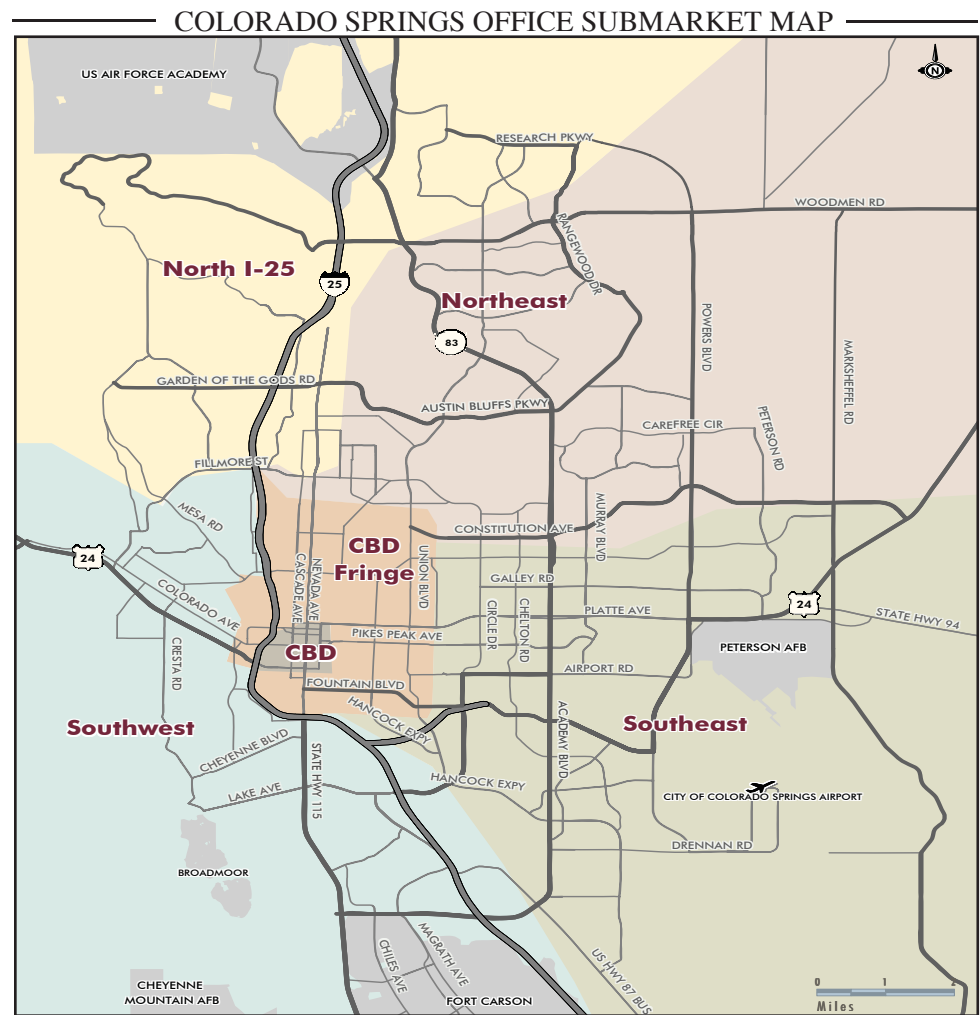


OFFICE INDUSTRIAL RETAIL

TOP COLORADO SPRINGS LEASE AND SALES TRANSACTIONS

Size (Sq. Ft.)	Tenant/Building	Address	Sale / Lease
61,504	RT Logic Building	12515 Academy Ridge Vw.	Sale
40,441	Lockheed Martin	10807 New Allegiance	Lease
34,000	Affiliated Computer Services	2424 Garden of the Gods	Lease
20,000	Kaiser Permanente	4105 Briargate Pkwy.	Lease



OFFICE BROKERAGE SERVICES:

Kenton R. Mau, Senior Managing Director 719.955.2013 kmau@sierracre.com	Mark G. O'Donnell, Jr., Broker Associate 719.955-2017 modonnell@sierracre.com
Randy Miller, Managing Director 719.955.2015 rmiller@sierracre.com	Nicola Myers-Murty, Broker Associate 719.955.2021 nmyersmurty@sierracre.com
Brian Wagner, Managing Director 719.955.2016 bwagner@sierracre.com	Amanda Gaden, Broker Associate 719.955.2003 agaden@sierracre.com
Lonnie Wagner, Managing Director 719.955.2031 lwagner@sierracre.com	

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.



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

HOT TOPICS

- 3,800 troops from the 1st Brigade Combat Team of the 4th Infantry Division arrive at Fort Carson. By the end of 2009, Fort Carson is expected to be home to 25,000 troops, an increase of 11,000 troops since 2003.
- Affiliated Computer Services, a Dallas-based outsourcing company, announces plans to open a Colorado Springs customer-service center and hire 600 employees by the end of August.
- According to a Manpower Employment Outlook Survey released in June, employers in Colorado Springs plan to hire at the fastest rate in the state during the third quarter. Twenty-two percent of surveyed employers plan to hire new employees, compared to 14% in Ft. Collins/Loveland, 18% in Boulder, and 9% in Denver.

At the end of the second quarter of 2009, the office market in Colorado Springs experienced a loss of occupied space for the seventh consecutive quarter. This decline in occupancy has pushed metro vacancy rates to a current level of 17.01%, up from 15.90% at the end of the first quarter. Absorption has registered a negative 380,009 square feet year-to-date on lower than average leasing activity of 440,602 square feet. Average asking lease rates in the metro office market have dropped slightly to a current level of \$12.15/SF/NNN.

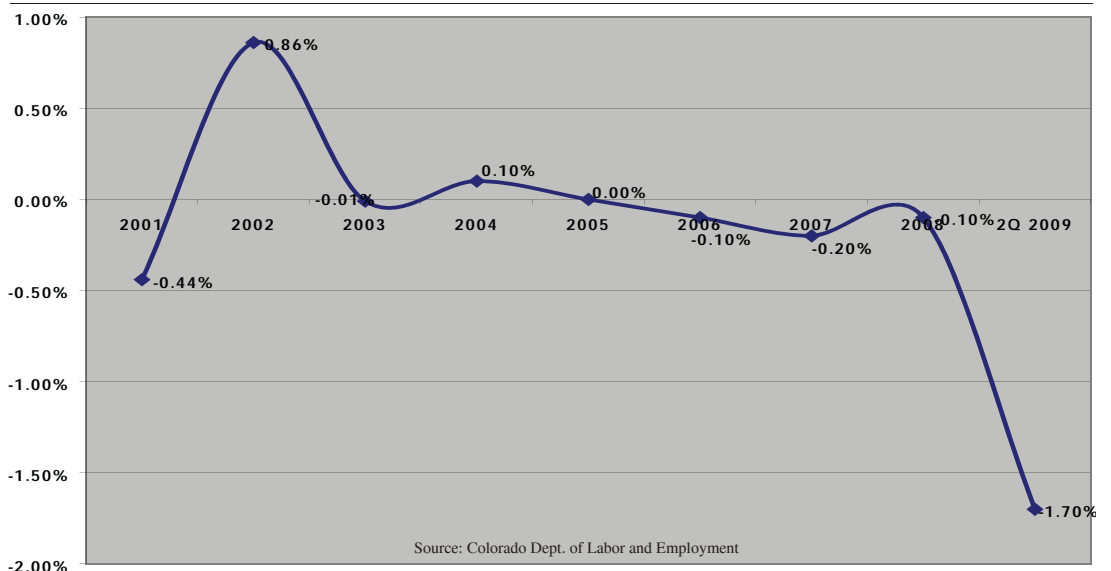
second quarter. The slowdown in occupancy loss along with the majority of new Class A construction being completed offers hope that upward vacancy rate pressure will begin to ease as less unleased space is delivered to the market.

While a slowdown in new product delivery will relieve vacancy rate pressure, positive absorption is still necessary for the market to change course.

While a slowdown in new product delivery will relieve vacancy rate pressure, positive absorption is still necessary for the market to change course. Job creation is essential for this to occur. With increasing unemployment rates locally and

nationally, positive absorption would seem out of the question anytime soon. However, as seen in the graph below, unemployment is increasing locally at a much slower rate than the national average. The Colorado Springs labor market, as well as the office market, should be well positioned to take advantage of improved conditions quickly.

EL PASO COUNTY UNEMPLOYMENT RATE LESS NATIONAL UNEMPLOYMENT RATE



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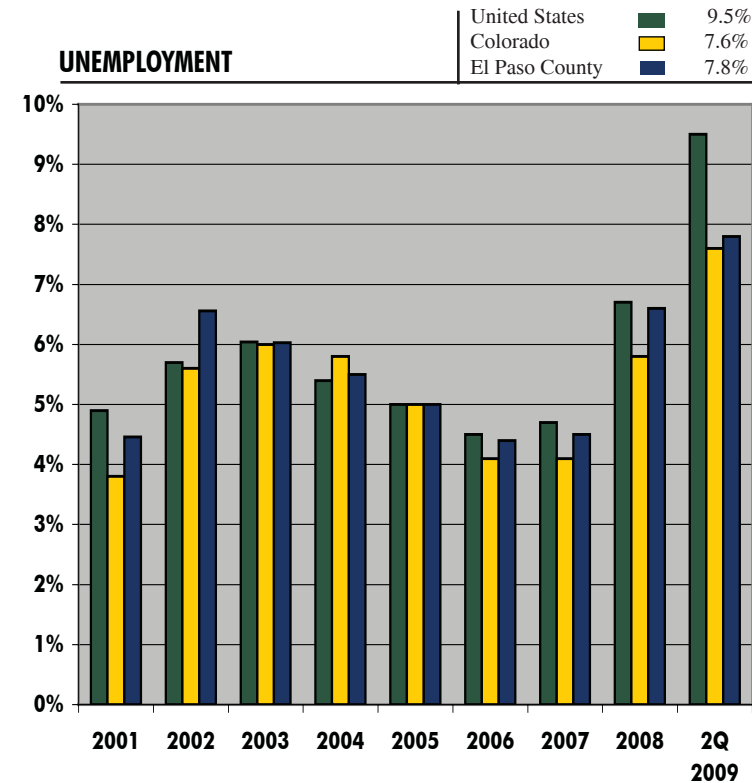
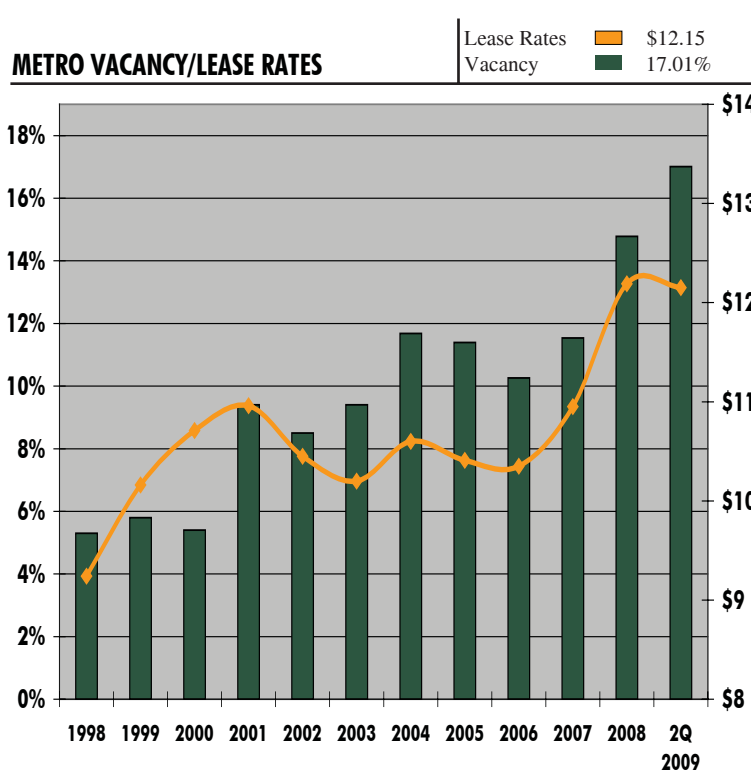
METRO OFFICE STATISTICS

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	380,728	11.61%	12.12%	\$13.98	40,237	24,014
CBD Fringe	2,689,840	179,926	6.69%	7.00%	\$10.49	47,047	8,251
North I-25	11,961,320	2,576,652	21.54%	22.22%	\$13.47	207,768	(280,622)
Northeast	3,467,451	452,668	13.05%	13.34%	\$11.00	93,575	(1,715)
Southeast	4,240,374	813,120	19.18%	19.99%	\$8.71	28,737	(104,912)
Southwest	1,717,667	249,397	14.52%	15.23%	\$10.15	23,238	(25,025)
Total	27,355,115	4,652,491	17.01%	17.60%	\$12.15	440,602	(380,009)

CLASS "A" OFFICE STATISTICS

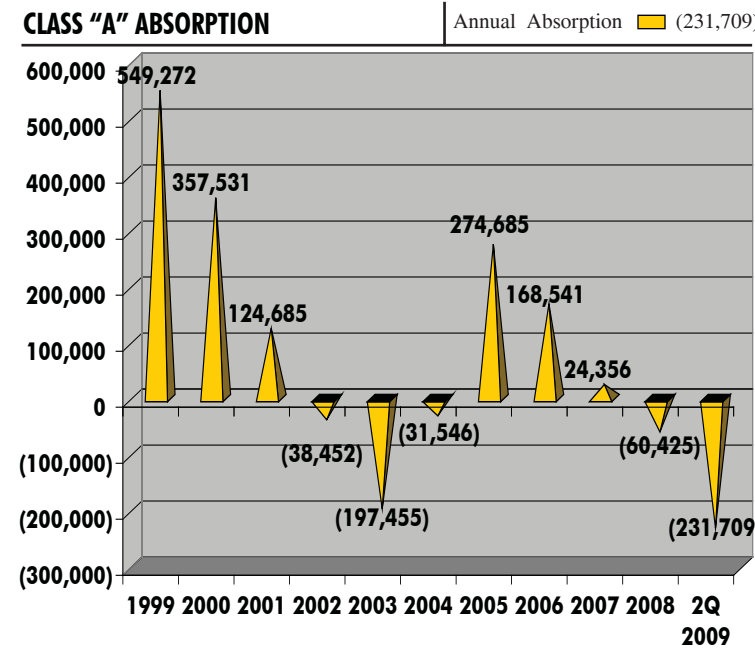
Office Submarket	Net Rentable Area	Vacant SF	Vacancy Rate %	Net Average Asking Lease Rate \$ SF/YR	YTD Leasing Activity	YTD Absorption SF
North I-25	4,653,299*	1,375,291	29.56%	\$14.27	114,937	(140,537)
CBD	1,791,741	188,621	10.53%	\$15.88	18,102	(1,607)
Southeast	1,378,896	401,445	29.11%	\$12.34	14,764	(89,565)
Total	7,823,936	1,965,357	25.12%	\$14.03	147,803	(231,709)

*Buildings under 40,000 square feet were removed from the Class A subset during the 2nd quarter of 2009. The graphs below reflect the new Class A base.
 *Removed Buildings: 540 Elkton Drive - 32,370 SF; 1915 Jamboree - 38,872 SF; 1935 Jamboree - 38,872 SF; 1485 Kelly Johnson - 29,035 SF; 1880 Office Club - 30,641 SF; 5520 Tech Center - 24,787 SF; 5540 Tech Center - 18,173 SF; 1310 United Heights - 33,365 SF

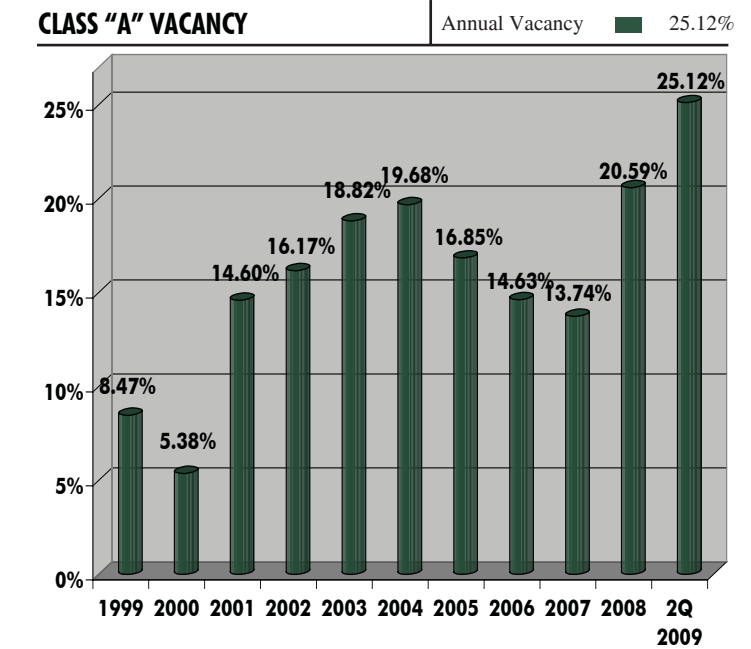


Vacancy rates during the second quarter of 2009 have risen from year end 2008, currently at 17.01%. Lease rates have declined in 2009, currently at \$12.15/SF/NNN.

The unemployment rate in El Paso County has risen during 2008 and into 2009 to a current rate of 7.8%. Unemployment rates both locally and nationally have been increasing steadily since 2006.



Absorption in the Class "A" market was negative 231,709 square feet during the first half of 2009, continuing a trend of declining absorption that began in 2006.



Class "A" vacancy rates have increased since the end of 2007, currently at 25.12%. Rental rates have declined during the first half of 2009 to a current rate of \$14.03 SF NNN.

MARKET OUTLOOK FOR 2009

The North I-25 Class A office market in Colorado Springs experienced positive absorption of 19,075 square feet during the second quarter, compared to negative 159,612 square feet during the first quarter. If this trend can continue during the remainder of 2009 and local employment conditions improve, pressure on rising vacancy rates within the Class A market will begin to subside. With several new Class A buildings recently completed and an abundance of large available floorplates, a trend reversal is very possible with only one or two sizeable transactions. When economic growth returns in the national economy, the Colorado Springs Class A office market is very well positioned to recover quickly.

