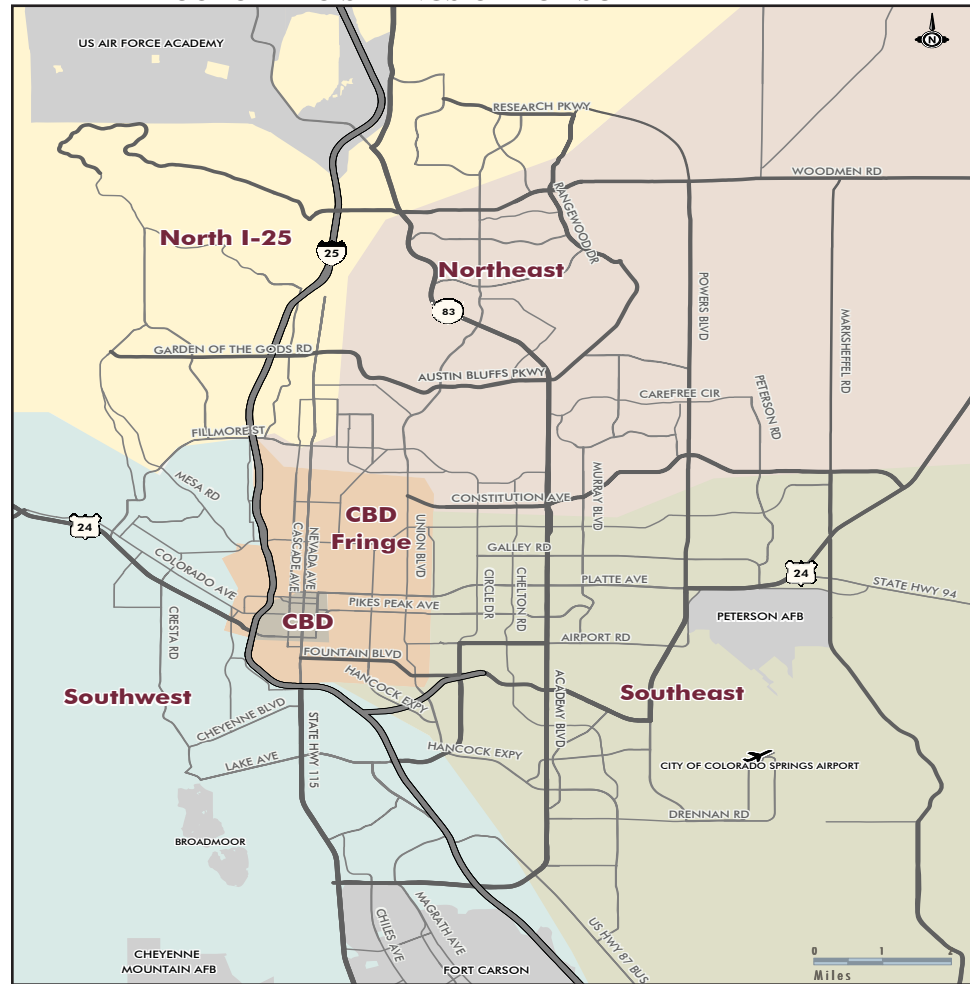


OFFICE INDUSTRIAL RETAIL

TOP COLORADO SPRINGS LEASE AND SALES TRANSACTIONS

Size (Sq. Ft.)	Tenant/Building	Address	Sale / Lease
201,515	Tiffany Square	6805 Corporate Dr.	Sale
78,778	Woodmen Office Campus II	7450 Campus Dr.	Sale
20,000	Auxsol, Inc.	1820 Jet Stream Dr.	Lease
17,000	Black Forest Engineering	9348 Grand Cordera Pkwy.	Sale

COLORADO SPRINGS OFFICE SUBMARKET MAP



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

	Current	Year	Change from last	Qtr.
Vacancy	18.27%	▲	▲	▲
Lease Rates	\$11.53	▲	▲	▲
Net Absorption	251,172	▲	▲	▲
Lease Activity	832,260	▲	▲	▲

HOT TOPICS

- The construction of the Woodmen Road overpass on Academy Boulevard continues on schedule, with the overpass beginning to take shape as girders are erected. The project is scheduled for completion during summer of 2011.
- The U.S. Olympic Committee and National Governing Bodies announce a \$250,000 grant to help provide local youth sports and recreation programs.
- Two Colorado Springs high schools rank in the top four hundred public high schools nationally by an annual ranking from Newsweek magazine. Rampart High School ranked #368, while Cheyenne Mountain High School ranked #384.

The Colorado Springs metro office market has experienced an uptick during the second quarter of 2010, with vacancy rates falling to 18.27% and over 250,000 square feet of absorption year-to-date. Average asking lease rates have appeared to bottom out during the first quarter, as rates increased for the first time since mid-2008 to a current level of \$11.53/SF/NNN.

While the picture of the overall office market appears to be improving, activity remains relatively sluggish in Class A product. Absorption in the Class A market for the first half of the year has registered negative 35,046 square feet. Vacancy was virtually unchanged during the second quarter, currently at 26.10%. Class A asking lease rates have increased slightly to \$13.02/SF/NNN, but the increase is minimal. A larger increase

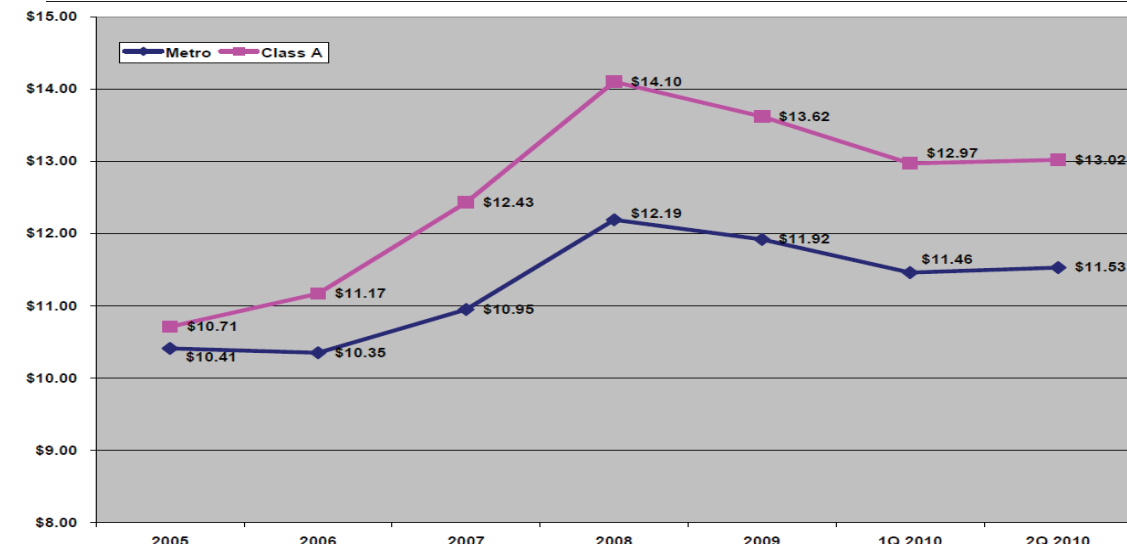
While the picture of the overall office market appears to be improving, activity remains relatively sluggish in Class A product.

over a longer time period will determine whether or not the bottom has been found.

While recent reports suggest an increased possibility of a double-dip national recession, several recent and anticipated significant deals offer continued hope that

the local office market is beginning to strengthen. During the second quarter, the United States Olympic Committee moved into their new headquarters in the central business district, absorbing over 75,000 square feet. On the horizon, El Paso County is expected to purchase and occupy a 289,000 square foot office building at Corporate Ridge, closing in August. Assuming this transaction occurs, the office market will receive some much needed momentum during the second half of the year.

METRO OFFICE ASKING LEASE RATES VS. CLASS A ASKING LEASE RATES



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METRO OFFICE STATISTICS

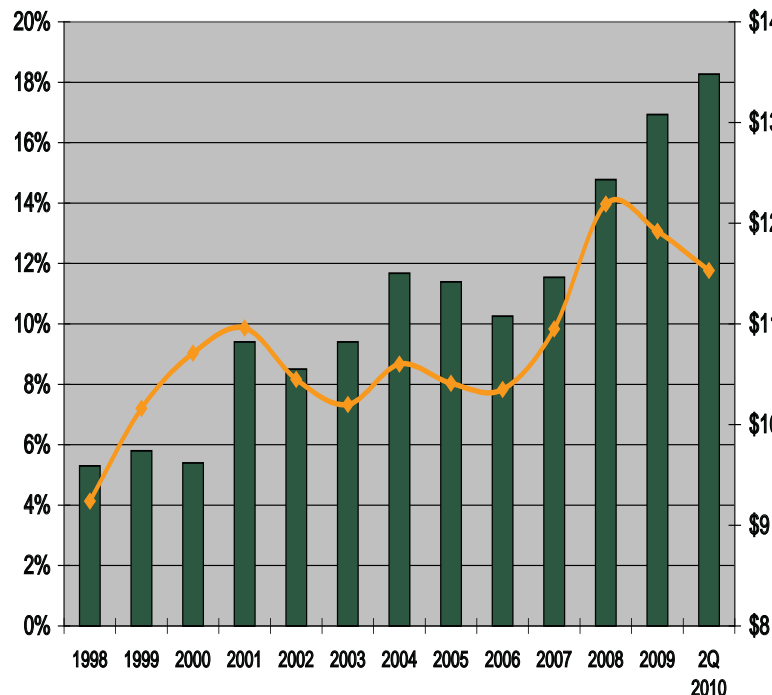
Office Submarket	Net Rentable Area	Vacant SF	Vacancy Rate %	Availability Rate %	Net Average Asking Lease Rate \$ SF/YR	YTD Leasing Activity	YTD Absorption SF
CBD	3,390,723	446,037	13.15%	13.99%	\$13.08	129,768	74,039
CBD Fringe	2,744,816	178,816	6.51%	6.72%	\$10.42	60,605	14,992
North I-25	12,257,785	2,801,629*	22.86%	23.33%	\$12.56	405,961	187,324
Northeast	3,445,781	478,274	13.88%	14.03%	\$9.95	108,547	(13,075)
Southeast	4,329,329	905,806	20.92%	21.24%	\$9.12	79,112	19,205
Southwest	1,725,731	284,413	16.48%	16.48%	\$10.07	48,267	(31,313)
Total	27,894,165	5,094,975	18.27%	18.67%	\$11.53	832,260	251,172

* Over 500,000 SF of vacant office space at the former Intel facility on Garden of the Gods Rd. (Corporate Ridge) was reintroduced to the office statistics during the first quarter of 2010

CLASS "A" OFFICE STATISTICS

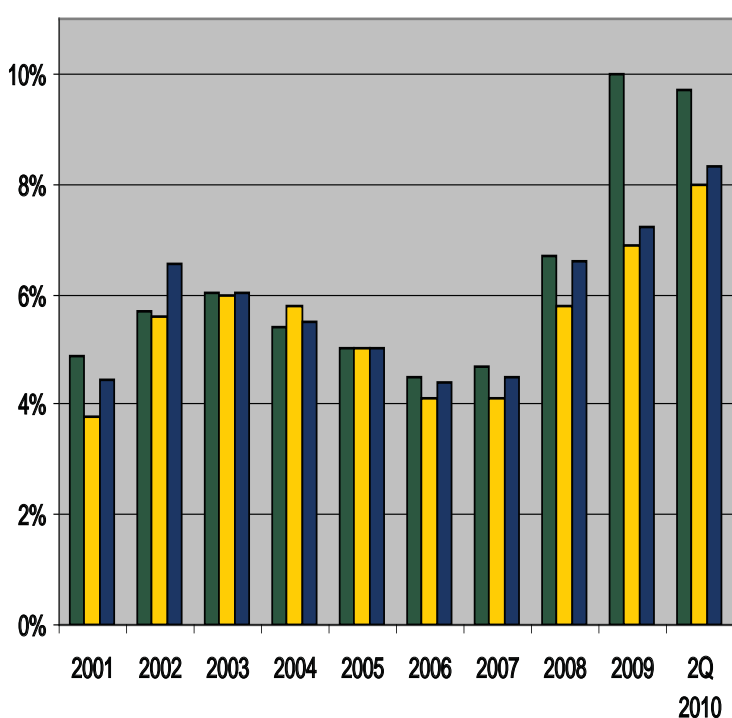
Office Submarket	Net Rentable Area	Vacant SF	Vacancy Rate %	Net Average Asking Lease Rate \$ SF/YR	YTD Leasing Activity	YTD Absorption SF
North I-25	4,653,299	1,358,824	29.20%	\$12.81	107,975	(11,355)
CBD	1,791,741	208,316	11.63%	\$14.44	14,680	(7,312)
Southeast	1,429,857	487,859	34.12%	\$12.99	3,834	(16,380)
Total	7,874,897	2,054,999	26.10%	\$13.02	126,489	(35,047)

METRO VACANCY/LEASE RATES | Lease Rates \$11.53 | Vacancy 18.27%



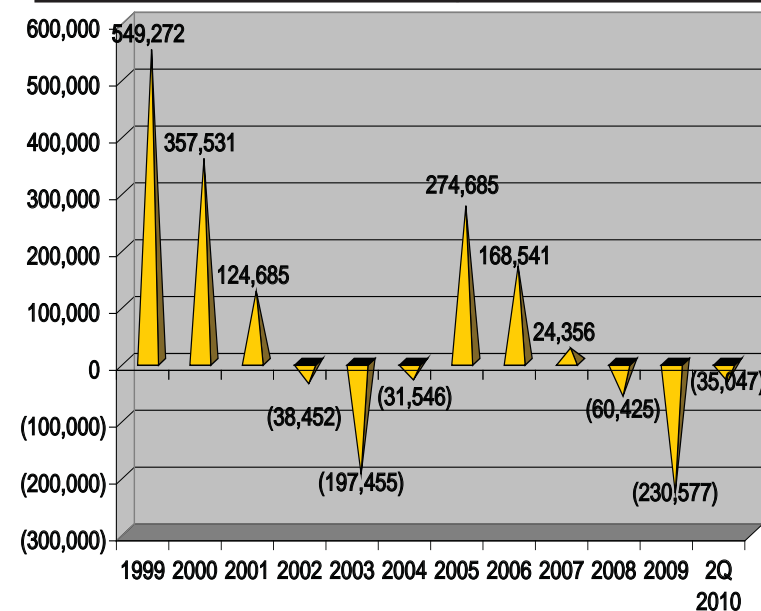
Vacancy rates during 2010 have risen from year end 2009, currently at 18.27%. Lease rates have declined in 2009 and 2010, currently at \$11.53/SF/NNN.

UNEMPLOYMENT | United States 9.7% | Colorado 8.0% | El Paso County 8.3%



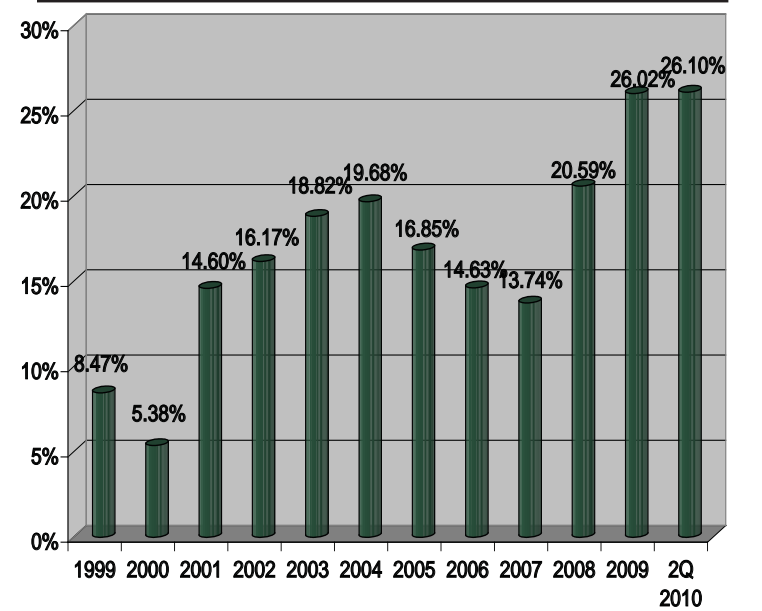
The unemployment rate in El Paso County has risen since 2007 to a current rate of 8.5%. Unemployment rates both locally and nationally have been increasing steadily since 2006.

CLASS "A" ABSORPTION | Annual Absorption (35,047)



Absorption in the Class "A" market was negative 35,047 square feet during the first half of 2010, continuing a trend of negative absorption that began in 2008.

CLASS "A" VACANCY | Annual Vacancy 26.10%



Class "A" vacancy rates have increased since the end of 2007, currently at 26.10%. Rental rates have declined during the first half of 2010 to a current rate of \$13.02/SF NNN.

MARKET OUTLOOK FOR 2010

As the national economy continues to struggle to recover, so does the Class A office market in Colorado Springs. Year-to-date activity has been minimal, and absorption is still negative. However, with several transactions anticipated to occur in the second half of the year, expect absorption in the Class A market to end 2010 in positive territory for the first time since 2007. It is hopeful that investment activity will also increase over the next several months, as interest rates have dropped to near 50-year lows and credit slowly begins to be more readily available.

