

CubeSmart
Form DEF 14A
April 10, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14A

(RULE 14A-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant To Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement.
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).**
- Definitive Proxy Statement.
- Definitive Additional Materials.
- Soliciting Material Pursuant to § 240.14a-12.

CubeSmart

(Name of Registrant as Specified in its Charter)

N/A

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 - (3) Filing Party:
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**460 East Swedesford Road, Suite 3000
Wayne, Pennsylvania 19087**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held on May 30, 2012**

Dear Shareholder:

You are cordially invited to attend our 2012 annual meeting of shareholders to be held on May 30, 2012, at 8:00 a.m., Eastern Daylight Savings time, at the Four Seasons Hotel, One Logan Square, Philadelphia, Pennsylvania 19103, for the following purposes:

1. To elect as trustees the eight individuals named in the accompanying proxy statement to serve until our 2013 annual shareholders meeting and until their successors are duly elected and qualify;
2. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2012;
3. To cast a non-binding, advisory vote on our executive compensation; and
4. To transact such other business as may properly come before the meeting or any adjournment or postponement of the meeting.

Only shareholders of record at the close of business on March 15, 2012 will be entitled to notice of and to vote at the meeting.

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, YOU ARE URGED TO COMPLETE, DATE AND SIGN THE ACCOMPANYING PROXY CARD AND RETURN IT PROMPTLY IN THE POSTAGE-PAID ENVELOPE PROVIDED.

By Order of the Board of Trustees,

Jeffrey P. Foster
Secretary

Wayne, Pennsylvania
April 10, 2012

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**460 East Swedesford Road, Suite 3000
Wayne, Pennsylvania 19087**

**PROXY STATEMENT
FOR THE 2012 ANNUAL MEETING
OF SHAREHOLDERS**

The Board of Trustees of CubeSmart is soliciting proxies to be voted at the annual meeting of shareholders to be held on May 30, 2012, at 8:00 a.m., prevailing Eastern time, and at any adjournment or postponement of the meeting. This proxy statement, the enclosed proxy card and our 2011 Annual Report on Form 10-K are first being furnished to shareholders and made available electronically on our website at www.cubesmart.com under Investor Relations beginning on or about April 10, 2012.

At the meeting, we will ask the holders of record of our common shares of beneficial interest as of the close of business on March 15, 2012 to consider and vote on the proposals listed below:

- (1) To elect as trustees the eight individuals named in the accompanying proxy statement to serve until our 2013 annual shareholders meeting and until their successors are duly elected and qualify;
- (2) To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2012;
- (3) To cast a non-binding, advisory vote on our executive compensation; and
- (4) To transact such other business as may properly come before the meeting or any adjournment or postponement of the meeting.

Our Board of Trustees knows of no other business that will be presented for consideration at the meeting. If any other matter should be properly presented at the meeting or any adjournment or postponement of the meeting for action by the shareholders, the persons named in the proxy form will vote the proxy in accordance with their discretion on such matter.

**Important Notice Regarding the Availability of Proxy Materials
for the Shareholder Meeting to Be Held on May 30, 2012**

**This proxy statement, the form of proxy and our 2011 Annual Report to Shareholders
are available at <http://ir.cubesmart.com>**

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ABOUT THE MEETING

Why am I receiving a notice of Internet availability instead of a full set of proxy materials?

A notice of Internet availability, which was mailed to most of our shareholders, will instruct you as to how you may access and review all of the proxy materials on the Internet. The notice also instructs you as to how you may submit your proxy on the Internet. If you would like to receive a paper or email copy of our proxy materials, you should follow the instructions for requesting such materials in the notice.

This proxy statement (and the form of proxy), which are first being furnished to shareholders on or about April 10, 2012, contain information related to the solicitation of proxies for use at our 2012 annual meeting of shareholders, to be held at 8:00 a.m., prevailing Eastern time, on May 30, 2012, at the Four Seasons Hotel, One Logan Square, Philadelphia, Pennsylvania 19103, for the following proposals:

- to elect as trustees eight individuals to serve until our 2013 annual shareholders meeting and until their successors are duly elected and qualify;
- to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2012;
- to cast a non-binding, advisory vote on our executive compensation; and
- to transact such other business as may properly come before the meeting or any adjournment or postponement of the meeting.

This solicitation is made by CubeSmart on behalf of our Board of Trustees. We, our, us and the Company refer to CubeSmart, a Maryland real estate investment trust and its subsidiaries.

What are the Board's recommendations?

Our Board recommends that you vote:

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- **FOR** the election of the trustees nominated and named in this proxy statement to serve as trustees;
- **FOR** the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2012; and
- **FOR** the approval, on an advisory, non-binding basis, of the compensation of our named executive officers.

Who is entitled to vote at the annual meeting?

Only holders of record of our common shares at the close of business on March 15, 2012, the record date for the annual meeting, are entitled to notice of and to vote at the meeting or any adjournment or postponement of the annual meeting. Our common shares are the only class of securities entitled to vote at the meeting.

Who can attend the annual meeting?

All holders of our common shares at the close of business on March 15, 2012, the record date for the annual meeting, or their duly appointed proxies, are authorized to attend the annual meeting. If you attend the meeting, you may be asked to present valid picture identification, such as a driver's license or passport, before being admitted. Cameras, recording devices, and other electronic devices will not be permitted at the meeting. If you hold your shares in street name (that is, through a broker or other nominee), you will need to bring a copy of the brokerage statement reflecting your stock ownership as of March 15, 2012, or a legal proxy from your broker.

What will constitute a quorum at the annual meeting?

A quorum of common shareholders is required to hold a valid meeting of our shareholders. The presence at the meeting, in person or by proxy, of the holders of a majority of the common shares outstanding at the close of business on March 15, 2012 will constitute a quorum, permitting the shareholders to conduct business at the meeting. The shares of a shareholder whose

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ballot on any or all proposals is marked as *abstain* will be included in the number of shares present at the meeting for the purpose of determining the presence of a quorum. If a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will be considered as present for purposes of determining a quorum, but will not be voted with respect to that matter.

As of the record date, there were 122,921,316 common shares outstanding.

How do I vote my shares that are held by my bank or broker?

If your shares are held by a bank or broker, you should follow the voting instructions provided to you by the bank or broker. Although most banks and brokers offer voting by mail, telephone and on the Internet, availability and specific procedures will depend on their voting arrangements. If you do not provide voting instructions to your bank or broker, your shares are referred to as *uninstructed shares*. Whether your bank or broker has the discretion to vote these shares on your behalf depends on the ballot item. Under the rules of the New York Stock Exchange (the *NYSE*), your bank or broker does not have discretion to vote uninstructed shares on non-routine matters, such as Proposals 1 and 3, and as such, may not vote uninstructed shares in the votes on such proposals. However, your bank or broker has discretion to vote your shares on routine matters, such as Proposal 2.

What vote is required to approve each proposal?

Voting Rights Generally. Each common share outstanding on the record date entitles its holder to cast one vote on each matter to be voted upon at the annual meeting. Shareholders have no cumulative voting rights. Although the advisory vote on Proposal 3 is non-binding, as provided by law, our Board will review the results of the vote and, consistent with our record of shareowner engagement, will take them into account in making a determination concerning executive compensation.

Proposal 1: Election of Trustees. Trustees are elected by a plurality of the votes cast at the annual meeting. Shareholders may vote in favor of all nominees, withhold their votes as to all nominees, or withhold their votes as to specific nominees. Votes cast exclude abstentions and any votes withheld by banks or brokers in the absence of instructions from street-name holders (*broker non-votes*). Abstentions and broker non-votes will therefore have no effect on the outcome of the vote on this proposal.

Proposal 2: Ratification of KPMG LLP as Our Independent Registered Public Accounting Firm. Ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2012 requires the affirmative vote of a majority of all votes cast on this proposal (which means the votes cast for the proposal must exceed the votes cast against the proposal). Accordingly, abstentions and broker non-votes will have no effect on the outcome of the vote on this proposal.

Proposal 3: Advisory Vote on Executive Compensation. Approval, by a non-binding, advisory vote, of our executive compensation requires the affirmative vote of a majority of all votes cast on this proposal. Abstentions and broker non-votes will therefore have no effect on the outcome of the vote on this proposal.

How do I vote if I am the record holder of my shares?

If you are a shareholder of record, there are several ways for you to vote your common shares at the annual meeting:

Voting by Internet. You may vote your shares through the Internet by signing on to the website identified on the proxy card and following the procedures described on the website. Internet voting is available 24 hours a day until 11:59 p.m. EST on the day before the annual meeting, and the procedures are designed to authenticate votes cast by using a personal identification number located on the proxy card. The procedures allow you to appoint a proxy to vote your shares and to confirm that your instructions have been properly recorded. If you vote through the Internet, you should not return your proxy card.

Voting by Mail. If you choose to vote by mail, simply complete the accompanying proxy card, date and sign it, and return it in the postage-paid envelope provided.

Voting by Telephone. You may vote your shares by telephone by calling toll-free 1-800-PROXIES (1-800-776-9437) in the United States or 1-718-921-8500 from foreign countries. Telephone voting is available 24 hours a day until 11:59 p.m. EST on the day before the annual meeting, and the procedures are designed to authenticate votes cast by using a personal identification number located on the proxy card. The procedures allow you to appoint a proxy to vote your shares and to confirm that your instructions have been properly recorded. If you vote by telephone, you should not return your proxy card.

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In Person Attendance. You may vote your shares in person at the annual meeting. Even if you plan to attend the annual meeting in person, we recommend that you submit the accompanying proxy card or voting instructions, or vote by telephone or via the Internet, by the applicable deadline so that your vote will be counted if you later decide not to attend the annual meeting.

May I change my vote after I return my proxy?

Yes. You may revoke a previously granted proxy at any time before it is exercised by submitting to our Secretary a notice of revocation or a duly executed proxy bearing a later date, or by attending the meeting and voting in person.

How are proxy votes counted?

If you vote your common shares by completing the accompanying proxy card, or by voting on the Internet or by phone, and you do not revoke such proxy, your shares will be voted as directed by you. Unless contrary instructions are given, the persons designated as proxy holders on the proxy card will vote **FOR** the election of all nominees for our Board of Trustees named in this proxy statement, **FOR** the ratification of KPMG LLP as our independent registered public accounting firm, **FOR** the approval of the compensation of our named executive officers, and as recommended by our Board of Trustees with regard to any other matters which properly come before the annual meeting, or, if no such recommendation is given, the persons designated as proxy holders on the proxy card will vote in their own discretion.

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, it means that you hold shares registered in more than one account. To ensure that all of your shares are voted, you should vote each of your accounts by Internet, phone or mail. If you mail proxy cards, please sign, date and return each proxy card to assure that all of your shares are voted.

Who pays the costs of soliciting proxies?

We will pay the costs of soliciting proxies. We hired Georgeson Inc. to serve as proxy solicitors for us at a cost of \$7,500. In addition to soliciting proxies by mail, our officers, trustees and other employees, without additional compensation, may solicit proxies personally or by other appropriate means. It is anticipated that banks, brokers, fiduciaries, custodians and nominees will forward proxy soliciting materials to their principals, and that we will reimburse such persons out-of-pocket expenses.

How can I find out the results of the voting at the annual meeting?

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Preliminary voting results will be announced at the annual meeting. Final voting results for Proposals 1 through 3 will be published in a current report on Form 8-K and filed with the Securities and Exchange Commission, or SEC, within four business days following the annual meeting.

How can I obtain our Annual Report on Form 10-K?

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 is available electronically on our website at <http://ir.cubesmart.com>. Our 2011 Annual Report on Form 10-K is not incorporated into this proxy statement and shall not be considered proxy solicitation material.

If you wish to have printed copies of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as well as a copy of any exhibit specifically requested, or printed copies of this proxy statement, we will mail these documents to you without charge. Requests should be sent to: Secretary of the Company, CubeSmart, 460 East Swedesford Road, Suite 3000, Wayne, Pennsylvania 19087. Our 2011 Annual Report on Form 10-K has been filed with the SEC and may be accessed from the SEC's homepage at www.sec.gov.

Who should I contact if I have any questions?

If you have any questions about the annual meeting, these proxy materials or your ownership of our common shares, please contact our Secretary by telephone at (610) 293-5700 or by fax at (610) 293-5720.

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PROPOSAL 1: ELECTION OF TRUSTEES

Our Board of Trustees is currently comprised of seven trustees, each of whose term expires at the 2012 annual meeting. The Corporate Governance and Nominating Committee recommended to our Board of Trustees that each of our current trustees be nominated to stand for re-election as follows: William M. Diefenderfer III, Dean Jernigan, Marianne M. Keler, David J. LaRue, John F. Remondi, Piero Bussani, and Jeffrey F. Rogatz. In addition, the Corporate Governance and Nominating Committee recommended to our Board of Trustees to increase the size of the Board of Trustees to eight trustees, effective immediately prior to the 2012 annual meeting, and to nominate Mr. John W. Fain to serve as a trustee with a term expiring at the 2013 annual meeting.

The Board of Trustees recommends that shareholders vote in favor of the election of each of the eight nominees to serve as trustees until the 2013 annual meeting of shareholders and until their successors are duly elected and qualify. Based on its review of the relationships between the trustee nominees and us, the Board of Trustees affirmatively determined that if these nominees are elected, seven of the eight trustees – William M. Diefenderfer III, Marianne M. Keler, David J. LaRue, John F. Remondi, Piero Bussani, Jeffrey F. Rogatz, and John W. Fain will be independent trustees under the rules of the NYSE.

The Board of Trustees knows of no reason why any nominee would be unable to serve as a trustee. If any nominee is unavailable for election or service, the Board of Trustees may designate a substitute nominee and the persons designated as proxy holders on the proxy card will vote for the substitute nominee recommended by the Board of Trustees, or the Board of Trustees may decrease the size of our Board of Trustees, as permitted by our bylaws. Each nominee has consented to be named in this proxy statement and has agreed to serve if elected.

When considering whether nominees for trustee have the experience, qualifications, attributes and skills, taken as a whole, to enable the Board of Trustees to satisfy its oversight responsibilities effectively in light of our business and structure, the Corporate Governance and Nominating Committee and the Board of Trustees focused primarily on the information discussed in each of the trustees' individual biographies set forth below.

Nominees for Election for a Term Expiring at the 2013 Annual Meeting

Set forth below are descriptions of the backgrounds and principal occupations of each of our nominees for trustee, and, except with respect to Mr. John Fain, the period during which he or she has served as a trustee.

William M. Diefenderfer III, 66, has served as our Chairman of the Board of Trustees since February 2007 and as a trustee since our initial public offering in October 2004. Mr. Diefenderfer has been a partner in the law firm of Diefenderfer, Hoover, Boyle & Wood since 1991. He served as Chief Executive Officer and President of Enumerate Solutions Inc., a privately-owned technology company that he co-founded, from 2000 to 2002. From 1992 to 1996, Mr. Diefenderfer served as Treasurer and Chief Financial Officer of Icarus Aircraft, Inc., a privately-owned aviation technology company. Mr. Diefenderfer served a two-year term on the Public Company Accounting Oversight Board's Standing Advisory Group from 2004 through 2005. In October 2006, he accepted appointment to the Commission on the Future of American Veterans, the purpose of which is to formulate a clear plan to guide the U.S. Department of Veterans Affairs for the next twenty years. Mr. Diefenderfer serves as Vice-Chairman of the Board of Directors of Enumerate Solutions Inc., as well as chairman of its Audit Committee. He currently serves on the board of SLM Corporation, a publicly-traded company more commonly known as Sallie Mae, a leading provider of student loans and

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administrator of college savings plans. He is a member of Sallie Mae's Finance Committee.

Relevant Areas of Experience: Mr. Diefenderfer has experience serving on boards of directors and has a background in accounting, including serving a term on the Public Company Accounting Oversight Board's Standing Advisory Group.

Piero Bussani, 46, has served as a trustee since February 2010. Mr. Bussani was appointed by the Board of Trustees upon the recommendation of the Corporate Governance and Nominating Committee. Since December 2004, Mr. Bussani has been General Counsel and Executive Vice President for WHM LLC (aka Luxury Resorts and Hotels), a leading luxury hotel management company that manages hotels and resorts owned by affiliates of the Blackstone Group. Mr. Bussani is responsible for overseeing and managing the legal, human resources and risk functions for the management and operation of hotels and resorts throughout the U.S. and Caribbean. From June 1996 through June 2007, Mr. Bussani served as General Counsel and Executive Vice President for Extended Stay America, Inc. and Extended Stay Hotels in Spartanburg, South Carolina. From July 1995 through June 1996, Mr. Bussani was Senior Real Estate Counsel for Blockbuster Entertainment Group in Fort Lauderdale, Florida. Mr. Bussani started his career as an associate in the litigation and real estate groups of Arent Fox Kintner Plotkin & Kahn in Washington D.C. where he worked from August 1991 through July 1995.

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Relevant Areas of Experience: Mr. Bussani has significant experience as a general counsel in the hospitality industry, including combined business and legal experience with regard to customer retention, occupancy, and risk mitigation.

Dean Jernigan, 66, has been our Chief Executive Officer since April 2006 and also has served as a member of our Board of Trustees since that time. Mr. Jernigan served as our President from April 2006 to November 2008. From 2004 to April 2006, Mr. Jernigan served as President of Jernigan Property Group, LLC, a Memphis-based company that formerly owned and operated self-storage facilities in the United States. From 2002 to 2004, Mr. Jernigan was a private investor. From 1984 to 2002, he was Chairman of the Board and Chief Executive Officer of Storage USA, Inc., which was a publicly-traded self-storage REIT from 1994 to 2002. Mr. Jernigan served as a member of the National Association of Real Estate Investment Trusts Board of Governors from 1995 to 2002, and as a member of its Executive Committee from 1998 to 2002. Mr. Jernigan currently serves on the board of Thomas & Betts, Inc., a publicly-traded electrical components and equipment company.

Relevant Areas of Experience: Mr. Jernigan has experience with boards of directors and real estate investment trusts and, in particular, knowledge and experience in the self-storage industry. Mr. Jernigan has gained extensive knowledge of our business through his service as our Chief Executive Officer, his private self-storage investments, and his position with Storage USA, Inc.

Marianne M. Keler, 57, has served as a trustee since March 2007. From 1985 to February 2006, Ms. Keler served in various positions with SLM Corporation, a publicly-traded company more commonly known as Sallie Mae. From 2005 to 2006, she served as Executive Vice President, Corporate Strategy, Consumer Lending and Administration, where she led several business lines, including SLM Financial. From 2001 to 2004, she was Executive Vice President and General Counsel for SLM. Ms. Keler was an attorney at the U.S. Securities and Exchange Commission from 1981 to 1984. She is a partner of Keler-Kershaw, LLC, a private law firm, and chairs the board of the American University in Bulgaria as well as the board of Building Hope, a charter school lender. Ms. Keler is a member of the board of directors of Sallie Mae Bank, the E.L. Haynes Public Charter School, and the Institute for American Universities, and she serves on the board of regents of Georgetown University and the board of visitors of the Georgetown Law Center.

Relevant Areas of Experience: Ms. Keler has extensive finance, merger and acquisition, management, governance and risk management experience, including over 20 years of service as a senior corporate officer at a Fortune 100 financial services company.

David J. LaRue, 50, has served as a trustee since our initial public offering in October 2004. Since June 2011, Mr. LaRue has served as the President and Chief Executive Officer of Forest City Enterprises, Inc., a publicly traded real estate company, where he also serves on the Board of Directors. From March 2010 until June 2011, Mr. LaRue served as the Executive Vice President and Chief Operating Officer of Forest City Enterprises, Inc., where he was responsible for all real estate activity, including operations and development of the portfolio. From 2003 until March 2010, Mr. LaRue served as the President and Chief Operating Officer of Forest City Commercial Group, the largest strategic business unit of Forest City Enterprises, Inc. While at the Commercial Group, Mr. LaRue was responsible for the execution of operating and development plans within the Commercial Group, which owns, develops, acquires and manages retail, office, hotel and mixed-use projects throughout the United States. Mr. LaRue served as Executive Vice President of Forest City Rental Properties from 1997 to 2003. Mr. LaRue has been with Forest City since 1986. Mr. LaRue serves as a Trustee for the International Council of Shopping Centers. Additionally, Mr. LaRue is involved as a board member of the following non-profit entities: the Greater Cleveland Sports Commission, the Friends of the Cleveland School of the Arts and the Lawrence School.

Relevant Areas of Experience: Mr. LaRue has a strong financial and audit background with real estate companies, including with Forest City Commercial Group. Mr. LaRue has also gained knowledge of our industry as a result of his involvement in real estate ownership, strategy, operation and investment in connection with his experience at Forest City Commercial Group.

John F. Remondi, 49, has served as a trustee since November 2009. Mr. Remondi was appointed by the Board upon the recommendation of the Corporate Governance and Nominating Committee. Mr. Remondi is President and Chief Operating Officer of SLM Corporation, a publicly-traded company more commonly known as Sallie Mae. Prior to rejoining SLM in 2008, Mr. Remondi served as Portfolio Manager to PAR Capital Management Corp. in Boston, Massachusetts, from 2005 to 2008. From 1999 to 2005, Mr. Remondi served in several financial positions with SLM, including Executive Vice President, Corporate Finance. In addition to his experience at SLM Corporation, Mr. Remondi served in corporate finance positions with New England Education Loan Marketing Corporation and BayBank Boston. Mr. Remondi is the Chairman of the Board of Directors of RIF Reading is Fundamental as well as a trustee of Xaverian Brothers High School in Westwood, Massachusetts.

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Relevant Areas of Experience: Mr. Remondi has considerable financial management experience, including service as chief financial officer at a Fortune 100 financial services company.

Jeffrey F. Rogatz, 49, has served as a trustee since January 2011. Mr. Rogatz is Managing Director with Robert W. Baird & Co., an investment banking firm. Previously, Mr. Rogatz was the co-founder of Palladian Realty Capital which provides consulting and advisory services to public and private real estate companies. In addition to Palladian Realty Capital, Mr. Rogatz was the founder and President of Triangle Real Estate Advisors LLC, a real estate asset management company, which is the manager of Triangle Real Estate Securities Fund LLC. Mr. Rogatz is also founder and President of Ridgeway Capital LLC, a real estate investment and advisory firm that invests in office, industrial and retail leased assets in the Mid-Atlantic area. Prior to founding Ridgeway Capital in 2001, Mr. Rogatz was chief financial officer of Brandywine Realty Trust, a NYSE-listed real estate investment trust. Prior to joining Brandywine in 1999, Mr. Rogatz was a managing director and head of the REIT practice for Legg Mason Wood Walker, Incorporated. Mr. Rogatz is a member of the Board of Directors of CapLease, Inc., a publicly traded diversified real estate investment trust, the Friends of Woodlawn Library, Inc. and Opera Delaware, and a member of the William and Mary Business School Foundation Board.

Relevant Areas of Experience: Mr. Rogatz has experience serving on boards of directors and has knowledge and experience working with real estate investment trusts. Mr. Rogatz has also gained knowledge of our industry as a result his involvement in real estate ownership, strategy, operation and investment through his roles with Palladian Realty Capital and Triangle Real Estate Advisors, LLC.

John W. Fain, 59, has served in various capacities at Overnite Transportation Company now a part of UPS Freight, a subsidiary of UPS since 1982, including as Senior Vice President Sales and Marketing (1998 to the present), Senior Vice President Operations (1995-1998), and General Counsel (1982-1992). Mr. Fain was an associate, practicing real estate law, at McGuire Woods from 1978 until 1982. Mr. Fain is a member of the board of directors of the Virginia Trucking Association, the Greater Richmond YMCA (on which he has served as chairman emeritus since 2002), the Bon Secours Foundation, and Ramp Access Made Possible by Students (RAMPS). Mr. Fain also served as a director and a member of the audit committee of the Virginia Business Bank until June 2011.

Relevant Areas of Experience: Mr. Fain has knowledge and experience in the transportation and logistics arena. In addition, Mr. Fain has also gained knowledge of our industry through his real estate law practice and his involvement in the operation and management of a large, logistics organization with multiple facilities nationwide.

Vote Required and Recommendation of Our Board of Trustees

The affirmative vote of a plurality of all the votes cast at the annual meeting is necessary for the election of a trustee. For purposes of the election of trustees, votes cast exclude abstentions and broker non-votes. Abstentions and broker non-votes will have no effect on the outcome of the vote on this proposal.

OUR BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS A VOTE FOR EACH OF THE ABOVE NOMINEES.

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CORPORATE GOVERNANCE

Corporate Governance Documents

Our Board of Trustees maintains corporate governance guidelines and a code of business conduct and ethics. To view the corporate governance guidelines and code of business conduct and ethics, please visit our website at www.cubesmart.com. Each of these documents is also available in print, free of charge, to any shareholder who requests them in writing to the Secretary, CubeSmart, 460 East Swedesford Road, Suite 3000, Wayne, Pennsylvania 19087.

Independence of Trustees

NYSE listing standards require listed companies to have a majority of independent board members and to have each of the nominating/corporate governance, compensation and audit committees comprised solely of independent trustees. Under the listing standards and other independence requirements of the NYSE in order for a trustee to qualify as independent, our Board of Trustees must affirmatively determine that the trustee has no material relationship with us (either directly or as a partner, shareholder or officer of an organization that has a relationship with us) and otherwise qualifies as independent under NYSE listing standards.

For these purposes, an immediate family member includes a trustee's spouse, parents, children, siblings, mother and father-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares the trustee's home.

Our Board of Trustees evaluated the status of each trustee who served on our Board during 2011 and of John W. Fain and affirmatively determined, after broadly considering all facts and circumstances (including Mr. Rogatz's affiliation with Baird & Co.), that, other than Mr. Jernigan who is our Chief Executive Officer, each of our Trustees meets the independence requirements of the NYSE because each has no known relationship (material or otherwise) with us.

Oversight of Risk Management

Risk is inherent in business and we are exposed to a number of risks and we regularly identify and evaluate these risks and develop enterprise-based plans to manage them effectively. Our Board of Trustees and management consider risk for these purposes to be the possibility that an undesired event could occur that adversely affects the achievement of our objectives. Risks vary in many ways, including the ability of the Company to anticipate and understand the risk, the types of adverse impacts that could occur if the undesired event occurs, the likelihood that an undesired event and a particular adverse impact would occur, and the ability of the Company to control the risk and the potential adverse impacts. A discussion of particular risks identified by the Company is included in our most recent Annual Report Form 10-K filed with the SEC on February 29, 2012.

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Our Board of Trustees and the relevant Board Committees that report on their deliberations to the Board have oversight of our risk management policies and procedures. In addition, our President and Chief Investment Officer, Chief Financial Officer and Chief Legal Officer are directly responsible for our enterprise risk management function and report to our Board of Trustees and the relevant Board Committees in this regard to discuss the risks facing us, highlight any new risks that may have arisen since they last met, and develop programs and recommendations to determine the sufficiency of risk identification and the appropriate manner in which to control risk. The relevant Board Committees then report their discussions with the President and Chief Investment Officer, Chief Financial Officer and Chief Legal Officer regarding our risk management efforts to our Board of Trustees for consideration. Our Board of Trustees and its Committees oversee risks associated with their respective principal areas of focus as summarized below:

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Board Committee	Primary Area of Risk Oversight
Audit	Risks and exposures associated with financial matters, particularly financial reporting, tax, accounting, disclosure, internal control over financial reporting, financial policies, investment guidelines and credit and liquidity matters.
Corporate Governance and Nominating	Risks and exposures associated with leadership and succession planning; and corporate governance.
Compensation	Risks and exposures associated with executive compensation programs and arrangements, including incentive plans. See Compensation Discussion and Analysis Additional Compensation Information Compensation and Risks.

In fulfilling their risk management responsibilities, our President and Chief Investment Officer, Chief Financial Officer and Chief Legal Officer have developed management reporting processes that are designed to provide visibility to the Board about the identification, assessment, and management and mitigation of critical risks. Our President and Chief Investment Officer, Chief Financial Officer and Chief Legal Officer work closely with members of executive and senior management, including our Chief Executive Officer, the heads of each Company department, and financial and accounting staff to maintain these management reporting processes. Not less than quarterly, the President and Chief Investment Officer, Chief Financial Officer and Chief Legal Officer conduct a risk disclosure meeting with all members of senior management and the heads of each Company department to discuss financial (accounting, credit, liquidity, and tax), legal, regulatory, compliance and reputational risks. Our executives also report directly to our Board on at least an annual basis to apprise them directly of our risk management efforts.

Members of our senior management also participate in the implementation of our risk management policy. Not less than annually, senior management and the heads of each Company department conduct a review of all enterprise risk management policies and procedures and recommend revisions to company controls and policies. Finally, we retain outside consultants to review risks facing us and to recommend policies and programs to minimize the impact of any risks identified in connection with such review.

Communications with the Board

Shareholders and other interested parties may communicate with the Board of Trustees or with the non-management Trustees, as a group or individually by communicating directly with the Chairman of the Board of Trustees. Please send any correspondence you may have in writing to the Chairman of the Board c/o Secretary of CubeSmart, 460 East Swedesford Road, Suite 3000, Wayne, Pennsylvania 19087, who will then directly forward your correspondence to the Chairman of the Board of Trustees. The Chairman of the Board will decide what action should be taken with respect to the communication, including whether such communication should be reported to the Board of Trustees.

**POLICIES AND PROCEDURES REGARDING REVIEW, APPROVAL
OR RATIFICATION OF TRANSACTIONS WITH RELATED PERSONS**

Under our declaration of trust, we may enter into any contract or transaction with a trustee, officer, employee or agent, or any person affiliated with any of them, in which such person has a material financial interest, provided that (i) the Board of Trustees is made aware of the interest and a majority of the disinterested trustees approves or ratifies the contract or transaction; (ii) our shareholders are made aware of the interest and holders of a majority of our outstanding shares entitled to vote (excluding shares owned by the interested party) approve or ratify the contract or transaction; or (iii) the contract or transaction is fair and reasonable to us.

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As set forth in our corporate governance guidelines, our Board of Trustees adopted a policy providing that transactions with a trustee who has a personal or financial interest (direct or indirect) should be scrutinized carefully to ensure that the transaction is in our best interests and will not otherwise create a conflict of interest. Without the approval of a majority of the disinterested trustees, we will not enter into a transaction or arrangement (including utilizing the services of any trustee to provide legal, accounting, financial, consulting or other similar services) in which a trustee has a material personal or financial interest (direct or indirect). Whether an interest is a material personal or financial interest in a transaction or arrangement will be determined by the Board of Trustees on a case-by-case basis, but at a minimum a trustee will be considered to have a material personal or

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financial interest in a transaction or arrangement if we will be required to disclose the transaction or arrangement in our proxy statement or in our Annual Report on Form 10-K. The interested trustee will not participate in any Board discussion regarding the matter in which he or she has such an interest. For purposes of this policy, the disinterested trustees will consider the interests of any entity with which a trustee is affiliated, any immediate family member of a trustee, and any entity in which a trustee's immediate family member has a material interest.

Pursuant to its charter, our Corporate Governance and Nominating Committee is responsible for reviewing any transactions and arrangements with our trustees and making a recommendation to the Board of Trustees concerning such transactions and arrangements. The Corporate Governance and Nominating Committee maintains written procedures regarding general related party transactions and office lease agreements between the Company and related parties. Below is a description of the material features of these procedures, including types of transactions that are covered by them and the standards applied in evaluating transactions and arrangements with trustees and executive officers.

General Related Party Transaction Procedures

The General Related Party Transaction Procedures govern the review of transactions and arrangements in which trustees or executive officers may have a direct or indirect interest that, while not technically requiring approval of the disinterested trustees under our declaration of trust or our corporate governance guidelines, may nonetheless be advisable to be reviewed and approved by the Corporate Governance and Nominating Committee to ensure that related party transactions are properly reviewed and, if necessary, approved first by the Corporate Governance and Nominating Committee, and if appropriate, by a majority of disinterested trustees. The procedures outline: (i) requirements and procedures for trustees and executive officers to report any potential related party transaction to our compliance officer (currently, our Chief Legal Officer); (ii) the procedures our compliance officer follows in collecting and submitting to the Chairman of the Corporate Governance and Nominating Committee information regarding potential related party transactions; (iii) the Corporate Governance and Nominating Committee's process for reviewing and evaluating potential related party transactions; and (iv) the process the disinterested trustees use in reviewing and evaluating a potential related party transaction once approved by the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee may consult with legal counsel as it considers all of the information compiled by our compliance officer and evaluates material issues raised and factors relating to the transaction. The Corporate Governance and Nominating Committee determines whether it is appropriate and advisable for us to engage in the transaction on the basis of whether the transaction is fair, reasonable and in our best interests, and if so, whether the proposed transaction requires approval by the disinterested members of the Board of Trustees.

TRANSACTIONS WITH RELATED PERSONS

Corporate Office Leases

Pursuant to lease agreements that our operating partnership entered into with Amsdell and Amsdell (an entity owned by Barry L. Amsdell and Robert J. Amsdell, former Company trustees) during 2005 and 2006, we rented office space from Amsdell and Amsdell at The Parkview Building, a multi-tenant office building of approximately 40,000 square feet located at 6745 Engle Road, Middleburg Heights, Ohio and an office building of approximately 18,000 square feet located at 6751 Engle Road. Each of these properties is part of Airport Executive Park, a 50-acre office and flex development located in Cleveland, Ohio, which is owned by Amsdell and Amsdell. Our independent trustees approved the terms of, and entry into, each of the office lease agreements by our operating partnership. The table below shows the office space subject to these lease agreements and certain key provisions, including the term of each lease agreement and the minimum and maximum rents payable per month during the term.

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Office Space	Approximate Square Footage	Term	CubeSmart Subleased the Space to a Third Party (1)	Fixed Minimum Rent Per Month	Fixed Maximum Rent Per Month
6745 Engle Road Suites 105, 115, 130, 215 and 300; and 6751 Engle Road Suites E and F	21,900	12/31/2014	Yes (except Suites E and F)	\$ 25,673	\$ 31,205
6745 Engle Road Suite 100	2,212	12/31/2014	Yes	\$ 3,051	\$ 3,709
6745 Engle Road Suite 110	1,731	12/31/2014	Yes	\$ 2,387	\$ 2,901
6751 Engle Road Suites C and D	3,000	12/31/2014	No	\$ 3,137	\$ 3,771

(1) The operating partnership and Amsdell and Amsdell, an entity owned by Robert and Barry Amsdell, entered into a First Amendment to Lease which modified certain terms of all of the lease agreements the operating partnership has with Amsdell and Amsdell for office space in Cleveland, Ohio. The First Amendment provided the operating partnership the ability to assign or sublease the office space previously used for its corporate office and certain operations. Separately, Amsdell and Amsdell consented to the operating partnership's proposed sublease to an unrelated party of approximately 22,000 square feet of office space covered by the aforementioned leases.

In addition to monthly rent, the office lease agreements provide that our operating partnership reimburse Amsdell and Amsdell for certain maintenance and improvements to the leased office space. The total amount of lease payments incurred under the five office leases for the year ending December 31, 2011 was approximately \$0.5 million. The total future minimum rental payment due under the related party lease agreements to the related party as of December 31, 2011 are as follows:

	Related Party Amount (in thousands)	
2012	\$	475
2013	\$	499
2014	\$	499
Total	\$	1,473

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MEETINGS AND COMMITTEES OF THE BOARD OF TRUSTEES

Board of Trustees Meetings

Our Board of Trustees holds regular and special meetings throughout the year. During 2011, the Board of Trustees held eight (8) meetings, including telephonic meetings. Each trustee is expected to attend, in person or by telephone, all Board meetings and meetings of committees on which he or she serves. During 2011, each trustee attended at least 75 percent of the Board of Trustees and committee meetings on which he or she served. Pursuant to our corporate governance guidelines, all of our trustees are expected to attend our annual meetings of shareholders. All of our trustees then serving on our Board attended our 2011 annual shareholders meeting.

Non-Executive Chairman of the Board; Executive Sessions

Our Board believes that independent Board leadership is a critical component of our corporate governance. William M. Diefenderfer III serves as our Non-Executive Chairman of the Board of Trustees and Dean Jernigan serves as our Chief Executive Officer (CEO) and as a Trustee. We believe that separating the positions of Chairman and CEO is currently appropriate for us given Mr. Diefenderfer's strong business, legal, accounting and management experience and his knowledge and experience with our company. Additionally, separating the positions of Chairman and CEO allows us to achieve independent oversight and evaluation of our senior management and assures effective communication between the Board of Trustees and senior management on corporate strategy, while simultaneously allowing our CEO to focus on growing our business and implementing our strategic business plans. As Non-Executive Chairman of the Board, Mr. Diefenderfer is charged primarily with:

- presiding over meetings of our Board of Trustees and shareholders, including executive sessions of the non-management trustees;

- establishing an agenda and setting the timing and length for each Board meeting in collaboration with our CEO and other trustees and meeting with our CEO following each meeting to discuss any open issues and follow-up items;

- facilitating and coordinating communication among the non-management trustees and our CEO and an open flow of information between management and our Board;

- facilitating and coordinating communication among our shareholders and our Board;

- periodically meeting with each non-management trustee;

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- serving as an ex-officio member of each Board committee;
- providing assistance to and consulting with our CEO, as necessary;
- coordinating the periodic review of management's strategic plan; and
- performing such other duties and services as our Board may require.

Pursuant to our corporate governance guidelines and the independence requirements of the NYSE, in order to promote open discussion among independent trustees, our Board of Trustees devotes a portion of each regularly scheduled Board meeting to sessions of non-management trustees without management participation. The Chairman of the Board presides over these sessions.

Board Committees

The Board of Trustees has a standing Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee. All members of these committees are independent of us as that term is defined in the listing standards and other independence requirements of the NYSE. Our Board of Trustees has adopted a written charter for each of its standing committees. The full text of each charter is available on our website, www.cubesmart.com, under Investor Relations. In addition, each charter is also available in print, free of charge, to any shareholder who requests a copy in writing to the Secretary, CubeSmart, 460 East Swedesford Road, Suite 3000, Wayne, Pennsylvania 19087.

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The table below provides current membership information for each of the Board committees and the number of meetings held by each committee during 2011:

Name (1)	Audit	Compensation	Corporate Governance and Nominating
H. S. Haller (2)			
D. B. Hurwitz (3)			
M. M. Keler (4)	X		X
D. J. LaRue (5)			X
J.F. Remondi (6)	X	Chair	
P. Bussani (7)		X	Chair
J. F. Rogatz (8)	Chair	X	
Number of Meetings in 2011	5	5	5

(1) Mr. Diefenderfer, our Chairman of the Board of Trustees, serves as an ex officio member of each committee.

(2) Mr. Haller served as a member of the Compensation Committee and Corporate Governance and Nominating Committee until June 1, 2011.

(3) Mr. Hurwitz served as a member of the Audit Committee and Chair of the Compensation Committee until January 31, 2011.

(4) Ms. Keler served as the Chair of the Corporate Governance and Nominating Committee until June 1, 2011.

(5) Mr. LaRue served as the Chair of the Audit Committee until June 1, 2011.

(6) Mr. Remondi was appointed Chair of the Compensation Committee effective January 31, 2011.

(7) Mr. Bussani was appointed Chair of the Corporate Governance and Nominating Committee on June 1, 2011.

(8) Mr. Rogatz was appointed to the Board of Trustees on January 31, 2011. He was appointed Chair of the Audit Committee effective June 1, 2011.

Audit Committee

The principal purposes of the Audit Committee are to assist the Board of Trustees in the oversight of:

- the integrity of our financial statements;
- our compliance with legal and regulatory requirements;
- the qualification and independence of our independent registered public accounting firm; and
- the performance of our internal audit function and independent registered public accounting firm.

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm and is also responsible for reviewing with our independent registered public accounting firm any audit problems or difficulties they encounter in the course of their audit. The Audit Committee is also charged with the tasks of reviewing our financial statements, any financial reporting issues and the adequacy of internal controls with management and our independent registered public accounting firm.

Our Audit Committee's written charter requires that all members of the committee meet the independence, experience, financial literacy and expertise requirements of the NYSE, the Sarbanes-Oxley Act of 2002, the Securities Exchange Act of 1934, as amended, or Exchange Act, and applicable rules and regulations of the SEC, all as in effect from time to time. All of the members of the Audit Committee meet the foregoing requirements. The Board of Trustees determined that Messrs. LaRue, Remondi, and Rogatz are each an audit committee financial expert as defined by the rules and regulations of the SEC.

Compensation Committee

The principal purposes of the Compensation Committee are to:

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- review and approve our corporate goals and objectives with respect to the compensation of our Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of those goals and objectives, and determine and approve, either as a committee or with our other independent trustees, the appropriate level and structure of the Chief Executive Officer's compensation;
- determine and approve, either as a committee or together with our other independent trustees, the compensation of the other executive officers;
- review and recommend succession plans for our key officers;
- make recommendations to the Board of Trustees regarding compensation of trustees; and
- recommend, implement and administer our incentive and equity-based compensation plans.

Our Compensation Committee's primary responsibility is to determine and implement our compensation policies and practices. In connection with its review and approval of compensation levels and structure, the Committee has authority to approve grants of equity-based awards to our executive officers, including our Chief Executive Officer, and our employees. With respect to compensation of our executives other than our CEO, the Committee considers recommendations made by the CEO with respect to compensation of executive officers who report directly to him. In addition, the Board of Trustees has delegated to our CEO the authority to make one-time grants of equity-based awards to non-executive new hires in an amount not to exceed the equivalent of \$100,000. The CEO must regularly report to the Compensation Committee information concerning the grants that are made pursuant to this authority. The Board of Trustees has not delegated authority with respect to executive or trustee compensation to any other group or person.

In carrying out its duties, the Compensation Committee has sole authority, pursuant to its charter, to retain advisors, including compensation consultants, to advise the Compensation Committee on executive compensation matters. The Compensation Committee also has authority to delegate to one or more subcommittees as it deems necessary and appropriate. In addition, the Compensation Committee has the authority to approve any such advisor's or consultant's fees and other terms of engagement. In August 2009, the Compensation Committee engaged Gressle & McGinley LLC, an independent compensation consultant, to review our then-existing compensation and benefits program, analyze competitive market compensation practices and make recommendations on our 2010 and 2011 executive compensation program. Gressle & McGinley LLC have also served as the compensation consultant to the Board of Directors of Developer's Diversified Realty. Daniel Hurwitz, a former member of our Board of Trustees, is the Chief Executive Officer and a member of the Board of Directors of Developer's Diversified Realty. The Compensation Committee reviewed the relationship between Gressle & McGinley LLC, Mr. Hurwitz, and Developer's Diversified Realty, and determined that those relationships did not prevent Gressle & McGinley LLC from serving as an independent consultant to the Compensation Committee.

As part of its review of consultants and advisors, during 2011, the Compensation Committee decided to conduct a competitive search process for the Committee's independent compensation consultant. The search process was concluded in May, 2011, when the Compensation Committee selected Fredric W. Cook & Co., Inc., an independent compensation consultant, to review our existing compensation and benefits program, analyze competitive market compensation practices and make recommendations relating to our 2012 executive compensation program.

With respect to compensation of trustees, our Compensation Committee has the authority to make recommendations to the Board of Trustees regarding compensation levels and structure. The Board of Trustees, however, has the ultimate authority to approve trustee compensation levels and grants of equity-based awards to our trustees.

The Compensation Committee currently consists of Messrs. Remondi (Chair), Rogatz, and Bussani. Mr. Hurwitz served as a member and Chair of the Committee until his resignation from the Board of Trustees and the Committee on January 31, 2011. Each member of our Compensation Committee is independent within the meaning of the listing standards and other independence requirements of the NYSE. In addition, the Board of Trustees determined that Mr. Hurwitz also met the independence requirements pursuant to the listing standards and other independence requirements of the NYSE during his term of service as a member of the Committee.

Compensation Committee Interlocks and Insider Participation

Mr. Haller, Mr. Hurwitz, Mr. Bussani, Mr. Remondi and Mr. Rogatz served on the Compensation Committee during 2011. None of the members of the Compensation Committee during 2011 or as of the date of this proxy statement is or has been an

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officer or employee of ours and no executive officer of ours served on the compensation committee or board of any company that employed any member of our Compensation Committee or Board of Trustees.

Corporate Governance and Nominating Committee

The principal purposes of the Corporate Governance and Nominating Committee are to:

- identify individuals that are qualified to serve as trustees;

- recommend such individuals to the Board of Trustees, either to fill vacancies that occur on the Board of Trustees from time to time or in connection with the selection of trustee nominees for each annual meeting of shareholders;

- periodically assess the size of the Board of Trustees to ensure it can effectively carry out its obligations;

- develop, recommend, implement and monitor our corporate governance guidelines and our code of business conduct and ethics;

- review any related party transactions and procedures for evaluating and approving such transactions;

- oversee the evaluation of the Board of Trustees and management; and

- ensure that we are in compliance with all NYSE corporate governance listing requirements.

The Board of Trustees has adopted a policy to be used for considering potential trustee candidates to continue to ensure that our Board of Trustees consists of a diversified group of qualified individuals that function effectively as a group. The policy provides that qualifications and credentials for consideration as a trustee nominee may vary according to the particular areas of expertise being sought as a complement to the existing composition of the Board of Trustees. However, at a minimum, candidates for trustee must possess:

- the highest professional and personal ethics and values;

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- a commitment to enhancing shareholder value;
- broad experience at the policy-making level in business, government, education, technology or public interest;
- an ability to provide insights and practical wisdom based on experience and expertise;
- a willingness and ability to devote adequate time and resources to diligently perform Board duties;
- a reputation, both personal and professional, consistent with our image and reputation; and
- an ability to exercise sound judgment and make independent analytical inquiries.

In addition to the aforementioned minimum qualifications, the Corporate Governance and Nominating Committee also believes that there are other qualities and skills that, while not a prerequisite for nomination, should be taken into account when considering whether to recommend a particular person. These factors include:

- whether the person possesses specific expertise and familiarity with general issues affecting our business;
- whether the person's nomination and election would enable the Board of Trustees to have a member that qualifies as an audit committee financial expert as such term is defined by the SEC;
- whether the person would qualify as an independent trustee under the listing standards and other independence requirements of the NYSE and our corporate governance guidelines;
- the importance of continuity of the existing composition of the Board of Trustees; and

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- the importance of a diversified Board membership, in terms of both the individuals involved and their various experiences and areas of expertise.

The Corporate Governance and Nominating Committee will seek to identify trustee candidates based on input provided by a number of sources, including (a) Corporate Governance and Nominating Committee members, (b) other members of the Board of Trustees and (c) our shareholders. The Corporate Governance and Nominating Committee also has the authority to consult with or retain advisors or search firms to assist in the identification of qualified trustee candidates. From time to time, the Corporate Governance and Nominating Committee retains the services of the National Association of Corporate Directors, or NACD, and other advisors to identify potentially qualified candidates for the Board of Trustees.

As part of the identification process, the Corporate Governance and Nominating Committee determines the optimal size of the Board, assessing the future needs based on anticipated trustee vacancies, the value of specific industry expertise, and the willingness of existing trustees to continue to serve as trustees if re-nominated. Once a trustee candidate has been identified, the Corporate Governance and Nominating Committee will evaluate the candidate in light of his or her qualifications and credentials, and any additional factors that it deems necessary or appropriate. Existing trustees who are being considered for re-nomination are re-evaluated as part of the Corporate Governance and Nominating Committee's process of recommending trustee candidates. The Corporate Governance and Nominating Committee will consider all persons recommended by shareholders in the same manner as all other trustee candidates provided that such recommendations are submitted in accordance with the procedures set forth in our bylaws. For more information see the section entitled *Other Matters - Shareholder Proposals and Nominations for the 2013 Annual Meeting* below.

After completing the identification and evaluation process described above, the Corporate Governance and Nominating Committee recommends to the Board of Trustees the nomination of a number of candidates equal to the number of trustees expected to be elected at the next annual meeting of shareholders. The Board of Trustees selects the trustee nominees for shareholders to consider and vote upon at the annual meeting.

Changes in Trustees and Other Board Matters

On January 31, 2011, Daniel B. Hurwitz resigned from the Board of Trustees and Jeffrey F. Rogatz was appointed to the Board of Trustees. Mr. Rogatz has served as an independent member of our Board of Trustees pursuant to the independence requirements of the NYSE. On June 1, 2011, our Board took action to reduce the size of the Board from eight trustees to seven trustees, in connection with the expiration of Mr. Haller's term at the annual meeting. Our Board has elected to increase the size of the Board from seven trustees to eight trustees effective immediately prior to the 2012 annual meeting.

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The table below shows the actual amounts earned by our trustees for their service during 2011. As an employee of the Company, Mr. Jernigan does not receive compensation for his service as a trustee. Compensation paid to Mr. Jernigan can be found in the table captioned *Summary Compensation Table for 2011*.

Name (1)	Fees Earned or Paid in Cash (2)	Stock Awards (3)	All Other Compensation (4)	Total
W. M. Diefenderfer III	\$ 77,507	\$ 71,007	\$ 4,943	\$ 153,457
H. S. Haller	\$ 16,548	\$ 0	\$ 6,750	\$ 23,298
D. B. Hurwitz	\$ 4,671	\$ 0	\$ 684	\$ 5,355
M. M. Keler	\$ 48,110	\$ 71,007	\$ 2,272	\$ 121,389
D. J. LaRue	\$ 44,315	\$ 71,007	\$ 8,606	\$ 123,928
J.F. Remondi	\$ 58,151	\$ 71,007	\$ 2,272	\$ 131,430
P. Bussani	\$ 47,322	\$ 71,007	\$ 2,342	\$ 120,671
J. Rogatz	\$ 53,658	\$ 72,247	\$ 1,571	\$ 127,476

(1) Each person listed served as our trustee for all of 2011, except that (a) Mr. Haller retired from the Board on June 1, 2011 upon the expiration of his term; (b) Mr. Hurwitz resigned from the Board on January 31, 2011; and (c) Mr. Rogatz joined the Board on January 31, 2011. All unvested shares held by Messrs. Haller and Hurwitz on the date of their respective retirement and resignation were forfeited.

(2) Includes fees paid in connection with: (a) the annual retainer for service on the Board; (b) the annual retainer for service on the Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee, as applicable; (c) the annual retainer for the Chairman of the Board of Trustees and the Chairman of the Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee, as applicable.

(3) On January 24, 2011, each trustee was granted 7,562 restricted shares (except for Mr. Rogatz who was awarded 7,479 restricted shares on January 31, 2011), which restricted shares vest on the earlier of one year from the grant date. The amounts listed in this column reflect the grant date fair value of the award in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation - Stock Compensation (FASB ASC Topic 718). Assumptions used in the calculation of these amounts are included in Note 15, Share-Based Compensation Plans, in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K filed with the SEC on February 29, 2012. As of December 31, 2011, each of the non-employee trustees named above had 7,562 (except Mr. Rogatz who had 7,479) unvested restricted shares outstanding. Mr. Haller had no outstanding unvested restricted shares as of December 31, 2011 as a result of his retirement on June 1, 2011. Mr. Hurwitz had no outstanding unvested restricted shares as of December 31, 2011 as a result of his resignation from the Board on January 31, 2011.

(4) All other compensation includes dividends paid on unvested restricted shares, deferred shares under the old trustee deferred compensation plan and dividend equivalents paid on phantom shares issued under the new deferred compensation plan. See *Trustees Deferred Compensation Plan* below.

Cash Compensation

For 2011, cash compensation to our independent trustees consisted of the following payments: (i) annual retainer for service on the Board of \$40,000; (ii) annual retainer of \$50,000 for the Chairman of the Board of Trustees; (iii) annual retainer of \$20,000 for service as the chairman of the Audit Committee; (iv) annual retainer of \$20,000 for service as chairman of the Compensation Committee; (v) annual retainer of \$7,500 for service as chairman of the Corporate Governance and Nominating Committee; and (vi) an additional annual retainer of \$10,000 for service as a member of each of the Audit Committee, Compensation Committee and the Corporate Governance and Nominating Committee. Non-employee trustees may receive additional fees for service on strategic initiatives or other special committees that the Board of Trustees may from time to time establish.

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Equity Awards

In addition to the cash compensation paid to independent trustees for their Board service, on January 24, 2011 (except for Mr. Rogatz) we granted to each independent trustee 7,562 restricted shares with an aggregate value for each trustee of \$70,000, which value is determined based on the average of the trailing 30-day closing price for our common shares preceding the date of grant, and which reflects factors such as risk of forfeiture, dividend yield and vesting term. On January 31, 2011, in connection with his appointment to the Board, Mr. Rogatz received a grant of 7,479 restricted shares, with an aggregate value of \$70,000 based on the average of the trailing 30-day closing price for our common shares preceding the date of grant. The restricted shares granted to our trustees vested on the first anniversary of the applicable date of grant.

Trustees Deferred Compensation Plan

In December 2006, our Board of Trustees approved the CubeSmart Trustees Deferred Compensation Plan (Deferred Trustees Plan), which was amended in December 2008 in order to bring such plan into compliance with Section 409A of the Internal Revenue Code of 1986, as amended, or the Code. New deferrals under the former deferred compensation plan were suspended upon adoption of the Deferred Trustees Plan. At December 31, 2011, an aggregate of 5,107 deferred shares were outstanding under the former plan.

Pursuant to the Deferred Trustees Plan, the Board of Trustees designated non-employee trustees as eligible participants. Participants may elect each plan year to defer all or a portion of their compensation and have such amounts credited to accounts until distributed in accordance with the plan and the participants' distribution elections. Each distribution account is credited with the returns of the investment options selected by plan participants, which include investment options that are available in our 401(k) plan, or such other investment funds as the Board of Trustees may designate from time to time. At December 31, 2011, an aggregate of approximately 27,606 phantom shares were allocated to the accounts of plan participants, including phantom shares resulting from reinvestment of dividend equivalents.

EXECUTIVE OFFICERS

Current Executive Officers

Set forth below is background information on each of our executive officers as of April 10, 2012, other than Mr. Jernigan, whose background is described above under *Election of Trustees* *Nominees for Election for a Term Expiring at the 2013 Annual Meeting*.

Christopher P. Marr, 47, has served as our President and Chief Investment Officer since November 2008. Mr. Marr served as our Chief Financial Officer from June 2006 to November 2008 and Treasurer since August 2006. Mr. Marr was Senior Vice President and Chief Financial Officer of Brandywine Realty Trust, a publicly-traded office REIT, from August 2002 to June 2006. Prior to joining Brandywine Realty Trust, Mr. Marr served as Chief Financial Officer of Storage USA, Inc., a publicly-traded self-storage REIT, from 1998 to 2002.

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Timothy M. Martin, 41, has served as our Chief Financial Officer since November 2008. Mr. Martin served as our Senior Vice President and Chief Accounting Officer from December 2006 to November 2008. He previously was employed by Brandywine Realty Trust from 1997 to December 2006, serving as Vice President, Finance and Treasurer from January 2006 to December 2006, as Brandywine's Principal Financial Officer from May 2006 to December 2006, as Vice President and Chief Accounting Officer from March 2004 to January 2006, and as Director, Financial Analysis from 2001 to March 2004. Prior to joining Brandywine, Mr. Martin served as a member of the audit staff of Arthur Andersen, LLP's Philadelphia office, specializing in real estate.

Jeffrey P. Foster, 42, has served as our Senior Vice President, Chief Legal Officer and Secretary since February 2009. From April 2003 to February 2009, Mr. Foster served as Senior Vice President and Associate General Counsel of Gramercy Realty, a division of Gramercy Capital Corp., a publicly traded office REIT (formerly known as American Financial Realty Trust). Prior to joining American Financial Realty Trust, Mr. Foster was an associate with Morgan, Lewis & Bockius, LLP from 1999 to 2003.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis contained in this proxy statement. Based on the Compensation Committee's review of, and discussions with management with respect to, the Compensation Discussion and Analysis, the Compensation Committee recommended to the Board of Trustees that the Compensation Discussion and Analysis be included in this proxy statement for filing with the SEC.

Respectfully submitted,

The Compensation Committee of the Board of Trustees

John F. Remondi, Chairman
Piero Bussani
Jeffrey F. Rogatz

Notwithstanding anything to the contrary set forth in any of our previous or future filings under the Securities Act or the Exchange Act that might incorporate this proxy statement or future filings with the SEC, in whole or in part, the above report shall not be deemed to be soliciting material or filed with the SEC and shall not be deemed to be incorporated by reference into any such filing.

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Committee determines the compensation for our executive officers, sets corporate goals and objectives with respect to executive compensation, evaluates performance against those goals and objectives, and determines the appropriate level and structure of executive compensation based on its evaluation. In carrying out these duties during 2011, the Compensation Committee considered, among other things, analyses prepared by independent compensation consultant Gressle & McGinley LLC as well as by Fredric W. Cook & Co., Inc., which the Compensation Committee engaged in May, 2011 as an independent compensation consultant to advise regarding our 2012 executive compensation program. Our philosophy with respect to, and our objectives in setting, executive compensation are discussed below. As a part of this discussion, we also outline the elements of compensation awarded to, earned by, or paid to the named executive officers.

Compensation Philosophy and Objectives

We desire to build and maintain a superior executive management team to forge our business strategy and lead us to profitable growth. We believe success in accomplishing these goals will, in part, depend on the effectiveness of our executive compensation programs, which are designed to compensate and reward executive officers for the achievement of corporate goals and desired business results and for their personal contributions in the execution of our business strategy. Excellence in corporate and individual performance is our primary objective, and tying a significant portion of overall executive compensation to the achievement of our corporate goals is our philosophy. The Compensation Committee believes that the most effective executive compensation programs are designed to reward the achievement of specific annual, long-term and strategic goals that align executives' interests with those of the shareholders by rewarding performance above established goals, with the ultimate objective of improving shareholder value.

In setting executive compensation, we endeavor to:

- provide compensation that is sufficient to attract and retain the very best possible executive talent;
- provide a significant portion of total compensation linked to achieving performance goals that we believe will create shareholder value in the short and long-term to ensure that executive officers maintain an ongoing personal stake in our company; and
- encourage executive officers to achieve superior individual performance.

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2011 Executive Compensation Program

The Compensation Committee engaged Gressle & McGinley LLC, an independent compensation consultant, to review our existing compensation and benefits program, analyze competitive market compensation practices and make recommendations on our 2011 executive compensation program to achieve the objectives described above. Representatives of Gressle & McGinley LLC were present at several of the Compensation Committee's meetings and met with the Compensation Committee in executive session, where no members of management were present.

Gressle & McGinley LLC provided the Compensation Committee with multiple market reference points, including compensation data compiled from (a) proxy statements from a group of 24 REITs with a median market capitalization of \$1.2 billion, (b) survey data from 32 comparably-sized general industry companies with a median market capitalization of \$0.9 billion and (c) proxy statements from our three publicly-traded self-storage REIT peers.

As part of the Compensation Committee's process of designing a compensation program, it carefully considered the appropriate market reference point for determining pay competitiveness and determined that the comparative group for benchmarking purposes should represent the marketplace in which we are likely to compete for talent. The Compensation Committee faced challenges in determining a comparative peer group, including the fact that market data specific to our self-storage peers is limited to three companies; and the unique nature of compensation for chief executive officers in the REIT industry due to the fact that it is common within the REIT industry for the chief executive officer also to be a founder of the company. The Compensation Committee reviewed and discussed the compensation data compiled by Gressle & McGinley LLC. In light of the top talent recruited from different industries, the caliber and diverse backgrounds of our named executive officers, the challenging environment facing our management team and our desire to retain a superior executive management team, the Compensation Committee considered and established executive compensation levels to reflect these diverse factors.

For our 2011 executive compensation program, Gressle & McGinley LLC did not recommend any changes to the peer group used to establish the 2010 executive compensation program. Listed below are the companies that comprise the peer group reviewed by the Compensation Committee in 2011.

General Industry Group Companies (32)

A. O. Smith Corporation	Cleco Corporation	SAIC, Inc.
ALLETE, Inc.	Dollar Thrifty Automotive Group, Inc.	SVB Financial Group
American Axle & Manufacturing Holdings, Inc.	Ferrellgas Partners, L.P.	The Great Atlantic & Pacific Tea Company, Inc.
American Greetings Corporation	H.B. Fuller Company	Tupperware Brands Corporation
ArvinMeritor, Inc.	Kelly Services, Inc.	UIL Holdings Corporation
Avista Corporation	Kindred Healthcare, Inc.	UniSource Energy Corporation

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Black Hills Corporation	Mine Safety Appliances Company	USEC Inc.
Blockbuster Inc.	Northwest Natural Gas Company	Valmont Industries, Inc.
Bob Evans Farms, Inc.	Otter Tail Corporation	W. R. Grace & Co.
Callaway Golf Company	Plexus Corp.	Winnebago Industries, Inc.
Cincinnati Bell Inc.		Zale Corporation

REIT Group Companies (24)

BioMed Realty Trust, Inc.	FelCor Lodging Trust Incorporated	National Retail Properties, Inc.
Cousins Properties Incorporated	Glimcher Realty Trust	Nationwide Health Properties, Inc.
DiamondRock Hospitality Co.	Healthcare Realty Trust, Inc.	Pennsylvania Real Estate Investment Trust
Digital Realty Trust, Inc.	Inland Real Estate Corporation	PS Business Parks, Inc.
EastGroup Properties, Inc.	LaSalle Hotel Properties	Strategic Hotels & Resorts, Inc.
Entertainment Properties Trust	Lexington Corporate Properties Trust	Sunstone Hotel Investors, Inc.
Equity Lifestyle Properties, Inc.	Mid-America Apartment Communities, Inc.	Tanger Factory Outlet Centers, Inc.
Equity One, Inc.	Mission West Properties, Inc.	Washington Real Estate Investment Trust

Storage REIT Group Companies (3)

Extra Space Storage Inc.
Public Storage, Inc.
Sovran Self Storage Inc.

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In considering executive compensation decisions, the Compensation Committee also reviews tally sheets prepared for each named executive officer. The tally sheets present the dollar amounts of each component of compensation awarded to the named executive officers, including base salary, annual incentive, accumulated deferred compensation balances, outstanding equity awards, defined contribution retirement plan, potential payments under the employment agreements for Messrs. Jernigan, Marr, and Martin or the employment letter agreement for Mr. Foster, severance payments, perquisites and other benefits. The overall purpose of the tally sheets is to bring together, in one place, all of the elements of actual and potential future compensation in certain circumstances so that the Compensation Committee may analyze both the individual elements of compensation (including the compensation mix), as well as the total amount of compensation.

In light of the strong shareholder support for the Company's executive compensation program, as reflected in the shareholders' adoption of an advisory resolution approving executive compensation contained in the 2011 proxy statement, the review of the tally sheets, and the information provided by Gressle & McGinley LLC, the Committee concluded that no changes were required to be made to our 2011 executive compensation program.

Compensation Components

Our executive compensation program consists of three principal components: salary, annual incentive compensation and long-term incentive compensation. The design and objective of each component of 2011 compensation are set forth below. Using the market data provided by Gressle & McGinley LLC, combined with our desire to retain a superior executive management team, the Compensation Committee determined the appropriate percentages of salary, annual incentive compensation and long term incentive compensation components. There is no predefined or preferred weighting among salary, annual incentive compensation and long term incentive compensation to achieve the goals established by the Compensation Committee. Decisions regarding the components of salary and the salary targets for 2011 were made in the first quarter of 2011.

Component	Design	Objective
Salary	<ul style="list-style-type: none"> To provide a base level of cash compensation for annual services; to recognize individual performance; and to retain and motivate executive talent. 	<ul style="list-style-type: none"> Reflect the caliber and background of talent, as well as new hire / current market rates.
Annual Incentive	<ul style="list-style-type: none"> Annual incentive dependent upon achievement of (i) total shareholder return (35%), (ii) same store portfolio performance (30%), (iii) strategic goals (25%), and (iv) individual performance objectives (10%). Payout ranges from 50% to 200% of target award, except that the portion tied to individual performance objectives is limited to a maximum 150% of target payout. 	<ul style="list-style-type: none"> Align the executive management team to common goals and objectives. Reflect that the highest priorities for us in 2011 were to maximize return to our shareholders (35% of the annual incentive was targeted to that objective) and improve same store portfolio performance (30% of the annual incentive was targeted to that objective). Reward (through a portion of this annual incentive) the individual performance of each executive. Create a variable earning opportunity tied to key performance goals.
Long-Term Incentive		

- Annual grant values of long-term awards will be structured as follows: (i) 50% in stock options and (ii) 50% in time-vested restricted shares, except for the Chief Executive Officer who will receive an award consisting entirely of time-vested restricted shares.
- Emphasize retention and provide leverage opportunities through options.
- Maintain consistency with general industry practice with a combination of stock options and time-vested restricted stock.
- Emphasize retention and performance and promote alignment with shareholder interests.
- Align with competitive pay practices among REITs and in the broader U.S. market of mixing restricted shares and options.
- Promote shareholder value generation.
- Align executive compensation with return to shareholders.

Total Cash Compensation

Base Salary. Base salary is the fixed component of pay for our named executive officers and is intended to provide a base level of compensation for the position. Factors considered in determining base salaries included the executive's scope of responsibilities, a market competitive assessment of similar roles at a peer group of general industry companies, and the performance of the individual executive. Minimum base salaries for Messrs. Jernigan, Marr, and Martin are established in their respective employment agreements and in the case of Mr. Foster, his employment letter agreement, the material terms of which

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are summarized below under the heading *Employment Agreements and Potential Payments Upon Termination or Change in Control*. Any increases to the base salaries of executive officers, other than the CEO, are set by the Compensation Committee after discussions with, and recommendations by, the CEO regarding each individual's accomplishments, areas of strength and opportunities for development. Any increase to the base salary of the CEO is set after each Trustee completes a performance evaluation of the CEO, the results of which are summarized and reviewed by the Chairman of the Compensation Committee with Compensation Committee members and with the CEO. After review and discussion, the Compensation Committee left 2011 base salaries for executive officers unchanged from 2009 and 2010 levels.

Annual Incentive Compensation. We believe that annual incentive compensation is an important element of executive compensation that enables us to achieve our objectives of attracting and retaining executive talent, encouraging superior individual performance, and more importantly, achieving our corporate goals and objectives. In making annual incentive compensation decisions, the Compensation Committee approved a targeted cash annual incentive opportunity for each executive officer that correlated to specific performance achievements. Except for Mr. Hartman (whose employment terminated in September 2011), annual incentive compensation for 2011 was comprised of four elements total shareholder return weighted at 35%, same store portfolio performance at 30%, strategic goals consisting of external growth goals, obtaining an investment grade rating for the Company, and increased investor relations efforts were cumulatively weighted at 25%, and individual goals weighted at 10%.

For 2011, the total shareholder return goals approved by the Compensation Committee were set as follows: threshold 50%; target 100%; and maximum 200%. Similarly, the Compensation Committee approved the following same store portfolio performance and strategic goals for 2011 were respectively set as follows: threshold 50%; target 100% and maximum 200%.

Individual goals include a subjective assessment of management's performance. Specific individual goals for Mr. Jernigan in 2011 consisted primarily of the implementation of an officer development plan, development of a succession plan, leading the Company's rebranding efforts, and establishment of a storage advisory board. Specific individual goals for Mr. Marr in 2011 consisted primarily of the enhancement of corporate communications, increased investor relations efforts, development of an acquisition pipeline in the Company's core markets, and assisting Mr. Martin and Mr. Foster in the achievement of their individual performance goals. Specific individual goals for Mr. Martin in 2011 consisted primarily of the preparation of the Company's operating partnership for registration with the SEC, increased investor relations efforts, and presentations to rating agencies to achieve an investment grade rating. Specific individual goals for Mr. Foster in 2011 consisted primarily of the development of an insurance claims administration process, negotiation of the Company's insurance and benefit program renewals, and preparation of the legal and regulatory filings for the Company's rebranding program and registration of the Company's operating partnership with the SEC.

The target award for total annual incentive compensation is a percentage of the 2011 base salary for each executive officer as follows: Mr. Jernigan, 100%; Mr. Marr, 80%; Mr. Martin, 60%; and Mr. Foster, 55%. Except for Mr. Hartman, performance above and below targeted levels results in a pro-rated award of 50% of target for threshold performance and 200% of target for maximum performance, except that the maximum percentage achievable for individual goals is limited to 150% of target. Mr. Hartman was not eligible to receive any annual incentive compensation with respect to 2011 as a result of the termination of his employment in September 2011. The table below lists the potential payouts at threshold, target and maximum performance, and the actual annual incentive compensation paid under each component as a result of 2011 performance.

2011 Annual Base Salary	Target Annual Incentive Opportunity as % of	Total Shareholder Return (35% of Target Opportunity)				Portfolio Performance (30% of Target Opportunity)				Strategic Goals (25% of Target Opportunity)			
		Threshold	Target	Max	Actual Payout	Threshold	Target	Max	Actual Payout	Threshold	Target	Max	Actual

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Name	(\$)	Salary	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	Payout (\$)
D.															
Jernigan	610,000	100%	106,750	213,500	427,000	343,522	91,500	183,000	366,000	309,087	76,250	152,500	305,000	305,000	
C. P.															
Marr	410,000	80%	57,400	114,800	229,600	184,713	49,200	98,400	196,800	166,198	41,000	82,000	164,000	164,000	
T. M.															
Martin	275,000	60%	28,875	57,750	115,500	92,920	24,750	49,500	99,000	83,606	20,625	41,250	82,500	82,500	
J.P.															
Foster	255,000	55%	24,544	49,088	98,175	78,982	21,038	42,075	84,150	71,065	17,531	35,063	70,125	70,125	

Name	2011 Annual Base Salary (\$)	Target Annual Incentive Opportunity as % of Salary	Individual Goals (10% of Target Opportunity)				Total
			Threshold (\$)	Target (\$)	Max (\$)	Actual Payout (\$)	
D.							
Jernigan	610,000	100%	30,500	61,000	91,500	91,500	1,049,109
C. P.							
Marr	410,000	80%	16,400	32,800	49,200	49,200	564,111
T. M.							
Martin	275,000	60%	8,250	16,500	24,750	24,750	283,776
J.P.							
Foster	255,000	55%	7,013	14,025	21,038	21,038	241,210

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Long-Term Incentive Compensation. Our long-term incentive compensation consists of non-qualified stock options and time-vested restricted common shares. We believe that long-term incentive compensation is an important element in providing competitive compensation and, because such awards have a basis in our common shares, helps to ensure that executive officers maintain an ongoing personal stake in the achievement of superior corporate performance. In January 2011, the Compensation Committee awarded a target grant level for long-term incentive compensation for each executive officer as follows:

D. Jernigan	\$	1,250,000
C. P. Marr	\$	550,000
T. M. Martin	\$	340,000
J. P. Foster	\$	300,000
S. P. Hartman	\$	121,000

The foregoing amounts were established based on achievement of corporate goals and objectives, individual performance, and for the additional reasons discussed under *2011 Executive Compensation Program*. Long-term incentive compensation award values were allocated 50% to non-qualified stock options and 50% to time-vested restricted shares, except for the Chief Executive Officer whose award was entirely in the form of time-vested restricted shares. For each of our named executive officers (except our Chief Executive Officer), the Compensation Committee determined that an equal allocation (by value) of long-term incentive compensation between stock options and time-vested restricted shares achieved the appropriate balance of performance-based long-term incentive compensation with the stability provided by time-vested restricted shares. For our Chief Executive Officer, the Committee determined that a grant of time-vested restricted shares was appropriate given the time remaining in the Chief Executive Officer's employment agreement with the Company and the limited ability for the Chief Executive Officer to fully realize the value of stock options. The actual number of time-vested restricted shares and non-qualified stock options received by each of our named executive officers in 2011 as a result of the long-term incentive award is set forth below under *Executive Compensation Grants of Plan Based Awards Table*.

The stock options and time-vested restricted shares vest ratably over three years beginning on the first anniversary of the date of grant, and the stock options have a term of 10 years and an exercise price equal to the closing price of our common shares on the date of grant.

Dividends are paid on time-vested restricted shares prior to vesting, which is consistent with the competitive practices among REITs and recognizes the competitive orientation of the awards. Unvested shares are subject to forfeiture if the executive's employment terminates prior to the vesting date for any reason other than good reason, disability, death or a change in control.

2012 Compensation Actions

The Compensation Committee engaged Fredric W. Cook & Co., Inc. as its independent compensation consultant to advise on our 2012 executive compensation program, and in connection with this engagement recommended that the Compensation Committee revise the structure of our long-term incentive compensation. Beginning in 2012, the Compensation Committee determined that, except for Mr. Jernigan, one third of long-term incentive compensation will be in the form of time-vested options; one third in the form of time-vested restricted stock units; and one third in the form of performance-vested restricted stock units. The time-vested options and restricted stock units will vest one-third on each anniversary of the grant. The performance-vested restricted stock units will cliff vest on the third anniversary of the date of grant, subject to the

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grantee's continued employment with us and the satisfaction of performance objectives tied to our total shareholder return. This change in the structure of our long-term incentive compensation is designed to more closely align our executives' performance incentives with the interests of our shareholders.

In January 2012, the Compensation Committee awarded a target grant level for long-term incentive compensation for each executive officer as follows:

D. Jernigan	\$	1,250,000
C. P. Marr	\$	550,000
T. M. Martin	\$	400,000
J. P. Foster	\$	300,000

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If and to the extent the performance objectives relating to total shareholder return are achieved, the performance-vested restricted stock units granted to our executive officers will vest such that the value of the vested restricted stock units will equal a percentage ranging from 0 to 200% of the targets.

In setting executive compensation for the current fiscal year, the Compensation Committee, upon the recommendation of the CEO, determined that salary increases for Mr. Martin and Mr. Foster and an increase in the levels of annual and long-term incentive compensation for Mr. Martin should be approved. The Compensation Committee approved an increase in the base compensation of Mr. Martin from \$275,000 to \$315,000 and of Mr. Foster from \$255,000 to \$280,000. In addition, Mr. Martin's target award for total annual incentive compensation was changed to 65% of his 2012 base salary and his target grant level for long-term incentive compensation was increased from \$350,000 to \$400,000.

Finally, the Compensation Committee established annual incentive compensation goals for 2012 comprised of three elements: financial performance, measured by funds from operations (FFO) growth (weighted at 60%) and same store net operating income growth (weighted at 10%); achievement of strategic goals consisting of external growth (weighted at 10%) and achievement of balance sheet objectives (weighted at 10%); and individual goals (weighted at 10%).

Other Compensation Elements

Employment Agreements. We have employment agreements with each of Messrs. Jernigan, Marr, and Martin. We have an employment letter agreement with Mr. Foster. We have summarized the material terms of these agreements under the heading *Employment Agreements and Potential Payments Upon Termination or Change in Control*.

Deferred Compensation Benefits. In December 2006, the Compensation Committee approved the CubeSmart Executive Deferred Compensation Plan (amended in December 2008 in order to bring such plan into compliance with Section 409A of the Code), which permits employees with the title of vice president or above, including our named executive officers, to defer receipt of all or a portion of their salary and annual incentive and have that deferred compensation credited to accounts until distributed in accordance with the Plan and their elections. Under the Plan, we credit to each participant's account a matching deferred compensation amount that is equal to the difference between the total matching contribution we would have made under our 401(k) plan without regard to the limits imposed by the Code and the actual matching contribution that we make under the 401(k) plan.

Perquisites and Personal Benefits. We do not provide any significant perquisites to our executive officers. During 2011, we provided the use of a company car, life insurance equal to the lesser of the executive officer's base salary or \$500,000, and executive medical coverage to each of our named executive officers. In addition, the Company arranged for long-term disability insurance coverage for each of our executive officers (at the expense of the executive officers). While these benefits were not tied to any formal performance criteria, they were intended to serve as part of a competitive total compensation program.

Additional Compensation Principles

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Policy on Grants of Equity Awards. The Board of Trustees adopted a Policy Statement on the Grant of Equity Awards to ensure compliance with securities, tax and accounting rules and regulations, and adherence to best corporate governance practices in granting equity-based compensation. This Policy provides that the Board of Trustees has sole authority to approve equity awards to our trustees and the Compensation Committee has sole authority to approve equity awards to our executive officers. The Policy further provides that the grant date shall be the date of the meeting at which the award is approved by the Board or the Compensation Committee, as the case may be, except that, with respect to new hires, the date of the award shall be the later of the first date of employment of such person or the date approval for the grant is obtained from the Board or the Compensation Committee. Under no circumstances will the grant date for any equity award be any earlier than the date on which action is taken to approve such award. The exercise price of equity awards shall be the closing price for our common shares on the NYSE on the date of grant. As a part of this Policy, the Board of Trustees delegated authority to Mr. Jernigan to make one-time grants of equity-based awards to non-executive new hires in an amount not to exceed the equivalent of \$100,000, and Mr. Jernigan must make regular reports to the Compensation Committee regarding awards granted pursuant to this authority. We believe this delegation of authority facilitates improved efficiency in recruiting key new non-executive employees.

Share Ownership Guidelines. We maintain share ownership guidelines for our named executive officers because the Compensation Committee believes that executive officers should maintain a material personal financial stake in us to promote strong alignment between the interests of management and shareholders. Within a five-year period of his or her appointment,

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we expect each named executive officer to acquire and maintain ownership in our common shares having a market value equal to: five times annual base salary for the CEO; three times annual base salary for the President and Chief Financial Officer; and two times annual base salary for all other executive officers. The Board of Trustees annually reviews progress toward achieving these ownership levels. In February 2012, the Board of Trustees conducted its review of achievement of share ownership levels and determined that each of our executive officers meets or exceeds ownership of the required number of shares under the Board of Trustees' ownership guidelines applicable to each named executive officer.

Compensation Recovery. We have not adopted a policy that provides for recovery of a compensatory award if a performance measure used to calculate the award is subsequently adjusted in a manner that would have reduced the size of the award. If we were to experience such an adjustment, our Compensation Committee would assess the circumstances relating to the adjustment and take such action as it believes to be appropriate, including, potentially an action to recover the excess portion of the award. The Compensation Committee intends to adopt a compensatory award recovery policy promptly following the adoption of rules and regulations by the SEC governing such recovery policies.

Hedging Limitations. Our executives and trustees are prohibited from hedging their ownership or offsetting any decline in the market value of our shares, including by trading in publicly-traded options, puts, calls and other derivative instruments related to our shares.

Tax Compliance Policy. The Compensation Committee reviewed the potential consequences for us of Section 162(m) of the Code, which imposes a limit on tax deductions for annual compensation in excess of \$1 million paid to our Chief Executive Officer and Chief Financial Officer and the three other most highly compensated named executive officers employed at the end of the year. To the extent that compensation is required to and does not qualify for deduction under Section 162(m), a larger portion of shareholder distributions may be subject to federal income tax expense as dividend income rather than return of capital, and any such compensation allocated to our taxable REIT subsidiaries whose income is subject to federal income tax would result in an increase in income taxes due to the inability to deduct such compensation. Although we will be mindful of the limits imposed by Section 162(m), even if it is determined that Section 162(m) applies or may apply to certain compensation packages, we nevertheless reserve the right to structure the compensation packages and awards in a manner that may exceed the limitation on deduction imposed by Section 162(m).

RISK GUIDELINES

The structure of our compensation policies and practices is designed to discourage our executives from engaging in unnecessary and excessive risk taking. Our compensation policies and practices are centrally designed and administered and are substantially similar throughout the Company and among all levels of employees. Key components of our compensation policies and practices include base salary, performance-based compensation, employee benefit and welfare programs, and retirement plans. The Company maintains strong internal financial controls and uses effective management processes for developing strategic and annual operating plans and employee development programs. As a result of our compensation policies and practices, we have concluded that we are not encouraging or creating risks that are reasonably likely to have a material adverse effect on the Company. Executive attention is to be focused on key strategic, operational and long-term financial measures. In addition, the Compensation Committee considers the annual and progressive achievement of personal goals of each employee, including leadership, scope of responsibilities and experience. By focusing on the long-term achievement of corporate and personal goals, we discourage our employees from engaging in unnecessary and excessive risk taking.

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The following tables and narrative summarize the compensation for the years ended December 31, 2009, December 31, 2010 and December 31, 2011, paid to or earned by our Chief Executive Officer, Chief Financial Officer, two other named executive officers, and Mr. Steven Hartman, who would have been a named executive officer but for the fact that we was not serving as an executive officer of the Company as of December 31, 2011.

Summary Compensation Table for 2011

Name and Position	Year	Salary (\$)	Bonus \$(3)	Stock Awards \$(4)	Option Awards \$(4)	Non-Equity	All Other Compensation \$(5)	Total (\$)
						Incentive Plan Compensation (\$)		
D. Jernigan	2011	\$ 610,000		\$ 1,249,997		\$ 1,049,109	\$ 87,418	\$ 2,996,524
Chief Executive Officer	2010	\$ 610,000	\$ 500,000	\$ 625,001	\$ 625,001	\$ 1,159,000	\$ 55,403	\$ 3,574,405
	2009	\$ 610,000		\$ 298,926	\$ 502,099	\$ 991,250	\$ 48,055	\$ 2,450,330
C. P. Marr	2011	\$ 410,000	\$ 51,000	\$ 274,997	274,808	\$ 564,111	\$ 95,303	\$ 1,670,219
President and Chief	2010	\$ 410,000		\$ 275,002	\$ 275,001	\$ 623,200	\$ 69,050	\$ 1,652,253
Investment Officer	2009	\$ 410,000		\$ 275,000	\$ 318,421	\$ 533,000	\$ 61,148	\$ 1,597,568
T. M. Martin	2011	\$ 275,000		\$ 169,997	169,883	\$ 283,776	\$ 69,513	\$ 968,169
Chief Financial Officer	2010	\$ 275,000	\$ 125,000	\$ 170,003	\$ 170,000	\$ 309,375	\$ 56,433	\$ 1,105,811
	2009	\$ 275,000		\$ 170,000	\$ 196,842	\$ 268,125	\$ 45,277	\$ 955,245
J. P. Foster (1)	2011	\$ 255,000		\$ 149,996	149,897	\$ 241,209	\$ 54,544	\$ 850,646
Senior Vice President, Chief	2010	\$ 255,000		\$ 149,999	\$ 150,000	\$ 262,869	\$ 43,318	\$ 861,286
Legal Officer and Secretary	2009	\$ 223,125		\$ 78,795	\$ 71,351	\$ 199,184	\$ 26,411	\$ 598,866
S. P. Hartman (2)	2011	\$ 157,212				\$	\$ 31,342	\$ 188,554
Senior Vice President, Marketing	2010	\$ 219,295		\$ 120,003		\$ 123,750	\$ 69,804	\$ 532,852

(1) Mr. Foster has served as our Senior Vice President, Chief Legal Officer and Secretary since February 2009.

(2) Mr. Hartman served as our Senior Vice President, Marketing between January 2010 and September 2011.

(3) The amount listed in the Bonus column for 2011 represents the signing payment paid to Mr. Marr in connection with his entry into Amended and Restated Employment Agreement in January 2011.

(4) The amounts listed in the Stock Awards and Option Awards columns represent the grant date fair value of restricted shares and option awards granted to the named executive officers under our equity incentive plans. Such amounts were calculated in accordance with the provisions of FASB ASC Topic 718. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. Please refer to Note 15, Share-Based Compensation Plans, in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2011, filed on February 29, 2012, for the relevant assumptions used to determine the grant date fair value of our share and option awards. The value of each of the awards granted to the named executive

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officers in 2011 is listed in the table captioned Grants of Plan-Based Awards for 2011.

(5) The amounts reported in the All Other Compensation column reflect for the year indicated, for each named executive officer, the sum of (a) the aggregate incremental cost to us of all perquisites and other personal benefits, including personal use of a company car, long-term disability insurance and executive medical insurance; (b) the amounts contributed by us to the CubeSmart, L.P. 401(k) Retirement Savings Plan; (c) amounts contributed by us to the executive under the CubeSmart Executive Deferred Compensation Plan; and (d) the dollar value of dividends on unvested restricted shares. The aggregate incremental cost to us to provide a company car is based on the actual lease cost incurred for the automobile provided to each of the named executive officers plus expenses for fuel, maintenance and insurance. For purposes of calculating this amount, we disregarded business usage and assumed 100 percent personal usage. The aggregate incremental cost of executive medical insurance is based on the difference between the actual premium we pay for executive medical insurance for the named executive officers and the actual cost we incurred in providing family medical coverage for our general employee population.

Listed in the table below are the dollar values of the amounts reported in this column for 2011.

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Name	Company Car	Executive Medical Insurance	Company Match in 401(k) Plan	Company Match in Executive Deferred Compensation Plan	Dividends on Unvested Restricted Shares	Long-Term Disability Insurance
D. Jernigan	\$ 10,944	\$ 11,596	\$ 7,050	\$	\$ 56,019	\$ 1,809
C. P. Marr	\$ 25,966	\$ 11,596	\$ 4,550	\$ 25,955	\$ 23,374	\$ 3,861
T. M. Martin	\$ 23,110	\$ 11,596	\$ 4,550	\$ 12,667	\$ 14,652	\$ 2,938
J. P. Foster	\$ 15,298	\$ 11,596	\$ 4,550	\$ 9,540	\$ 10,359	\$ 3,202
S. P. Hartman	\$ 12,324	\$ 8,697	\$ 4,550	\$	\$ 3,232	\$ 2,539

Grants of Plan-Based Awards for 2011

The following table and narrative provide information about plan-based awards granted during 2011 to the named executive officers. Each were eligible to receive the two types of plan-based awards described below as a part of the 2011 Executive Compensation Program approved by the Compensation Committee and the independent members of the Board of Trustees.

Name	Grant Type	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)(2)
			Threshold	Target	Max				
D. Jernigan	Annual		\$ 305,000	\$ 610,000	\$ 1,159,000				
	Restricted Options	1/24/11				133,120		\$ 1,249,997	
C. P. Marr	Annual		\$ 164,000	\$ 328,000	\$ 623,200				
	Restricted Options	1/24/11				29,286		\$ 274,997	
T. M. Martin	Annual		\$ 82,500	\$ 168,000	\$ 313,500		80,589	\$ 9.39	
	Restricted Options	1/24/11				18,104	49,819	\$ 9.39	
J. P. Foster	Annual		\$ 70,125	\$ 140,250	\$ 266,475				
	Restricted Options	1/24/11				15,974		\$ 149,996	
S. P. Hartman	Annual		\$	\$	\$		43,950	\$ 9.39	
	Restricted Options	1/24/11						\$ 149,897	

(1) Listed in these columns are the amounts that could have been paid at each stated level of performance for the annual incentive compensation under the 2011 Executive Compensation Program. For a detailed description of the annual incentive awards see *Total Cash Compensation Annual Incentive Compensation* in the section entitled *Compensation Discussion and Analysis*. The *Threshold* column represents the minimum amount payable when threshold performance is met. The *Target* column represents the amount payable if the specified performance targets are reached. The *Maximum* column represents the maximum payment possible. See the table captioned *Summary Compensation Table for 2011* for the actual amounts paid to each named executive officer for the 2011 annual incentive compensation.

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(2) This column shows the grant date fair value of the equity awards granted in accordance with FASB ASC Topic 718, but excludes any forfeiture assumptions related to service-based vesting conditions, as prescribed by the rules of the SEC.

Time-Vested Restricted Shares These awards vest ratably over a three-year period, one-third per year on the first three anniversaries of the grant date, provided that the named executive officer is employed with us on the vesting date. The named executive officers are entitled to vote these restricted shares and to receive dividends thereon at the same rate as paid to all other shareholders.

Non-Qualified Stock Options The nonqualified options have a ten-year term and entitle the named executive officer to purchase the number of our common shares specified. The right to purchase the common shares vests ratably over a three-year period, one-third per year on the first three anniversaries of the grant date, provided that the named executive officer is employed with us on the vesting date.

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Each of the time-vested restricted share awards set forth in the table above was granted pursuant to the CubeSmart 2004 Equity Incentive Plan and each of the non-qualified stock option awards to purchase shares of our common stock set forth in the table above was granted pursuant to the CubeSmart 2007 Equity Incentive Plan, as amended (the 2007 Equity Incentive Plan). For further information on the awards granted during 2011, please refer to the section headed *Compensation Discussion and Analysis*. The right of each named executive officer to the equity incentive awards listed in the table captioned *Grants of Plan-Based Awards for 2011* shall become fully vested in the event of termination of employment under certain circumstances pursuant to the terms of employment agreements for Messrs. Jernigan, Marr and Martin and the employment letter agreement for Mr. Foster and option award agreements that we have with them. For information on the material terms of the employment agreements for Messrs. Jernigan, Marr and Martin and the employment letter agreement for Mr. Foster or for a further discussion of the circumstances upon which vesting of awards is accelerated, see the discussion under the section headed *Potential Payments Upon Termination or Change in Control*.

Outstanding Equity Awards at December 31, 2011

The following table reports outstanding equity awards held by the named executive officers, except for Mr. Hartman (whose equity awards either vested or terminated in connection with the termination of his employment in September 2011), at December 31, 2011. The right of each named executive officer to the equity awards listed in this table shall become fully vested in the event of termination of employment in certain circumstances. For a further discussion of the circumstances upon which vesting of awards is accelerated, see the discussion under the section headed *Potential Payments Upon Termination or Change in Control*.

Name	Option Awards					Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares That Have Not Vested (\$)(1)
	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Grant Date	Number of Shares of Stock That Have Not Vested (#)	Market Value of Shares of Stock That Have Not Vested (\$)(1)	
D. Jernigan						1/24/2011	133,120	1,416,397	
	1/13/2010	80,438	160,875	7.29	1/12/2020	1/13/2010	57,156	608,140	
	1/23/2009	331,419	165,709	3.79	1/22/2019	1/23/2009	26,290	279,726	
	1/23/2008	497,128		9.43	1/22/2018	1/23/2008			
	3/22/2007	303,265		19.97	3/21/2017	3/22/2007			
	4/19/2006	500,000		18.08	4/18/2016				
C. P. Marr	1/24/2011		80,589	9.39	1/23/2021	1/24/2011	29,286	311,603	
	1/13/2010	35,393	70,785	7.29	1/12/2020	1/13/2010	25,148	267,575	
	1/23/2009	210,179	105,089	3.79	1/22/2019	1/23/2009	24,185	257,339	
	1/23/2008	298,071		9.43	1/22/2018	1/23/2008			
	3/22/2007	126,158		19.97	3/21/2017	3/22/2007			
	6/5/2006	150,000		17.04	6/4/2016	6/5/2006			
T. M. Martin	1/24/2011		49,819	9.39	1/23/2021	1/24/2011	18,104	192,627	
	1/13/2010	21,879	43,758	7.29	1/12/2020	1/13/2010	15,546	165,409	
	1/23/2009	129,929	64,964	3.79	1/22/2019	1/23/2009	14,951	159,079	
	1/23/2008	171,964		9.43	1/22/2018	1/23/2008			
	3/22/2007	60,046		19.97	3/21/2017	3/22/2007			
J. P. Foster	1/24/2011		43,958	9.39	1/23/2021	1/24/2011	15,974	169,963	

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	1/13/2010	19,305	38,610	7.29	1/12/2020	1/13/2010	13,717	145,949
	2/17/2009	27,980	27,981	3.09	2/16/2019	2/17/2009	7,666	81,566
S. P.								
Hartman	1/24/2011				1/24/2011			
	1/4/2010				1/4/2010			

(1) The market value is based on the closing price of our common shares of \$10.64 on December 31, 2011.

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The following table reports for each named executive officer the value realized upon vesting of share awards and option exercises in the year ended December 31, 2011.

Name	Stock Awards		Option Awards	
	Number of Shares	Value Realized on Vesting (\$)	Number of Shares	Value Realized on Exercise (\$)
	Acquired on Vesting (#)		Acquired on Exercise (#)	
D. Jernigan	67,125	623,332		
C. P. Marr	45,292	426,434		
T. M. Martin	27,504	257,521		
J. P. Foster	14,526	140,463		
S. P. Hartman	5,548	51,985		

Nonqualified Deferred Compensation for 2011

Our named executive officers are eligible to participate in the CubeSmart Executive Deferred Compensation Plan. The following table and narrative provide a description of the plan and information on compensation each of the named executive officers deferred during 2011, the aggregate earnings on the deferred compensation and the aggregate balance at December 31, 2011.

Name	Executive Contributions in Last FY (\$)(1)	Company Contributions in Last FY (\$)(1)	Aggregate Earnings in Last FY (\$)	Aggregate Withdrawals/ Distributions in Last FY	Aggregate Balance at Last FY (\$)(2)
D. Jernigan					
C. P. Marr	62,320	25,955	(16,221)		813,073
T. M. Martin	19,250	12,667	16,652		172,710
J. P. Foster	39,047	9,540	(4,602)		80,400
S. P. Hartman					

(1) All of the amounts listed in the Executive Contributions in Last FY column are reflected in the Salary column for 2011 of the table captioned *Summary Compensation Table for 2011*. All of the amounts listed in the Company Contributions in Last FY column are reflected in the All Other Compensation column for 2011 of the table captioned *Summary Compensation Table for 2011*.

(2) The aggregate balance for certain NEOs includes certain amounts reflected in the Salary column and the All Other Compensation column for 2010 and 2009 of the table captioned *Summary Compensation Table* above. For Mr. Marr, \$50,300 was reflected in the Salary column and \$20,540 was reflected in the All Other Compensation column for 2010 and \$113,263 was reflected in the Salary column and \$13,531 was reflected in the All Other Compensation column of the *Summary Compensation Table* for 2009. For Mr. Martin, \$19,252 was reflected in the Salary column and \$11,533 was reflected in the All Other Compensation column for 2010 and \$13,750 was reflected in the

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Salary column and \$6,276 was reflected in the All Other Compensation column of the *Summary Compensation Table* for 2009. For Mr. Foster, \$10,200 was reflected in the Salary column and \$5,275 was reflected in the All Other Compensation column for 2010 and \$15,938 was reflected in the Salary column and \$0 was reflected in the All Other Compensation column for 2009.

Compensation Eligible for Deferral; Company Contributions. Effective January 1, 2007, the named executive officers became eligible to participate in the CubeSmart Executive Deferred Compensation Plan. Under the plan, the named executive officers can defer all or a portion of salary and/or bonus (including annual and long-term incentives) and have such amounts credited to a retirement distribution account and/or separate in-service distribution accounts. We will provide a matching deferred compensation amount that is equal to the difference between the total matching contribution the named executive officer would have received under our 401(k) plan without regard to the limitations imposed pursuant to Sections 402(g), 415 and 417 of the Internal Revenue Code and the actual matching contribution the named executive officer receives under the 401(k) plan, provided the named executive officer has made the maximum elective deferrals to the 401(k) plan. The Compensation Committee may, in its discretion, approve an additional credit to a participant's account as non-elective deferred compensation.

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Investment Earnings. Each distribution account is credited with the returns of the investment options selected by the named executive officers, which include investment options that are available in our 401(k) plan, or such other investment fund(s) as the Compensation Committee may designate from time to time.

Elections and Distributions. Elections to defer compensation must be made no later than the close of the preceding taxable year and are irrevocable as of the first day of the plan year to which it relates, except that (i) in the case of a hardship distribution, the election may be cancelled for the remainder of the plan year, and (ii) a participant who has elected a lump sum distribution from the retirement distribution account may make a subsequent election to delay commencement of payment of such amount for a period of five years from the date such payment would otherwise have been made. In the case of any performance-based compensation for services performed over a period of 12 months, an election to defer must be made no later than six months before the end of the performance period.

Upon retirement, balances in the retirement distribution account will be made in a lump sum or in annual installments over five, 10 or 15 years. Upon termination of employment other than retirement (other than on account of death), benefits in the retirement distribution account will be distributed in a lump sum 60 days following separation from service. Distributions from the in-service account will be made in one lump sum or in annual installments over two, three, four or five years, except that participants may not elect distribution of compensation earned in a plan year that is less than two years prior to the plan year elected for distribution. In the event of death prior to commencement of distribution from either the retirement distribution account or the in-service distribution account, benefits under the plan shall be payable to a participant's beneficiary either in a lump sum or in the manner elected by the participant at the time the deferral election was made.

EMPLOYMENT AGREEMENTS AND POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

In December 2008, we entered into an amended and restated employment agreement with Mr. Marr, which agreement was further amended and restated in January 2011. In January 2009 and November 2009, we entered into employment letter agreements with Mr. Foster and Mr. Hartman, respectively. Mr. Foster's employment letter agreement was amended and restated in April 2011. In June 2010, we entered into amended and restated employment agreements with each of Messrs. Jernigan and Martin. These agreements require us to provide compensation to them upon termination of their employment in certain circumstances. We describe below these circumstances and the payments and benefits that we would be required to provide. In the following discussion, the term *executive* refers to Messrs. Jernigan and Martin, as applicable, and the term *employment agreement* refers to the respective employment agreement for each of them. We discuss potential payments upon termination with respect to Mr. Marr and Mr. Foster separately below.

In accordance with the terms of his employment letter agreement, Mr. Hartman, whose employment with us ended in September 2011, did not receive any compensation or benefits on or after the effective date of termination, other than accrued and unpaid salary and vacation and reimbursement for any expenses incurred but not paid prior to the date of termination. Mr. Hartman did not receive any bonus or other incentive compensation with respect to his performance in 2011 as a result of the termination of his employment.

Messrs. Jernigan and Martin

Termination Without Cause or For Good Reason

If we terminate an executive's employment without cause or if an executive terminates his employment for good reason, the executive will have the right to receive: accrued and unpaid salary and vacation prior to the date of termination; any unpaid bonus for the prior year; a prorated bonus in the year of termination based on the target bonus for that year; reimbursement for expenses incurred but not paid prior to the date of termination; continued medical, prescription and dental benefits for 18 months; and a cash severance payment equal to three times, with respect to Mr. Jernigan, and 2.99 times, with respect to Mr. Martin, the sum of (1) his annual salary as of the date of the termination of the employment agreement, and (2) the average of the sum of the two previous annual bonuses. In addition, all equity awards would become fully vested and exercisable on the effective date of their respective terminations.

Each employment agreement defines cause as the executive's: conviction for any felony or a misdemeanor involving moral turpitude; commission of an act of fraud, theft or dishonesty related to our business or the business of our affiliates or to his duties; willful and continuing failure or habitual neglect to perform his duties; material violation of confidentiality covenants or his noncompetition agreement; or willful and continuing breach of such employment agreement by the executive.

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Each employment agreement defines "good reason" as: a material reduction in the executive's authority, duties and responsibilities or the assignment to the executive of duties materially and adversely inconsistent with his position; a material reduction in the executive's annual salary; our failure to obtain a reasonably satisfactory agreement from any successor to our business to assume and perform the employment agreement; our requirement that the executive's work location be moved more than 50 miles from our office where the executive works effective as of the date of the employment agreement unless the executive's new work location would be closer to his primary residence; or our material and willful breach of the employment agreement.

Mr. Jernigan and Mr. Martin are not entitled to receive any excise tax gross-up payments upon a change in control.

Termination For Cause or Without Good Reason

If we terminate an executive's employment for cause, or if an executive voluntarily terminates his employment without "good reason," both terms having the definitions listed above, the executive will have no right to receive any compensation or benefits under his employment agreement on or after the effective date of termination, other than any accrued and unpaid salary and vacation and reimbursement for any expenses incurred but not paid prior to the date of termination, but excluding any bonus to which the executive would have been entitled.

Termination Upon Death or Disability

In the event Mr. Martin's employment is terminated for disability or death, he or, in the event of his death, the beneficiaries of his estate, will receive accrued and unpaid salary and vacation and reimbursement for any expenses incurred but not paid prior to the date of termination; any unpaid bonus for the prior year; and a pro-rated bonus in the year of termination based on the target bonus for that year; and all equity awards will become fully vested and exercisable.

In the event Mr. Jernigan's employment is terminated for disability or death, he or, in the event of his death, the beneficiaries of his estate, will receive accrued and unpaid salary and vacation and reimbursement for any expenses incurred but not paid prior to the date of termination; any unpaid bonus for the prior year; an amount equal to (1) in the case of death, a pro-rated bonus in the year of termination based on the target bonus for that year and (2) in the case of termination due to disability, two (2) times the sum of (a) Mr. Jernigan's annual salary and (b) the average of the two previous annual bonuses; and all equity awards will become fully vested and exercisable.

Nonrenewal

With respect to Mr. Martin, if we elect not to renew Mr. Martin's employment agreement, he will have the right to receive a cash severance payment equal to one times the sum of (1) his annual salary as of the date of expiration of the term of the employment agreement, and (2) the average of the sum of the two previous annual bonuses paid to Mr. Martin pursuant to a bonus plan established by the Compensation Committee.

Mr. Marr

Termination Without Cause or For Good Reason

Under the employment agreement with Mr. Marr, if we terminate Mr. Marr's employment without cause or if Mr. Marr terminates his employment for good reason, Mr. Marr will have the right to receive: accrued and unpaid salary and vacation prior to the date of termination; any unpaid bonus for the prior year; a prorated bonus in the year of termination based on the target bonus for that year; reimbursement for expenses incurred but not paid prior to the date of termination; continued medical, prescription and dental benefits for 18 months; and a cash severance payment equal to 3.0 times the sum of (1) his annual salary as of the date of the termination of the employment agreement, and (2) the average of the sum of the two previous annual bonuses paid to Mr. Marr pursuant to a bonus plan established by the Compensation Committee. In addition, all equity awards would become fully vested and exercisable on the effective date of his termination.

Mr. Marr's employment agreement defines cause as his: conviction for any felony or a misdemeanor involving moral turpitude; commission of an act of fraud, theft or dishonesty related to our business or the business of our affiliates or to his duties; willful and continuing failure or habitual neglect to perform his duties; material violation of confidentiality covenants or his noncompetition agreement; or willful and continuing breach of the employment agreement.

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Mr. Marr's employment agreement defines "good reason" as: a material reduction in the executive's authority, duties and responsibilities or the assignment to him of duties materially and adversely inconsistent with his position; a material reduction in the executive's annual salary; our failure to obtain a reasonably satisfactory agreement from any successor to our business to assume and perform the employment agreement; our requirement that the executive's work location be moved more than 50 miles from our office where the executive works effective as of the date of the employment agreement unless the executive's new work location would be closer to his primary residence; or our material and willful breach of the employment agreement.

Mr. Marr is not entitled to receive any excise tax gross-up payments upon a change in control.

Termination For Cause or Without Good Reason

If we terminate Mr. Marr's employment for cause, or if he voluntarily terminates his employment without good reason, both terms having the definitions listed above, Mr. Marr will have no right to receive any compensation or benefits under the employment agreement on or after the effective date of termination, other than any accrued and unpaid salary and vacation and reimbursement for any expenses incurred but not paid prior to the date of termination, but excluding any bonus to which the executive would have been entitled.

Termination Upon Death or Disability

In the event Mr. Marr's employment is terminated for disability or death, he or the beneficiaries of his estate would receive any accrued and unpaid salary and vacation and reimbursement for any expenses incurred but not paid prior to the date of termination; any unpaid bonus for the prior year; and a prorated bonus in the year of termination based on the target bonus for that year; and all equity awards would become fully vested and exercisable.

Nonrenewal

In the event we or Mr. Marr elect not to renew Mr. Marr's employment agreement for the annual period commencing on January 1, 2014 through December 31, 2014, Mr. Marr would have the right to receive a cash severance payment equal to the sum of (a) \$1,500,000 plus (b) any unpaid annual salary earned and accrued prior to the end of the term of Mr. Marr's employment agreement, any annual incentive bonus for the final year of the term of the employment agreement that was awarded but not then paid, payment of accrued but unused vacation time and reimbursement for expenses incurred by not yet paid prior to the expiration of the term of Mr. Marr's employment agreement.

If we elect not to renew Mr. Marr's employment agreement for any annual period commencing on or after January 1, 2015, Mr. Marr would have the right to receive any unpaid annual salary earned and accrued prior to the end of the term of his employment agreement, any annual incentive bonus for the final year of the term of the employment agreement that was awarded but not then paid, payment of accrued but unused vacation time and reimbursement for expenses incurred but not yet paid prior to the expiration of the term of his employment agreement.

Mr. Foster

Termination Without Cause or For Good Reason

Under the employment letter agreement with Mr. Foster, if we terminate Mr. Foster's employment without cause or if Mr. Foster terminates his employment for good reason other than within one year following a change in control, Mr. Foster will have the right to receive accrued and unpaid salary and vacation prior to the date of termination; any unpaid bonus for the prior year; reimbursement for expenses incurred but not paid prior to the date of termination; an allowance for the use of an automobile and medical, prescription and dental benefits for 18 months; and a cash severance payment equal to 1.20 times the sum of (1) his annual salary as of the date of the termination of the employment letter agreement, and (2) the average of the sum of the two previous annual bonuses paid to Mr. Foster pursuant to a bonus plan established by the Compensation Committee.

Under the employment letter agreement with Mr. Foster, if within one year following a change in control we terminate Mr. Foster's employment without cause or if Mr. Foster terminates his employment for good reason, Mr. Foster will have the right to receive accrued and unpaid salary and vacation prior to the date of termination; any unpaid bonus for the prior year; a prorated bonus in the year of termination based on the target bonus for that year; reimbursement for expenses incurred but not paid prior to the date of termination; medical, prescription and dental benefits for 18 months; and a cash severance payment equal to 2.99 times the sum of (1) his annual salary as of the date of the termination of the employment letter agreement, and (2) the average of the sum of the two previous annual bonuses paid to Mr. Foster pursuant to a bonus plan established by the

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Compensation Committee. In addition, all grants and awards of equity (and any accrued dividends or distributions thereon) held by Mr. Foster shall become fully vested and exercisable on the effective date of his termination.

The terms "cause" and "good reason" have substantially similar meanings as set forth above under "Termination Without Cause or For Good Reason" with respect to Mr. Marr. The term "change in control" shall have the meaning given to it in the Company's Amended and Restated 2007 Equity Incentive Plan.

Mr. Foster is not entitled to receive any excise tax gross-up payments upon a change in control.

Termination For Cause or Without Good Reason

If we terminate Mr. Foster's employment for "cause," or if he voluntarily terminates his employment without "good reason," both terms having the definitions listed above, Mr. Foster will have no right to receive any compensation or benefits under the employment letter agreement on or after the effective date of termination, other than any accrued and unpaid salary and vacation and reimbursement for any expenses incurred but not paid prior to the date of termination, but excluding any bonus to which the executive would have been entitled.

Termination Upon Death or Disability

In the event Mr. Foster's employment is terminated for disability or death, he or the beneficiaries of his estate would receive any accrued and unpaid salary and vacation prior to the date of termination; reimbursement for any expenses incurred but not paid prior to the date of termination; any unpaid bonus for the prior year; a prorated bonus in the year of termination based on the target bonus for that year; and all equity awards would become fully vested and exercisable.

Payments Upon Termination or Change in Control Table for 2011

The following table includes an estimate of the potential payments and benefits to which our Named Executive Officers would be entitled upon termination of employment in each of the circumstances described above. Except as otherwise set forth above, these payments would be made in a lump sum following termination. In providing the estimated potential payments, we have made the following general assumptions in all circumstances where applicable:

- The date of termination is December 30, 2011 and the closing price of our common shares on that date is \$10.64;

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- The annual salary at the time of termination is equal to the base salaries that were in effect as of December 31, 2011 for each executive as follows: D. Jernigan, \$610,000; C. P. Marr, \$410,000; T. M. Martin, \$275,000; and J. P. Foster, \$255,000;
- For purposes of the cash severance payment calculation for Messrs. Jernigan, Martin, Marr, and Foster the bonus is equal to the average of the last two years' annual incentive bonuses paid to each of Messrs. Jernigan, Martin, Marr and Foster as follows: D. Jernigan, \$1,104,055; T. M. Martin, \$296,575; C. P. Marr, \$593,656; and J.P. Foster \$252,089;
- The value of restricted shares that vest upon termination is based on the closing price of our common shares of \$10.64 on December 30, 2011;
- The stock options that vest upon termination are valued at the difference between the strike price of the stock option and the market value of our common shares on December 30, 2011;
- Four weeks of vacation are unused, accrued and unpaid;
- There is no unpaid bonus for the prior year;
- There is no accrued and unpaid salary;
- There is no unpaid reimbursement for expenses incurred prior to the date of termination;
- Our cost for continued medical, prescription and dental benefits is constant over the benefit period and is provided for 18 months at a cost of \$2,241.68 per month; and

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- Our cost for Mr. Foster's continued use of an automobile for 18 months is constant over the benefit period and is provided at a cost of \$1,083.25 per month.

Name	Change in Control (1)	Without Cause; For Good Reason	Death or Disability (2)	Nonrenewal	For Cause; Without Good Reason
D. Jernigan	9,211,647	9,211,647		0	50,833
C. P. Marr	4,979,726	4,979,726	1,928,409	1,534,167	34,167
T. M. Martin	2,943,942	2,943,942	1,194,583	594,492	22,917
J. P. Foster	2,370,822	689,606	814,276		21,200

(1) Amounts shown in this column represent the amount payable upon the termination of employment on December 31, 2011, if such termination were due to a change in control as set forth in the applicable employment agreement for each named executive officer (or employment letter agreement in the case of Mr. Foster).

(2) In the event of Mr. Jernigan's disability, Mr. Jernigan will receive a disability payment equal to \$7,457,242. In the event of Mr. Jernigan's death, Mr. Jernigan's beneficiaries will receive a payment equal to \$4,029,133.

Other Terms of the Employment Agreements

Pursuant to the employment agreements, and in the case of Mr. Foster, his employment letter agreement, each of Messrs. Jernigan, Foster, Marr and Martin are eligible to participate in any bonus plan established by the Compensation Committee for executive officers, may participate in any group life, hospitalization, disability, health, pension, profit sharing and other benefit plans we adopt with respect to our comparable senior level executives. Each of our named executive officers are provided with use of a company car or an automobile allowance.

Non-Compete Agreements

In addition to the employment agreements, our named executive officers (other than Mr. Foster and Mr. Hartman) also entered into noncompetition agreements with us. The noncompetition agreements contain covenants not to compete for a period that is the longer of either the three-year period beginning as of the date of the noncompetition agreement (the five-year period in the case of Mr. Jernigan) or the period of the executive's service with us or any of our direct or indirect subsidiaries plus an additional one-year period. The noncompetition agreements provide that each of the executives will not directly or indirectly engage in any business involving self-storage facility development, construction, acquisition or operation or own any interests in any self-storage facilities, in each case in the United States of America, other than direct or indirect ownership by the executive of up to five percent of the outstanding equity interests of any public company. The noncompetition agreements also contain a non-solicitation covenant that applies to employees and independent contractors. The non-solicitation covenant lasts for a period that is the longer of either the three-year period (the five-year period in the case of Mr. Jernigan) beginning as of the date of the noncompetition agreement or the period of the executive's service with us or our direct or indirect subsidiaries plus an additional two-year period.

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The following table sets forth certain information regarding our equity compensation plans as of December 31, 2011.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by shareholders	5,255,718(1)	\$ 10.35(2)	4,356,330
Equity compensation plans not approved by shareholders			
Total	5,255,718	\$ 10.35	4,356,330

(1) Excludes 666,622 shares subject to outstanding restricted share unit awards.

(2) This number reflects the weighted-average exercise price of outstanding options and has been calculated exclusive of outstanding restricted unit awards.

SECURITY OWNERSHIP OF MANAGEMENT

The following table lists the amount of common shares beneficially owned and the percentage of ownership by our trustees, each of our named executive officers, and our trustees and executive officers as a group. The number of shares and percentage of ownership is based on 122,921,316 common shares outstanding on March 15, 2012. In general, beneficial ownership includes those common shares that a trustee or executive officer has the power to vote or transfer, and options that are exercisable currently or that become exercisable within 60 days. Except as otherwise noted, the persons named in the table below have sole voting and investment power with respect to all the common shares listed opposite his or her name. The address of each person listed below is c/o CubeSmart, 460 East Swedesford Road, Suite 3000, Wayne, Pennsylvania 19087.

Name	Common Shares (3)	Options Currently Exercisable or Exercisable within 60 Days	Percent of Class (4)
Trustees			
W. M. Diefenderfer III (1)	141,617		*
P. Bussani	24,966		*
M. M. Keler	70,209		*
D. J. LaRue	74,272		*
J. F. Remondi	33,969		*
J. F. Rogatz	14,114		*
J. W. Fain			*
Named Executive Officers			

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D. Jernigan (2)	408,187	1,958,396	1.93%
C. P. Marr	182,901	987,145	*
T. M. Martin	99,873	487,267	*
J. P. Foster	59,707	92,224	*
<i>Trustees and Named Executive Officers as a group (12 persons)</i>	1,109,815	3,525,032	3.76%

* Less than 1% of the outstanding common shares.

(1) Common shares include 5,145 deferred shares held in the CubeSmart Trust Deferred Trustees Plan for the benefit of W. M. Diefenderfer that are issuable to him after he ceases to serve as a trustee of the Company. W. M. Diefenderfer does not have voting rights with respect to these deferred shares, but his account is credited with dividend equivalents that are payable in common shares.

(2) Includes 80,000 shares pledged to Trustmark National Bank as security for a personal loan.

(3) This column does not include the following phantom shares held by the trustees and named executive officers in deferred compensation plans of the Company, which are payable in cash after the trustee or named executive officer ceases service with the Company.

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Name	Phantom Shares
W. M. Diefenderfer III	4,631
D. J. LaRue	23,184
C. P. Marr	3,561
T. M. Martin	13,490

(4) Shares issuable pursuant to the CubeSmart Deferred Trustees Plan and shares issuable pursuant to the exercise of stock options that are either immediately exercisable or exercisable within 60 days of March 15, 2012 are deemed to be outstanding and beneficially owned by the person to whom such shares are issuable for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

None of our trustees or named executive officers owns any 7.75% Series A Cumulative Redeemable Preferred Shares.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS**

The following persons are known by us to be the beneficial owners of more than 5% of our outstanding common shares. Unless otherwise indicated, the following information is as of March 15, 2012 and is based solely upon information set forth in Schedules 13D and 13G filed by such persons with the Securities and Exchange Commission.

Name	Common	
	Shares	Percent of Class
Cohen & Steers, Inc. (1)	17,923,359	14.62%
The Vanguard Group, Inc. (2)	12,365,808	10.1%
BlackRock, Inc. (3)	10,660,304	8.7%
Todd C. Amsdell (4)	8,043,700	6.6%
Daiwa Asset Management Co. Ltd. (5)	6,806,803	5.6%
Vanguard Specialized Funds (6)	6,295,035	5.1%

(1) Based on information provided by Cohen & Steers, Inc. (C&S) in a Schedule 13G/A filed with the SEC on February 14, 2012. C&S, through of its control of Cohen & Steers Capital Management, Inc. and Cohen & Steers Europe S.A., has sole voting power with respect to 8,964,434 of these shares and sole dispositive power with respect to all of these shares. The address of C&S is 280 Park Avenue, 10th Floor, New York, NY 10017.

(2) Based on information provided by The Vanguard Group, Inc. (Vanguard) in a Schedule 13G/A filed with the SEC on February 9, 2012. Vanguard has sole voting power with respect to 183,580 of these shares, sole dispositive power with respect to 12,182,228 of these shares and shared dispositive power with respect to 183,580 of these shares. The address of Vanguard is 100 Vanguard Blvd., Malvern, PA 19355.

(3) Based on information provided by BlackRock, Inc. (BlackRock) in a Schedule 13G/A filed with the SEC on February 10, 2012. BlackRock has sole voting power and sole dispositive power with respect to all of these shares. The address of BlackRock is 40 East 52nd Street, New York, NY 10022.

(4) Based on information provided by Todd C. Amsdell, a former executive officer, in a Schedule 13D/A filed with the SEC on March 9, 2009 and subsequent Forms 4 filed with SEC through February 2, 2012, Todd C. Amsdell has sole voting power and sole dispositive power with respect to all of these shares. Mr. Amsdell disclaims beneficial ownership, except to the extent of his pecuniary interest therein, of 3,921,850 shares owned by the Robert J. Amsdell Family Irrevocable Trust and 3,921,850 shares owned by the Loretta Amsdell Family Irrevocable Trust. Mr. Amsdell is the sole business advisor of these trusts, and based on the latest information that we have, in this capacity, he has the sole power to direct the voting and disposition of these shares. The address for Todd C. Amsdell is 20445 Emerald Parkway Drive, SW, Suite 220, Cleveland, Ohio 44135.

(5) Based on information provided by Daiwa Asset Management Co. Ltd. (Daiwa) in a Schedule 13G filed with the SEC on January 13, 2012. Daiwa has sole voting power with respect to all of these shares, sole dispositive with respect to 3,500 of these shares, and shared dispositive power with respect to 6,803,303 of these shares. The address for Daiwa is 10-5, Nihonbashi-Kayabacho, 2-Chome, Chuo-ku, Tokyo,

Japan 103-0025.

(6) Based on information provided by Vanguard Specialized Funds Vanguard REIT Index - 23-2834924 (VSF) in a Schedule 13G filed with the SEC on January 27, 2012. VSF has sole voting power with respect to all of these shares. The address for VSF is 100 Vanguard Blvd., Malvern, PA 19355.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our trustees and executive officers, and holders of more than 10% of our common shares, to file with the SEC reports about their ownership of our common shares. Such trustees, officers and 10% shareholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. We generally assist current trustees and executive officers in filing these reports based on information obtained from them and from our records.

SEC regulations require us to identify in this Proxy Statement anyone who filed a required report late during the most recent fiscal year. Based on our review of forms we received, or written representations from reporting persons stating that they were

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not required to file these forms, we believe that during 2011 all Section 16(a) filing requirements were satisfied on a timely basis.

AUDIT COMMITTEE MATTERS

Audit Committee Report

One of the principal purposes of the Audit Committee is to assist the Board of Trustees in the oversight of the integrity of our financial statements. Our management team has the primary responsibility for our financial statements and the reporting process, including the system of internal controls and disclosure controls and procedures. For fiscal year 2011, KPMG LLP, our independent registered public accounting firm, audited the annual financial statements in accordance with standards of the Public Company Accounting Oversight Board (PCAOB) prepared by management and expressed an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States of America. In carrying out its responsibilities, the Audit Committee has reviewed and has discussed our audited consolidated financial statements for the year ended December 31, 2011 with our management. Management represented to the Audit Committee that our financial statements were prepared in accordance with accounting principles generally accepted in the United States of America.

The Audit Committee also is responsible for assisting the Board of Trustees in the oversight of the qualification, independence and performance of KPMG LLP. The Audit Committee discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees. The Audit Committee has received from KPMG LLP the written disclosures and the letter required by applicable requirements of the PCAOB regarding KPMG LLP's communications with the Audit Committee concerning independence, and has discussed with KPMG LLP its independence. In addition, the Audit Committee has considered whether the provision of non-audit services, and the fees charged for such non-audit services, by KPMG LLP are compatible with maintaining the independence of the independent registered public accounting firm from us.

Based on the reviews and discussions described above, the Audit Committee recommended to the Board of Trustees that our audited consolidated financial statements for fiscal year 2011 be included in our Annual Report on Form 10-K for the year ended December 31, 2011.

Respectfully submitted,

The Audit Committee of the Board of Trustees

Jeffrey F. Rogatz (Chairman)
Marianne M. Keler

John F. Remondi

Notwithstanding anything to the contrary set forth in any of our previous or future filings under the Securities Act or the Exchange Act that might incorporate this proxy statement or future filings with the SEC, in whole or in part, the above report shall not be deemed to be soliciting material or filed with the SEC and shall not be deemed to be incorporated by reference into any such filing.

Fees Paid to Our Independent Registered Public Accounting Firm

The following table summarizes the fees billed by KPMG LLP for services rendered during, or in connection with, our 2011 and 2010 fiscal years.

	2011		2010	
Audit Fees	\$	859,000	\$	715,000
Audit-Related Fees (1)	\$	266,500	\$	90,000
Tax Fees (2)	\$	252,488	\$	285,935
All Other Fees				
Total	\$	1,377,988	\$	1,000,935

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- (1) Audit-Related Fees for 2011 and 2010 include fees to review various registration statements and other agreements.

- (2) Tax fees for 2011 and 2010 related to tax consulting services.

All audit and permissible non-audit services provided by KPMG LLP to us were approved by the Audit Committee, either pursuant to the Audit Committee's Audit and Non-Audit Services Pre-Approval Policy or through a separate pre-approval by the Audit Committee, which concluded that the provision of such services by KPMG LLP was compatible with the maintenance of that firm's independence from us.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee's policy is to review and pre-approve either pursuant to the Audit Committee's Audit and Non-Audit Services Pre-Approval Policy or through a separate pre-approval by the Audit Committee, any engagement of our independent registered public accounting firm to provide any audit or permissible non-audit service to us. Pursuant to the Audit and Non-Audit Services Pre-Approval Policy, which is annually reviewed and reassessed by the Audit Committee, a list of specific services within certain categories of services, including audit, audit-related, tax and other services, are specifically pre-approved for the upcoming or current fiscal year, subject to an aggregate maximum annual fee payable by us for each category of pre-approved services. Any service that is not included in the approved list of services must be separately pre-approved by the Audit Committee. In addition, all audit and permissible non-audit services in excess of the pre-approved fee level, whether or not included on the approved list of services, must be separately pre-approved by the Audit Committee. The Audit Committee has delegated authority to its chairman to specifically pre-approve engagements for the performance of audit and permissible non-audit services, for which the estimated cost for each specified type of service shall not exceed \$200,000. The chairman must report all pre-approval decisions to the Audit Committee at its next scheduled meeting and provide a description of the terms of the engagement, including (a) the type of services covered by the engagement, (b) the dates the engagement is scheduled to commence and terminate, (c) the estimated fees payable by us pursuant to the engagement, (d) other material terms of the engagement, and (e) such other information as the Audit Committee may request.

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**PROPOSAL 2:
RATIFICATION OF THE APPOINTMENT OF KPMG LLP
AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Trustees appointed KPMG LLP to serve as our independent registered public accounting firm for the year ending December 31, 2011.

The Board of Trustees asks shareholders to ratify the appointment of KPMG LLP as our independent registered public accounting firm. Although ratification is not required by our bylaws or otherwise, the Board believes ratification by shareholders is a matter of good corporate governance. If the appointment is not ratified, the Audit Committee will consider whether it is appropriate to select another registered public accounting firm. Even if the selection is ratified, the Audit Committee in its discretion may select a different registered public accounting firm at any time during the year if it determines that such a change would be in our best interests and in the best interests of our shareholders. We expect a representative of KPMG LLP to be present at the annual meeting. The representative will have the opportunity to make a statement and will be available to respond to appropriate questions.

Vote Required and Recommendation of the Board of Trustees

Ratification of the appointment of KPMG LLP requires the affirmative vote of a majority of the votes cast on the proposal (which means the votes cast for the proposal must exceed the votes cast against the proposal). Abstentions on this proposal are not counted as votes cast and will therefore have no effect on the outcome of the vote on this proposal and uninstructed shares on this proposal held by a bank or broker may be voted in the discretion of the bank or broker and treated as votes cast.

OUR BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF THE AUDIT COMMITTEE S APPOINTMENT OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2012.

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**PROPOSAL 3:
ADVISORY VOTE ON EXECUTIVE COMPENSATION**

The recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, enables our shareholders to vote to approve, on an advisory (non-binding) basis, the compensation of our named executive officers as disclosed in this proxy statement in accordance with the SEC's rules, as well as to vote to recommend, also on an advisory basis, the frequency of such votes on executive compensation. Our shareholders voted at the 2011 annual meeting of shareholders to adopt resolutions recommending that such votes on executive compensation be held on an annual basis. As disclosed in a Current Report on Form 8-K filed with the SEC on June 2, 2011, our Board of Trustees adopted the recommendation of our shareholders to hold annual advisory votes to approve our executive compensation. Accordingly, we are providing this vote as recommended by our shareholders and approved by our Board of Trustees.

As described in detail under the heading "Compensation Discussion and Analysis - Executive Compensation" our executive compensation programs are designed to attract, retain and motivate our named executive officers, who are critical to our success. The Compensation Committee continually reviews the compensation programs for our named executive officers to ensure they achieve the Board's commitment to provide executive compensation programs that conform with generally accepted best pay practices and align our executive compensation structure with our shareholders' interests. Under these programs, our named executive officers are rewarded for the achievement of specific annual, long-term and strategic goals, corporate goals, and the realization of increased shareholder value. Please read the "Compensation Discussion and Analysis" for additional details about our executive compensation programs, including information about the fiscal year 2011 compensation of our named executive officers.

We are asking our shareholders to indicate their support for our named executive officer compensation as described in this proxy statement. This proposal, commonly known as a "say-on-pay" proposal, gives our shareholders the opportunity to express their views on our named executive officers' compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement. Accordingly, we will ask our shareholders to vote **FOR** the following resolution at the Annual Meeting:

RESOLVED, that the Company's shareholders approve, on an advisory basis, the compensation of the Company's named executive officers as disclosed in the Company's Proxy Statement for the 2012 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2011 Summary Compensation Table and the other related tables and disclosures.

Approval, by a non-binding, advisory vote, of our executive compensation requires the affirmative vote of a majority of all votes cast on this proposal. Abstentions and broker non-votes will therefore have no effect on the outcome of the vote on this proposal. Because the say-on-pay vote is advisory, however, it is not binding on the Company, the Compensation Committee or our Board of Trustees. Our Board of Trustees and our Compensation Committee value the opinions of our shareholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this proxy statement, we will consider our shareholders' concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

OUR BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THIS PROXY STATEMENT PURSUANT TO THE COMPENSATION DISCLOSURE RULES OF THE SECURITIES AND EXCHANGE COMMISSION.

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OTHER MATTERS

Other Matters to Come Before the 2012 Annual Meeting

No matters are to be presented for action at the annual meeting other than as set forth in this proxy statement. If other matters properly come before the meeting or any adjournment or postponement thereof, however, the persons named in the accompanying proxy will vote all proxies solicited by this proxy statement as recommended by the Board of Trustees, or, if no recommendation is given, in their own discretion.

Shareholder Proposals and Nominations for the 2013 Annual Meeting

Any shareholder proposal pursuant to Rule 14a-8 of the rules promulgated under the Exchange Act to be considered for inclusion in our proxy materials for the next annual meeting of shareholders must be received at our principal executive offices no later than December 11, 2012.

In addition, any shareholder who wishes to propose a nominee to the Board of Trustees or propose any other business to be considered by the shareholders (other than a shareholder proposal for inclusion in our proxy materials pursuant to Rule 14a-8) must comply with the advance notice provisions and other requirements of Article II, Section 12 of our bylaws, which are on file with the SEC and may be obtained from the Secretary of CubeSmart upon request. These notice provisions require that nominations of persons for election to the Board of Trustees and the proposal of business to be considered by the shareholders for the 2013 annual meeting must be received no earlier than the close of business on December 11, 2012 and no later than the close of business on January 8, 2013.

In addition, such shareholder's notice must set forth, as to each person whom the shareholder proposes to nominate for election or reelection as a trustee:

- (1) the name, age, business address and residence address of such person,
- (2) the class and number of shares of beneficial interest of CubeSmart that are beneficially owned or owned of record by such person, the date(s) on which each such security was acquired, and any short interest in any such security (including any opportunity to profit or share in any benefit from any decrease in the price of any such security) held by such person,
- (3) a description of all direct and indirect compensation and other material relationships during the past three years between or among such shareholder or any person associated with such shareholder, on the one hand, and each proposed nominee, and his or her associates, on the other hand, and

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(4) all other information relating to such person that is required to be disclosed in solicitations of proxies for election of trustees in an election contest (even if an election contest is not involved), or is otherwise required, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a trustee if elected);

- as to any other business that the shareholder proposes to bring before the meeting, a description in reasonable detail of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such shareholder (including any anticipated benefit to the shareholder therefrom) and of each beneficial owner, if any, on whose behalf the proposal is made; and

- as to the shareholder giving the notice and each beneficial owner, if any, on whose behalf the nomination or proposal is made:

(1) the name and address of such shareholder, as they appear on our share ledger and current name and address, if different, of such beneficial owner,

(2) the class and number of shares of each class of beneficial interest of CubeSmart that are owned beneficially and of record by such shareholder and owned beneficially by such beneficial owner, the date(s) on which each such security was acquired, and any short interest in any such security (including any opportunity to profit or share in any benefit from any decrease in the price of any such security) held by such shareholder or any beneficial owner, if any, on whose behalf the proposal is made,

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(3) a description of any economic interest in or any other right with respect to (including from a third party), any of our shares (or any rights, options or other securities convertible into or exercisable or exchangeable for such securities or any obligations measured by the price or value of any such securities, including, without limitation, any swaps or other derivative arrangements) held by such shareholder or any beneficial owner on whose behalf the proposal is made,

(4) a description of any agreements, arrangements or understandings between or among such shareholder or beneficial owner, on the one hand, and any other persons, on the other hand, in connection with the nomination of any person for election as a trustee,

(5) a representation that such shareholder intends to appear in person or by proxy at the annual meeting to nominate any person(s) named in its notice or to bring such proper business included in its notice before the annual meeting and whether or not such shareholder intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the U-Store-It s outstanding shares of beneficial interest required to elect the proposed nominee(s) or approve the proposal(s) included in its notice and/or otherwise to solicit proxies from shareholders in support of the election of the proposed nominee(s) or the proposal, and

(6) all other information relating to such shareholder that is required to be disclosed in solicitations of proxies for election of trustees in an election contest (even if an election contest is not involved), or is otherwise required, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act.

Householding of Proxy Materials

If you and other residents at your mailing address own common shares in street name, your broker or bank may have sent you a notice that your household will receive only one Annual Report and proxy statement for each company in which you hold shares through that broker or bank. This practice of sending only one copy of proxy materials is known as householding. If you did not respond that you did not want to participate in householding, you were deemed to have consented to the process. If the foregoing procedures apply to you, your broker has sent one copy of our Annual Report and proxy statement to your address. You may revoke your consent to householding at any time by sending your name, the name of your brokerage firm and your account number to Household Department, 51 Mercedes Way, Edgewood, NY 11717 (telephone number: 1-800-542-1061). The revocation of your consent to householding will be effective 30 days following its receipt. In any event, if you did not receive an individual copy of this proxy statement or our Annual Report, we will send a copy to you if you address your written request to or call CubeSmart, 460 East Swedesford Road, Suite 3000, Wayne, Pennsylvania 19087, Attention: Corporate Secretary (telephone number: 610- 293-5700). If you are receiving multiple copies of our Annual Report and proxy statement, you can request householding by contacting our Corporate Secretary in the same manner.

* * * * *

By Order of the Board of Trustees

Jeffrey P. Foster
Secretary

Wayne, Pennsylvania
April 10, 2012

