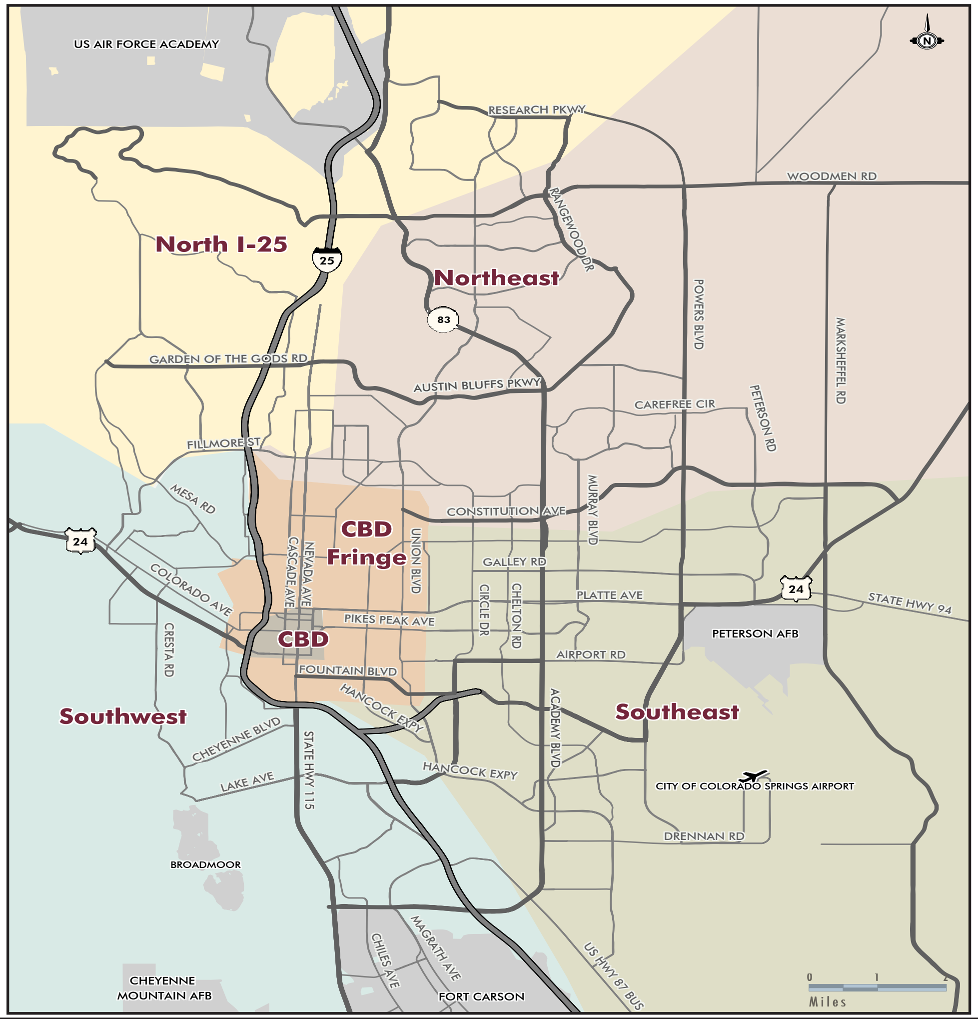
OFFICE | INDUSTRIAL | RETAIL

TOP COLORADO SPRINGS LEASE AND SALES TRANSACTIONS

Size (Sq. Ft.)	Tenant/Building	Address	Sale / Lease
77,000	Lexington Center	7899 Lexington	Sale
65,856	Springs Office Park	2862 S. Circle	Sale
47,536	Configuresoft	7450 Campus	Lease
46,305	Pavilion Medical Center	320 E. Fontanero	Sale

COLORADO SPRINGS OFFICE SUBMARKET MAP



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DEFINITION OF TERMS

Average Asking Lease Rate
Rate determined by multiplying the asking net lease rate for each building by its available space, summing the products, then dividing by the sum of the available space with net leases for all buildings in the summary.

Net Leases
Includes all lease types whereby the tenant pays an agreed rent plus most, or all, of the operating expenses and taxes for the property, including utilities, insurance and/or maintenance expenses.

Market Coverage
Includes all competitive office buildings 5,000 square feet and greater in size.

Net Absorption
The change in occupied square feet from one period to the next.

Net Rentable Area
The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies, and stairwell areas.

Occupied Square Feet
Building area not considered vacant.

Under Construction
Buildings which have begun construction as evidenced by site excavation or foundation work.

Available Square Feet
Available Building Area which is either physically vacant or unoccupied, including sublease space.

Availability Rate
Available Square Feet divided by the Net Rentable Area. This calculation includes vacant and sublease space and is given as a percentage.

Vacant Square Feet
Existing Building Area which is physically vacant or immediately available and does not include sublease space.

Vacancy Rate
Vacant Building Feet divided by the Net Rentable Area. This calculation is given as a percentage and includes vacant space but does not include sublease space.

Normalization
Due to a reclassification of the market, the base, number and square footage of buildings of previous quarters have been adjusted to match the current base. Availability and Vacancy figures for those buildings have been adjusted in previous quarters.

SIERRA COMMERCIAL REAL ESTATE, INC

For more information regarding the MarketView, please contact one of the office brokers listed.

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SIERRA COMMERCIAL REAL ESTATE, INC

MarketView 2008: Colorado Springs Q1

The office market in Colorado Springs was relatively lethargic during the first quarter of 2008. Overall office absorption was a positive 13,343 square feet, but this was elevated significantly by the opening of the 112,000 square feet T. Rowe Price building in Briargate. Vacancy rates in the metro office market rose from 11.54% to 12.65% during the first quarter. Lease rates and leasing activity remained healthy, however, with the average lease rate rising to $11.45/sf NNN and leasing activity recording 472,036 square feet..

The Class A office market cooled during the first quarter as well. Net absorption was negative 56,034 square feet, resulting in the vacancy rate climbing to 15.52%. Positive absorption was recorded in the Southeast Class A submarket, but this was not enough to offset losses in the CBD and North I-25 markets.

While comprising only 10% of the overall office market, the medical office sector has played a larger role in the dynamics of the Colorado Springs office market in the last several years. As seen in the graph below, since peaking in the second quarter of 2006, medical office vacancy has fallen dramatically compared to the overall office market. This strong performance, coupled with the construction of two new hospitals in northern Colorado Springs, has resulted in a recent surge of medical office construction.

> ***...the medical office sector has played a larger role in the dynamics of the Colorado Springs office market in the last several years.***

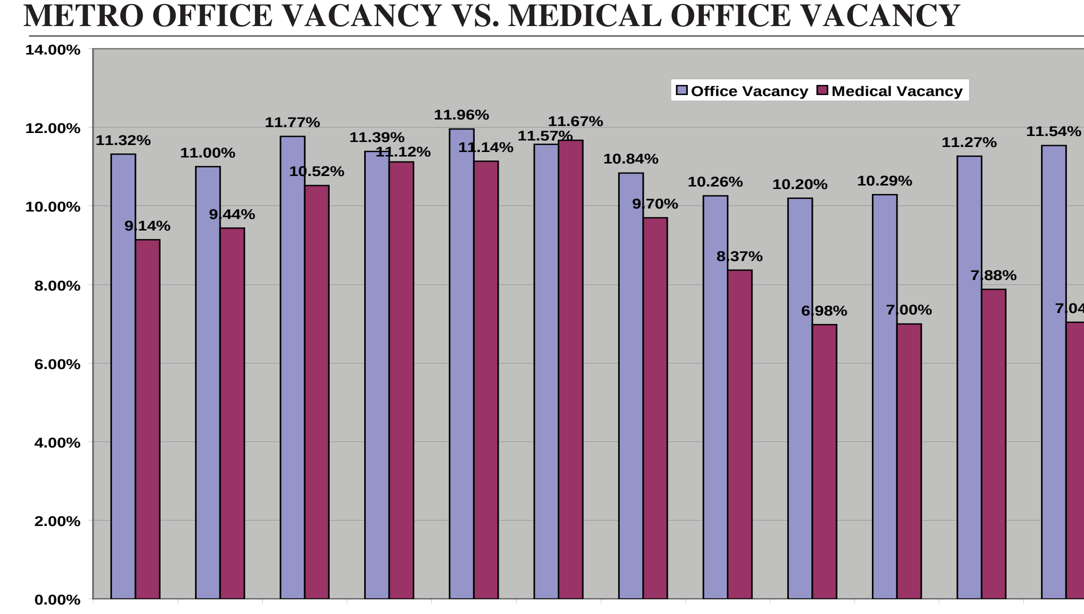
QUICK STATS

	Current	Change from last Year	Change from last Qtr.
Vacancy	12.65%	↗	↗
Lease Rates	$11.45	↗	↗
Net Absorption	13,343	↘	↘
Lease Activity	472,036	↗	↗

HOT TOPICS

- The U.S. Olympic Committee accepts a $53 million incentives package from the City of Colorado Springs to remain in Colorado Springs for the next 25 years. The incentives include new office space in a downtown office building and an overhaul of the USOC training center.
- Penrose Community Hospital announces plans to close the hospital at 3205 N. Academy Blvd. to help fund the construction of their new hospital at Woodmen Road & Powers Blvd.
- Tejon Street, from Bijou to Vermijo, is converted to two-way traffic after 37 years of one-way traffic to help ease flow for downtown retailers.

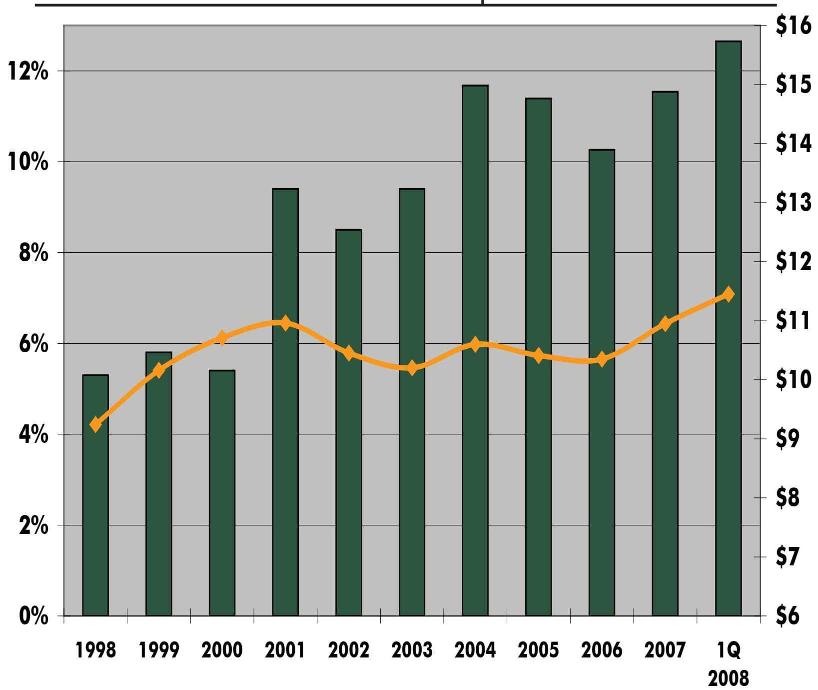
METRO OFFICE VACANCY VS. MEDICAL OFFICE VACANCY



METRO OFFICE STATISTICS

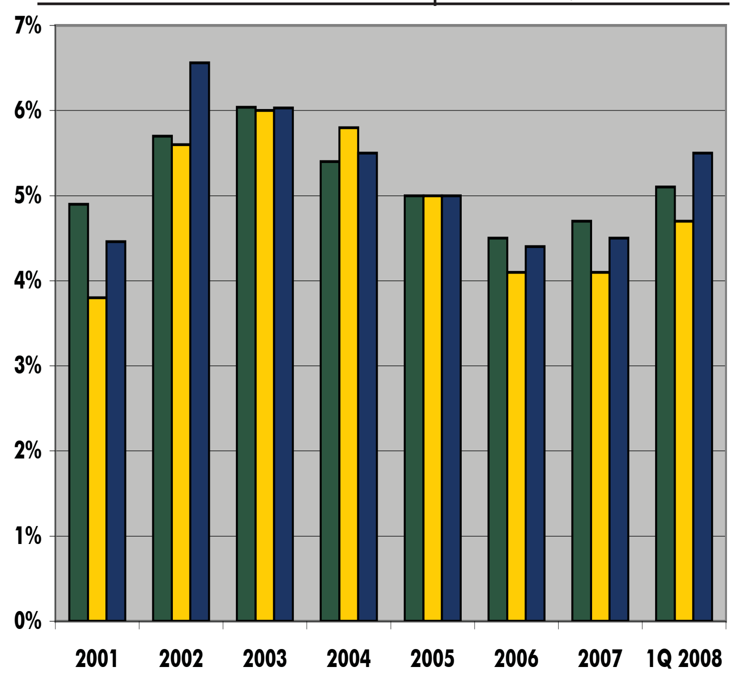
Office Submarket	Net Rentable Area	Vacant SF	Vacancy Rate %	Availability Rate %	Net Average Asking Lease Rate $ SF/YR	YTD Leasing Activity	YTD Absorption SF
CBD	3,286,953	417,947	12.72%	13.40%	$13.48	39,856	(6,954)
CBD Fringe	2,710,689	164,584	6.07%	6.38%	$10.57	21,285	(9,180)
North I-25	11,099,760	1,462,510	13.18%	14.39%	$11.25	211,181	35,562
Northeast	3,361,638	411,814	12.25%	12.61%	$12.30	47,313	(50,567)
Southeast	4,136,822	649,487	15.70%	19.90%	$10.60	117,460	73,112
Southwest	1,696,499	219,587	12.94%	13.88%	$10.44	34,941	(28,630)
Total	***26,292,361***	***3,325,929***	***12.65%***	***14.05%***	***$11.45***	***472,036***	***13,343***

METRO VACANCY/LEASE RATES



Vacancy rates in the first quarter of 2008 have risen from year end 2007, currently at 12.65%. Lease rates have also increased during the first quarter of 2008, currently at $11.45.

UNEMPLOYMENT

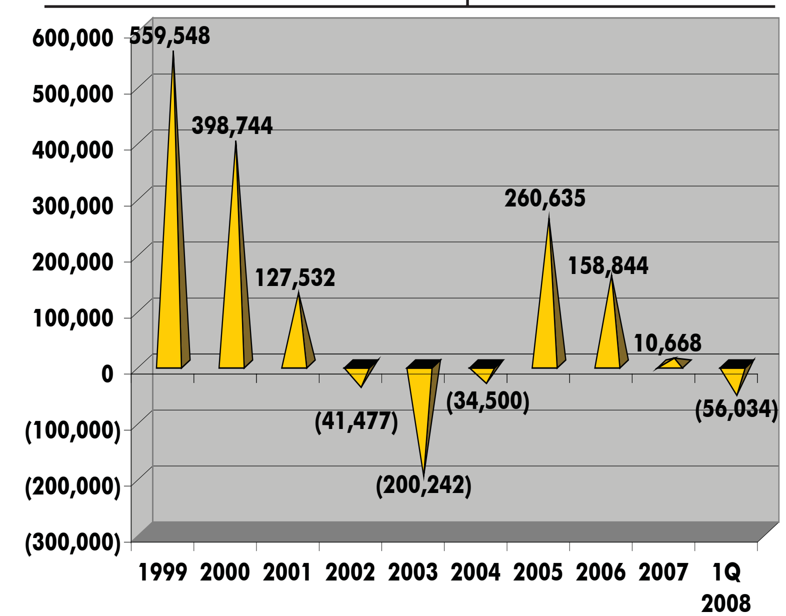


The unemployment rate in El Paso County has risen in the first quarter of 2008, from 4.5% to 5.5%. Unemployment rates both locally and nationally have been increasing since 2006.

CLASS "A" OFFICE STATISTICS

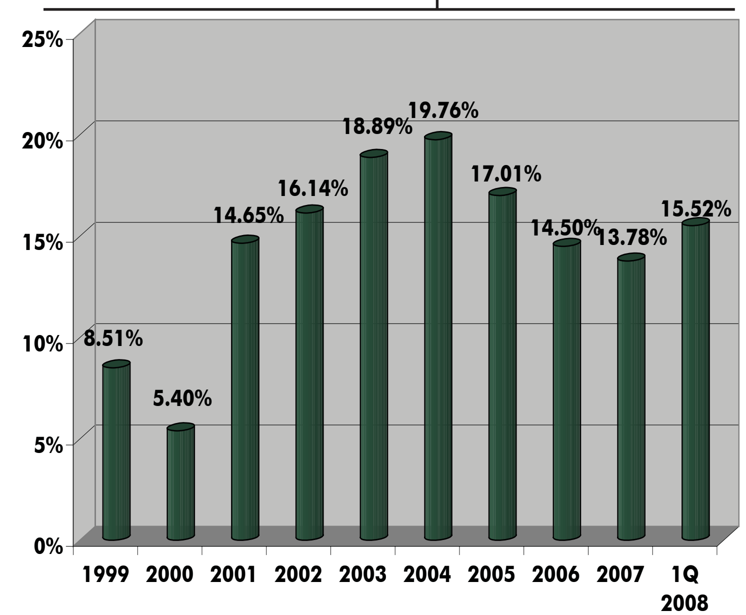
Office Submarket	Net Rentable Area	Vacant SF	Vacancy Rate %	Net Average Asking Lease Rate $ SF/YR	YTD Leasing Activity	YTD Absorption SF
North I-25	4,371,136	704,591	16.12%	$12.75	104,824	(79,781)
CBD	1,766,482	183,610	10.39%	$16.08	3,187	(21,650)
Southeast	1,318,348	268,997	20.40%	$13.21	80,138	45,397
Total	***7,455,966***	***1,157,198***	***15.52%***	***$13.39***	***188,149***	***(56,034)***

CLASS "A" ABSORPTION



Absorption in the Class "A" market was negative during the first quarter of 2008. Total Class "A" absorption year to date is negative 56,034 SF.

CLASS "A" VACANCY



Class "A" vacancy rates have increased since the end of 2007, currently at 15.52%. Rental rates have risen to a current rate of $13.39 SF NNN.

MARKET OUTLOOK FOR 2008

As predicted, the Class A office market has softened nominally as evidenced by a rise in vacancy to 15.5% at the end of the first quarter 2008 from 13.8% at year end 2007. This increase in vacancy is the result of a contraction of the residential market service providers. The investment market continues to soften due to continued problems in the debt markets.