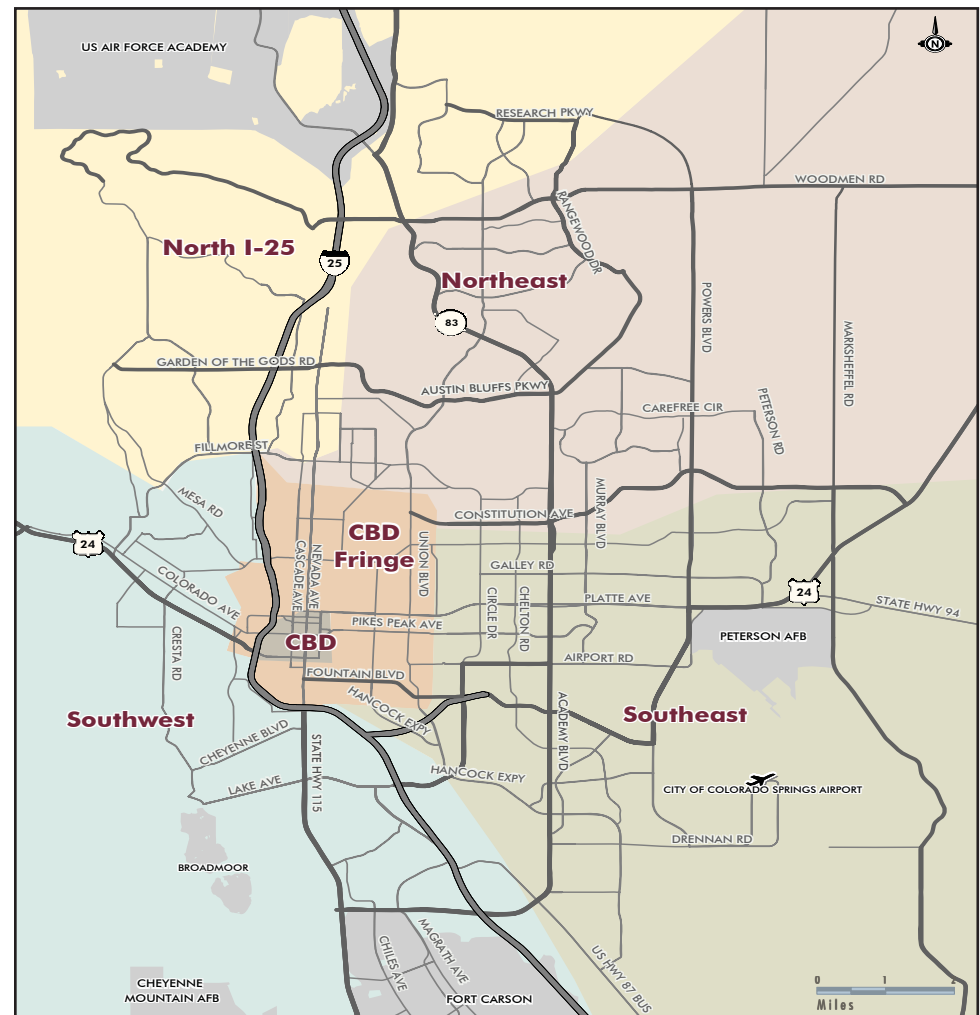


OFFICE INDUSTRIAL RETAIL

TOP COLORADO SPRINGS LEASE AND SALES TRANSACTIONS

Size (Sq. Ft.)	Tenant/Building	Address	Sale / Lease
15,556	CodeBaby	111 S. Tejon	Lease
13,765	Rangewood Medical Office	7560 Rangewood	Sale
12,148	Cascade Station	620 S. Cascade	Sale
10,114	Erindale Medical Park I	5745 Erindale	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.



QUICK STATS

	Current	Year	Qtr.
Vacancy	15.90%	▲	▲
Lease Rates	\$12.12	▲	▲
Net Absorption (314,026)		▲	▲
Lease Activity	288,072	▲	▲

HOT TOPICS

- Colorado Springs ranks #10 on Forbes' 11th annual Best Places for Business and Careers list. Four of the top twenty cities on the list are in Colorado.
- Colorado Springs Utilities receives approval from Fremont County to build a water pipeline, known as the Southern Delivery System, from the Arkansas River to east Colorado Springs. The pipeline will carry an estimated 78 million gallons of water a day, easing water concerns as the city continues to grow.
- Penrose-St. Francis Health Services is named a HealthGrades America's 50 Best Hospital, the only Colorado hospital to make the list. Nearly 5,000 hospitals were evaluated.

The Colorado Springs office market has continued to soften during the first quarter of 2009, along with all other sectors of the local commercial real estate industry. Vacancy has jumped in the first three months of 2009 to 15.90% as occupied space in the office market declined by over 300,000 square feet. Average asking lease rates have started to succumb to the increases in supply, dropping to a current average of \$12.12/SF NNN. Expect lease rates to continue to drop in the coming months until sustained positive absorption returns to the market.

70% of the negative absorption during the first quarter. With declining profits and tightened budgets, many office tenants are either downsizing significantly, or moving to more affordable Class B space.

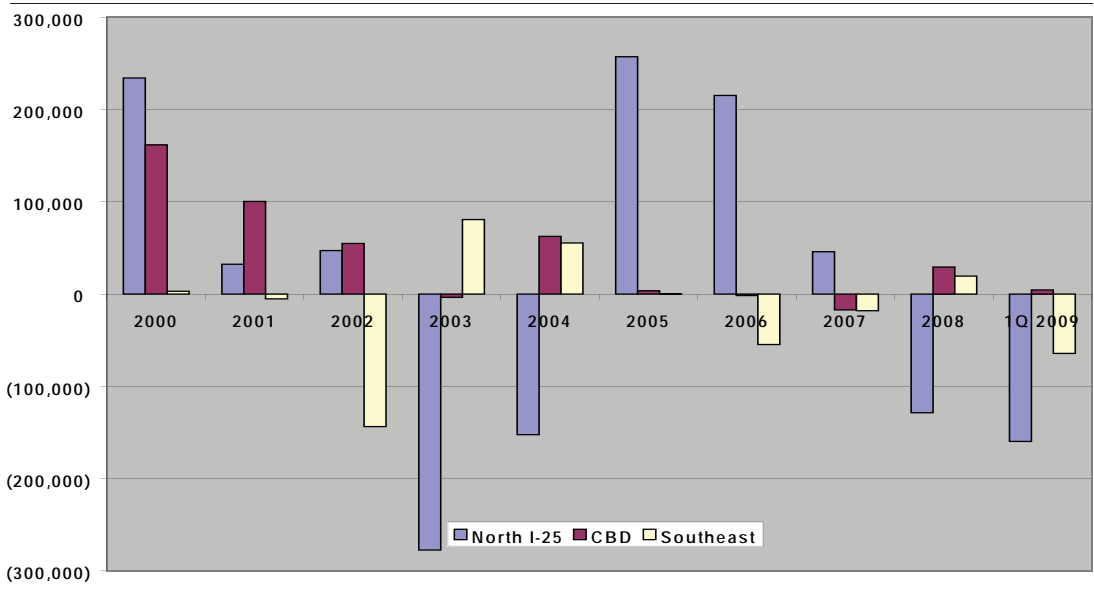
The Class A office market has been experiencing a disproportionate decline in occupancy compared to the overall office market...

Breaking down the Class A market further, the North I-25 submarket has lost nearly 160,000 square feet of occupancy during the first quarter, while the Southeast submarket has lost over 60,000 square feet. The CBD Class A market has remained relatively immune

The Class A office market has been experiencing a disproportionate decline in occupancy compared to the overall office market during recent months. While comprising only 30% of the overall market, the Class A segment is responsible for

to the current recession, posting positive absorption for the quarter. The larger users and floorplates in the North I-25 corridor and defense contractors in the Southeast market cause these submarkets to be more volatile during economic and political instability compared to the central business district.

CLASS A OFFICE ABSORPTION BY SUBMARKET



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

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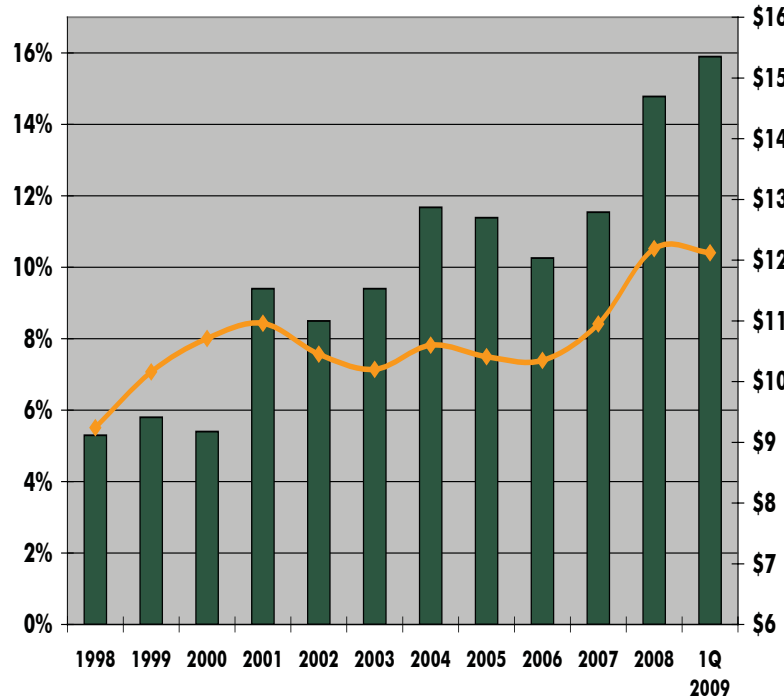
METRO OFFICE STATISTICS

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	3,278,463	374,187	11.41%	11.72%	\$14.11	35,495	30,555
CBD Fringe	2,689,840	182,459	6.78%	7.24%	\$10.60	43,963	5,718
North I-25	11,808,667	2,302,874	19.50%	20.22%	\$13.43	99,641	(263,315)
Northeast	3,447,053	443,460	12.86%	13.09%	\$11.40	65,507	7,493
Southeast	4,240,374	782,119	18.44%	19.35%	\$8.62	22,524	(77,696)
Southwest	1,717,667	237,112	13.80%	14.52%	\$10.28	20,942	(16,781)
Total	27,182,064	4,322,211	15.90%	16.51%	\$12.12	288,072	(314,026)

CLASS "A" OFFICE STATISTICS

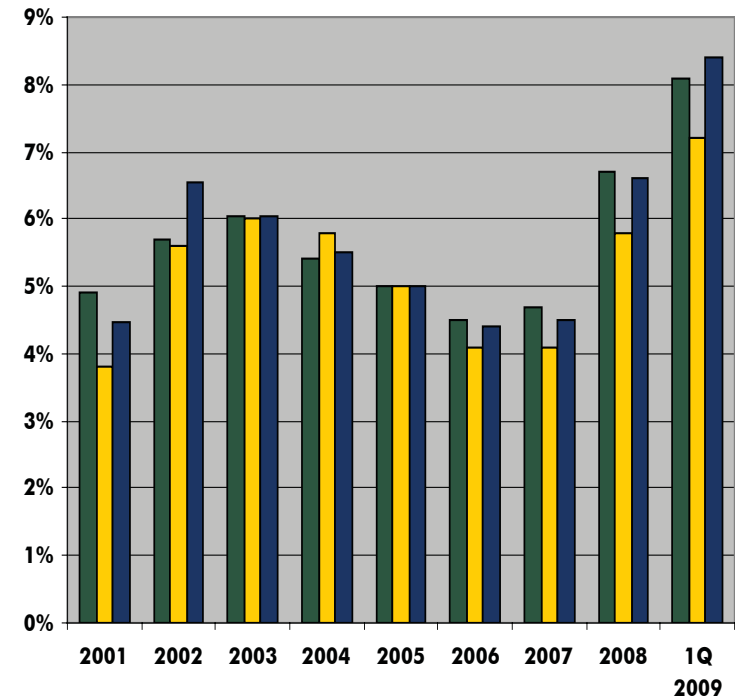
Office Submarket	Net Rentable Area	Vacant SF	Vacancy Rate %	Net Average Asking Lease Rate \$ SF/YR	YTD Leasing Activity	YTD Absorption SF
North I-25	4,788,041	1,323,069	27.63%	\$13.85	45,671	(159,612)
CBD	1,791,741	182,549	10.19%	\$15.99	13,360	4,465
Southeast	1,378,896	372,446	27.01%	\$12.28	10,651	(64,351)
Total	7,958,678	1,878,064	23.60%	\$13.75	69,682	(219,498)

METRO VACANCY/LEASE RATES
 Lease Rates: \$12.12
 Vacancy: 15.90%



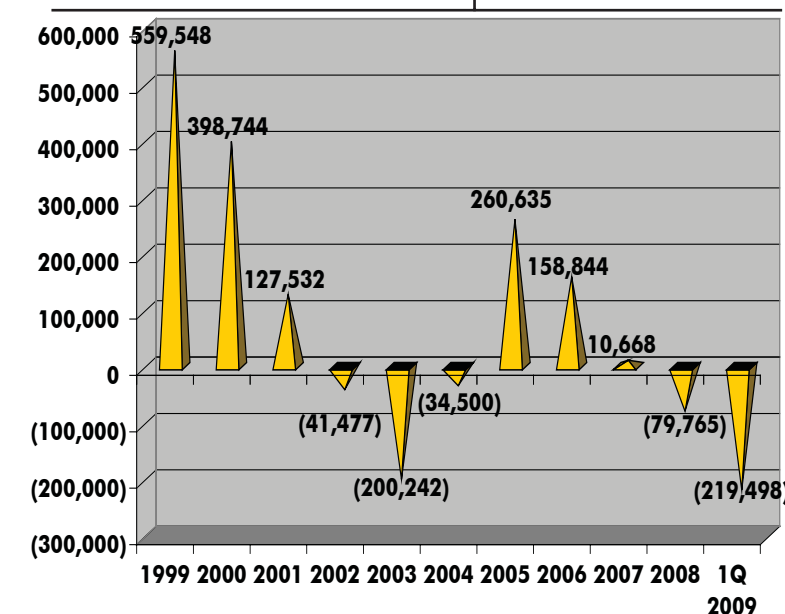
Vacancy rates during the first quarter of 2009 have risen from year end 2008, currently at 15.90%. Lease rates have begun to decline in 2009, currently at \$12.12/SF/NNN.

UNEMPLOYMENT
 United States: 8.1%
 Colorado: 7.2%
 El Paso County: 8.4%



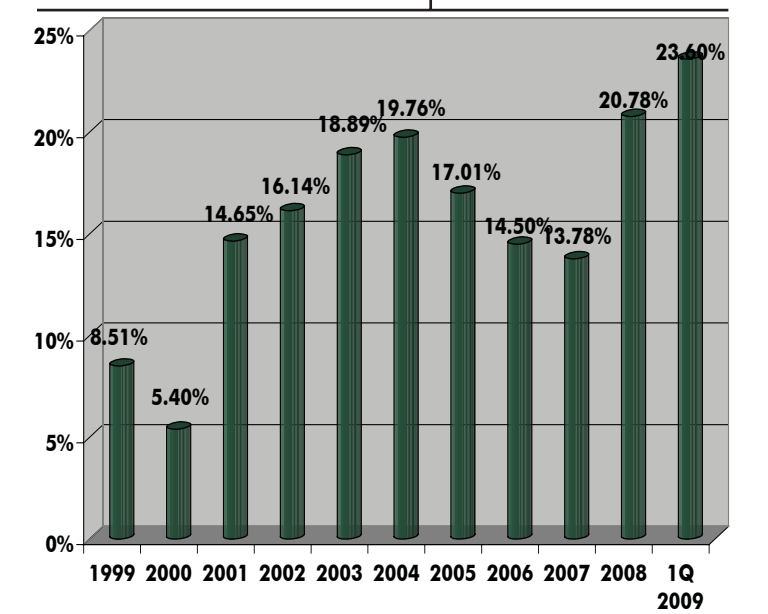
The unemployment rate in El Paso County has risen during 2008 and into 2009 to a current rate of 8.4%. Unemployment rates both locally and nationally have been increasing steadily since 2006.

CLASS "A" ABSORPTION
 Annual Absorption: (219,498)



Absorption in the Class "A" market was negative 219,498 square feet during the first quarter of 2009, continuing a trend of declining absorption that began in 2006.

CLASS "A" VACANCY
 Annual Vacancy: 23.60%



Class "A" vacancy rates have increased since the end of 2007, currently at 23.60%. Rental rates have declined during the first quarter of 2009 to a current rate of \$13.75 SF NNN.

MARKET OUTLOOK FOR 2009

While the local Class A market has been significantly affected by the national recession, some glimmers of economic hope began to appear towards the end of the first quarter of 2009, both nationally and locally. If the economy can get its footing soon and recovery begins, local Class A tenants will be able to take advantage of available high quality Class A space as they begin to grow.

