,000	4.6	*	*	*
Total				764,000	40.5			

<CAPTION>

PROPERTY NAME	DEC. 31, 1994	DEC. 31, 1995	JUNE 30, 1996
<S>	<C>	<C>	<C>
South Military Hwy.	*	*	*
Midlothian Turnpike	*	*	*
Burke	*	*	*
Margate	92	89	89
Walnut	82	78	77
Ontario	*	*	*
Morgan Falls	95	93	95
Factoria Square	96	97	98
Canton**	*	*	*
Fraser**	*	*	*
Livonia**	*	*	*
Warren**	*	*	*
Total			

</TABLE>

* These properties are individually less than 10% of historical cost of total storage centers for the Partnership and Shurgard Joint Partners II. The average occupancy of these projects was 86%, 87% and 89% at December 31, 1993, 1994 and 1995, respectively, and 92% at June 30, 1996.

** Property owned by Shurgard Joint Partners II in which the Partnership has a 70% interest. Net rentable square feet is the total for the property.

The following table presents the average occupancy per net rentable square foot and average annual rental rate per net rentable square foot for the Partnership's properties for the years ended December 31, 1993, 1994 and 1995 and the six months ended June 30, 1996.

<TABLE>
<CAPTION>

	FOR THE YEAR ENDED DECEMBER 31,			FOR THE SIX MONTHS ENDED
	1993	1994	1995	JUNE 30, 1996
<S>	<C>	<C>	<C>	<C>
Average occupancy.....	90%	90%	90%	89%

Average rate per square foot..... \$ 7.33 \$ 8.03 \$ 8.63 \$ 8.92
</TABLE>

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A Letter of Transmittal and any other required documents should be sent or delivered by each Unitholder or his or her broker, dealer, commercial bank, trust company or other nominee to the Depository at one of its addresses set forth below.

The Depository for this Offer is:

GEMISYS CORPORATION

<TABLE>

<S>

By Overnight/Hand Delivery:
7103 S. Revere Parkway
Englewood, CO 80112

<C>

By Mail:
P.O. Box 3897
Englewood, CO 80155-9756

</TABLE>

Any questions or requests for assistance or additional copies of this Supplement, the Offer to Purchase and the Letter of Transmittal may be directed to the Information Agent at its telephone number and location listed below. You may also contact your broker, dealer, commercial bank or trust company for assistance concerning this Offer.

The Information Agent for this Offer is:

D.F. KING & CO., INC.

77 Water Street
New York, NY 10005
(212) 269-5550 (Call Collect)
or
1-800-207-2872 (Toll Free)

[LOGO]

1201 Third Avenue, Suite 2200, Seattle, Washington 98101

IF YOU HAVE ANY QUESTIONS ABOUT THIS OFFER OR IF YOU NEED HELP IN COMPLETING THE LETTER OF TRANSMITTAL, PLEASE CALL THE INFORMATION AGENT, D.F. KING & CO., INC. AT (800) 207-2872.

August 26, 1996

Re: Cash Tender Offer for up to 65,000 Units of
IDS/Shurgard Income Growth Partners L.P.

Dear Unitholder:

Shurgard Storage Centers, Inc., a Delaware corporation (the "Purchaser"), has amended and supplemented its offer to purchase (the "Offer") up to 65,000 units of limited partnership interest (the "Units") in IDS/Shurgard Income Growth Partners L.P., a Washington limited partnership (the "Partnership"), at a net cash price per Unit of \$257 (the "Offer Price"). The Offer is now made upon the terms and subject to the conditions set forth in the Offer to Purchase dated July 2, 1996, as amended by the Purchaser's letter to Unitholders dated July 16, 1996 (the "July 16 Letter") and the enclosed Supplement to Offer to Purchase (the "Supplement"), and in the related Letter of Transmittal.

The Supplement amends and supplements the following sections of the Offer to Purchase: the cover page, "Incorporation of Certain Documents By Reference," "Cautionary Statement," "Summary," "Special Considerations," "Background and Purposes of the Transaction," "Fairness of the Transaction; Position of the General Partner," "Appraisal; Opinions of Financial Advisors," "Market Prices of Units," "Interests of Certain Persons," "The Offer" -- Section 7 ("Certain Conditions of the Offer") and -- Section 11 ("Miscellaneous") and Schedules I, V, VI, VII, VIII and IX. Except as set forth in the Supplement, the Offer continues to be governed by the terms and conditions set forth in the Offer to Purchase, as amended by the July 16 Letter, and in the related Letter of Transmittal, and the information contained therein continues to be important to each Unitholder's decision with respect to the Offer. Accordingly, the Supplement should be carefully read in conjunction with the Offer to Purchase, the July 16 Letter and the Letter of Transmittal previously mailed to you.

If you wish to sell your Units and receive a net cash price of \$257 per Unit, please complete the Letter of Transmittal and return it to the address set forth on the back cover of the Offer to Purchase and the Supplement before the expiration date.

PLEASE NOTE THAT THE EXPIRATION DATE OF THE OFFER HAS BEEN EXTENDED TO 6:00 P.M., NEW YORK CITY TIME, ON MONDAY, SEPTEMBER 9, 1996.

UNITHOLDERS WHO HAVE VALIDLY TENDERED UNITS AND NOT WITHDRAWN THEIR TENDERS NEED TAKE NO FURTHER ACTION TO VALIDLY TENDER THOSE UNITS.

We thank you for your prompt attention to this matter.

Very truly yours,

[CHARLES K. BARBO]

Charles K. Barbo
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
SHURGARD STORAGE CENTERS, INC.

[Letterhead]

CONTACT:

Jennifer Wall
David Frank
D.F. King & Co., Inc.
212/269-5550

DeLise Keim
Harrell Beck
Shurgard Storage Centers, Inc.
206/624-8100

FOR IMMEDIATE RELEASE

SHURGARD EXTENDS OFFERS TO PURCHASE LIMITED PARTNERSHIP
UNITS IN THREE AFFILIATED SELF STORAGE LIMITED PARTNERSHIPS

SEATTLE, WASHINGTON, AUGUST 26, 1996...Shurgard Storage Centers, Inc. ("Shurgard") (NYSE:SHU) announced today that it has extended its offers to purchase (the "Offers") up to 65,000 limited partnership units in IDS/Shurgard Income Growth Partners L.P. ("IDS1") for a net cash price of \$257 per unit, up to 49,000 limited partnership units in IDS/Shurgard Income Growth Partners L.P. II ("IDS2") for a net cash price of \$222 per unit and up to 52,000 limited partnership units in IDS/Shurgard Income Growth Partners L.P. III ("IDS3") for a net cash price of \$308 per unit. The Offers have been extended to provide unitholders an opportunity to review the Supplements to the Offers to Purchase, dated August 26, 1996. The Offers and withdrawal rights now will expire at 6:00 p.m., New York City time, Monday, September 9, 1996, unless extended.

Shurgard also announced that as of 6:00 p.m., New York City time, August 23, 1996 IDS1 unitholders had validly tendered and not withdrawn approximately 60,206 IDS1 limited partnership units (approximately 41% of the total outstanding units). IDS2 unitholders had validly tendered and not withdrawn approximately 33,666 IDS2 limited partnership units (approximately 29% of the total outstanding units) and IDS3 unitholders had validly tendered and not withdrawn approximately 47,734 IDS3 limited partnership units (approximately 40% of the total outstanding units).

(MORE)

Shurgard Storage Centers, Inc.
August 26, 1996
Page 2

The Offers are being made pursuant to an Acquisition Agreement, dated as of July 1, 1996, between Shurgard and IDS1, IDS2, and IDS3 (the "Partnerships"). The Acquisition Agreement provided that, after completion of the Offers and subject to the approval of the requisite vote of unitholders of each Partnership, the Partnerships will be merged with and into Shurgard. If the Merger is consummated, unitholders of the Partnerships who participate in the Merger will receive shares of Shurgard Class A Common Stock in exchange for their limited partnership units. The General Partners of each of the Partnerships have recommended that those unitholders who desire immediate liquidity tender their units in the Offers and that all other unitholders retain their units and, instead, participate in the Merger.

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