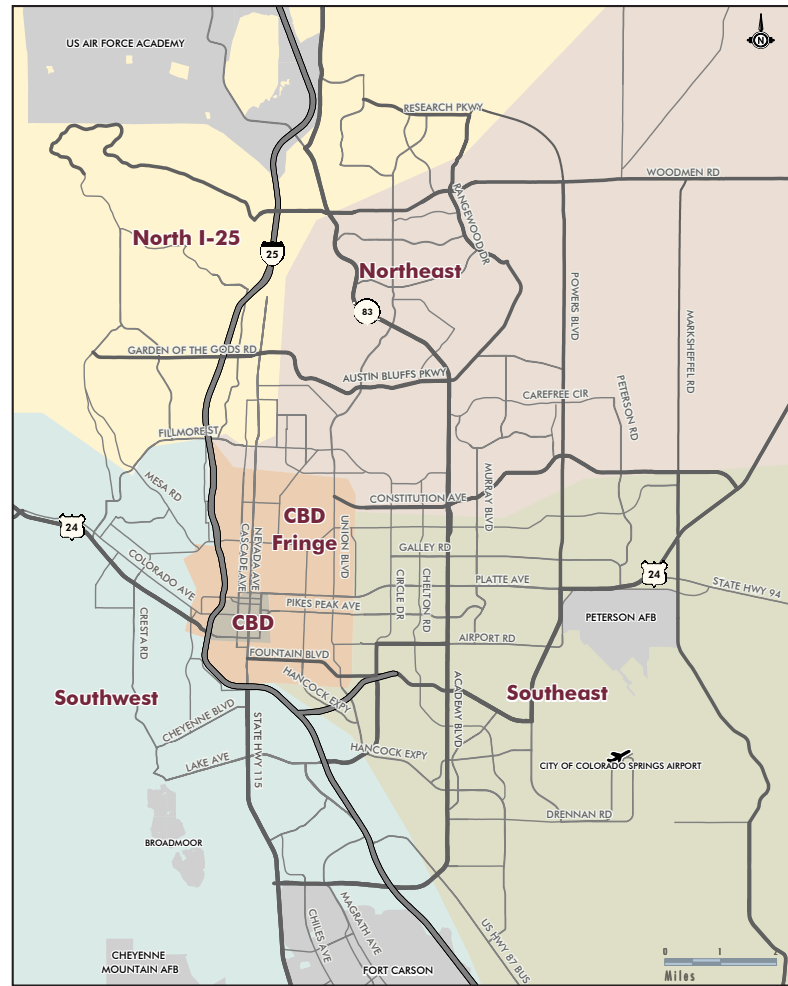


OFFICE INDUSTRIAL RETAIL

TOP COLORADO SPRINGS LEASE AND SALES TRANSACTIONS

Size (Sq. Ft.)	Tenant/Building	Address	Sale / Lease
112,883	Pikes Peak Library District	1175 Chapel Hills Dr.	Sale
38,000	Pikes Peak Hospice	2550 Tenderfoot Hills Rd.	Sale
25,144	XLedger	1310 United Heights Rd.	Sale
13,128	URS Corporation	2315 Briargate Pkwy.	Lease

COLORADO SPRINGS OFFICE SUBMARKET MAP



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	Change from last Qtr.
Vacancy	16.50%	↓	↓
Lease Rates	\$11.14	↓	↓
Net Absorption	203,522	↓	↓
Lease Activity	991,717	↓	↓

HOT TOPICS

- After hosting a successful prologue in the 2011 USA Pro Cycling Challenge, Colorado Springs is awarded the finish of the fifth stage of the seven day race for the 2012 event in August. The stage will begin in Breckenridge and finish in downtown Colorado Springs.
- ACS announces plans to hire an additional 225 people for its call center in Colorado Springs. The positions are for service and billing inquiries of a Fortune 500 client.
- Colorado Springs ranks 2nd in the nation on Livability.com's Top 10 Cities for Veterans. The rankings were based on quality of life indicators, favorable climate, access to VA hospitals and services, and vicinity to military installations.

The Colorado Springs office market remained unchanged from year-end 2010 totaling approximately 28 million square feet of product. Very little new construction was added to the marketplace during 2011 and future development remains uncertain if not unnecessary. The vacancy rate ended the year at 16.5%, down from the 17.5% reported in December 2010. With job growth remaining stagnant, improvement on this number will remain slow. Average rents on the overall market dropped from \$11.56/SF NNN to \$11.14/SF NNN between year-end 2010 and 2011.

The investment market remains non-existent due to flat employment growth, lack of available financing and little new product to attract buyers

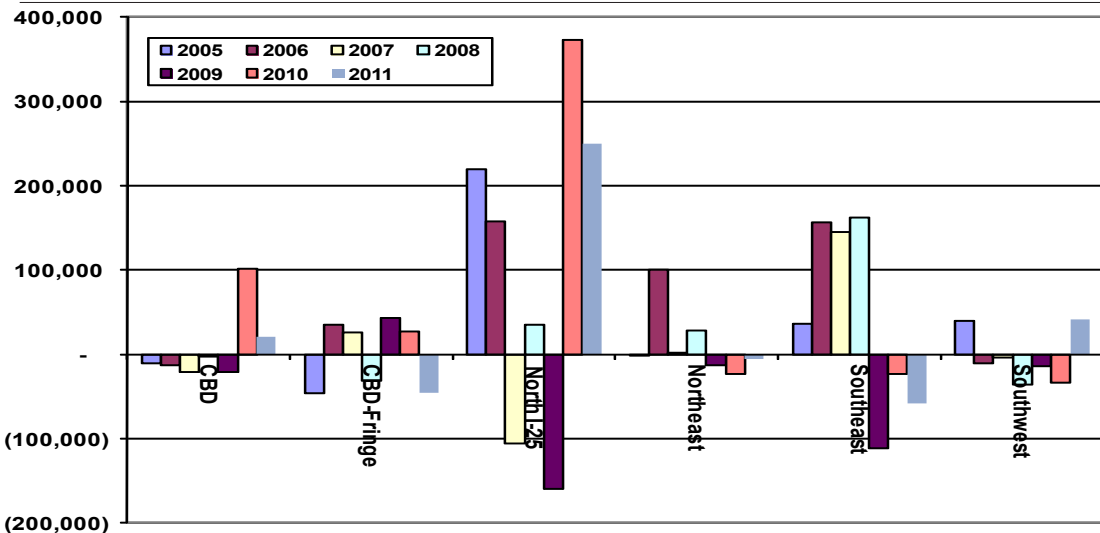
In tracking the size of the Class A submarkets, the North I-25 corridor leads the way with approximately 4.8 million square feet, the Central Business District at approximately 1.8 million square feet and the Southeast at approximately 1.4 million square feet. The North I-25 submarket is the largest and most active demographic, reporting positive absorption for the second year in a row at 311,091 square feet. This submarket also retains the highest vacancy of 1.2 million square feet, requiring approximately 4,000 new office jobs to reach stabilized occupancy of 90%. The Central Business District has remained stable with only 11% vacancy

and rates starting at \$14.95/SF NNN and rising. The Southeast market remains the greatest challenge in the Class A category due to high vacancy (31%) and little activity from the primary use - Department of Defense contracting.

Rental rates will remain flat into 2012 with high tenant finish allowances continuing as the primary inducement by landlords to retain and attract tenants. Rents on the North I-25 corridor have been and will continue to be under pressure from high vacancy rates in single-story office product in this sector. Renewed leasing of this building type will ease rate pressure on Class A multi-story product.

The investment market remains non-existent due to flat employment growth, lack of available financing and little new product to attract buyers. Owner-user opportunities have occurred and will continue due to deeply discounted values. The regional office market will continue to see buildings transfer ownership due to foreclosure. Overall trends will track similarly to the previous three to four years with slight improvement in 2012, but at a measured pace.

OFFICE ABSORPTION BY SUBMARKET - METRO MARKET



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METRO OFFICE STATISTICS

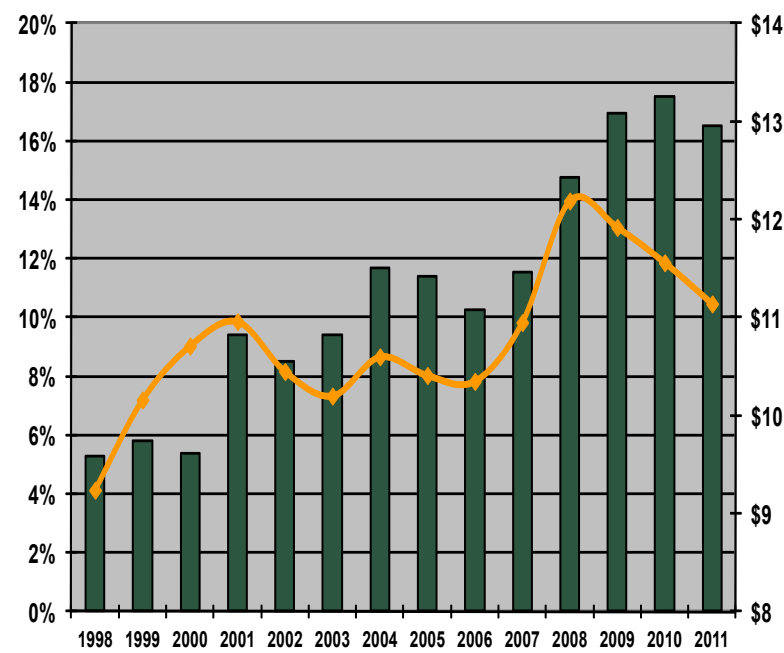
Office Submarket	Net Rentable Area	Vacant SF	Vacancy Rate %	Availability Rate %	Net Average Asking Lease Rate \$ SF/YR	YTD Leasing Activity	YTD Absorption SF
CBD	3,401,504	414,753	12.19%	13.16%	\$13.24	135,230	21,371
CBD Fringe	2,712,304	204,099	7.52%	7.73%	\$11.43	50,935	(45,970)
North I-25	12,227,054	2,200,924	18.00%	18.78%	\$12.26	512,738	249,940
Northeast	3,461,381	508,982	14.70%	15.25%	\$10.26	151,993	(5,373)
Southeast	4,329,409	1,015,631	23.46%	24.64%	\$8.77	79,543	(57,781)
Southwest	1,731,567	251,771	14.54%	14.54%	\$8.91	61,278	41,335
Total	27,863,219	4,596,160	16.50%	17.23%	\$11.14	991,717	203,522

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	4,818,317*	1,154,767	23.97%	\$12.27	348,638	311,091
CBD	1,791,741	202,124	11.28%	\$14.95	50,739	(885)
Southeast	1,429,857	448,236	31.35%	\$12.56	30,593	(7,869)
Total	8,039,915*	1,805,127	22.45%	\$12.64	429,970	302,337

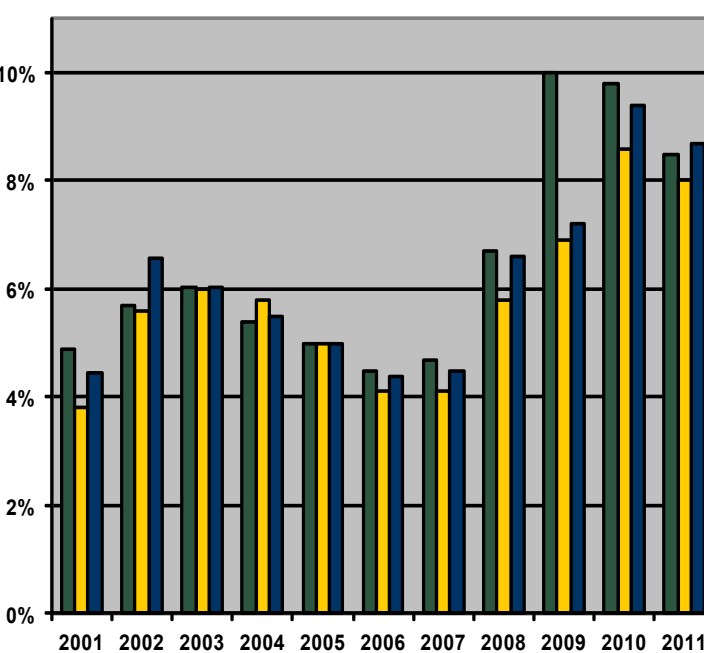
* The 289,255 SF facility at 1675 Garden of the Gods Rd. was removed from the Class A set. El Paso County purchased and is occupying the building.

METRO VACANCY/LEASE RATES
 Lease Rates \$11.14
 Vacancy 16.50%



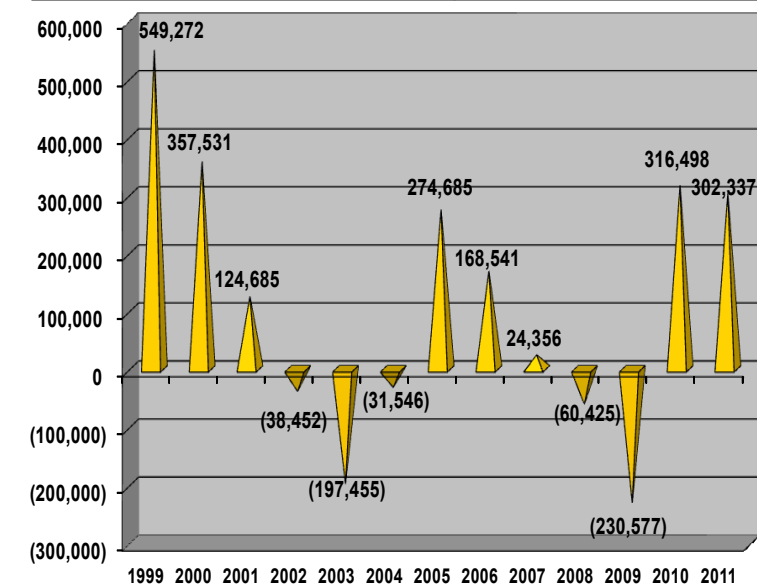
Vacancy rates during 2011 have declined from year-end 2010, currently at 16.50%. Lease rates have declined consistently since 2008, currently at \$11.14/SF NNN.

UNEMPLOYMENT



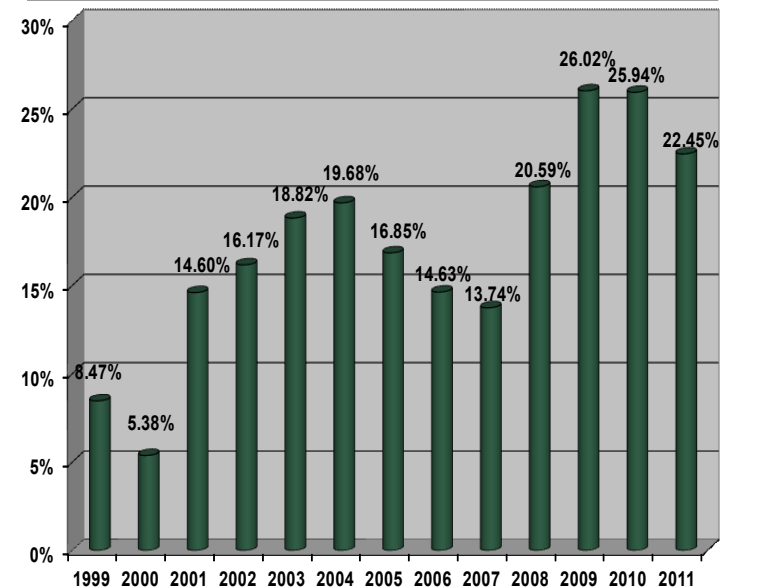
The unemployment rate in El Paso County has declined during 2011 to a current rate of 8.7%. After peaking in 2010, unemployment rates have decreased slightly in 2011 both locally and nationally.

CLASS "A" ABSORPTION | Annual Absorption 302,337



Absorption in the Class "A" market was 302,337 square feet during 2011, continuing a trend of positive absorption that started in 2010.

CLASS "A" VACANCY | Annual Vacancy 22.45%



Class "A" vacancy rates have declined during 2011, currently at 22.45%. Lease rates have reversed their downward trend, climbing to a current rate of \$12.64/SF/NNN during the year.

MARKET OUTLOOK FOR 2011

Expect 2012 to mirror the past few years with small gains in employment and new construction primarily on the user side. Leasing will be up from 2010 and 2011 but gains will be minor. User buying opportunities should remain through the next 12 months, along with opportunistic investment purchasing on foreclosed and distressed assets. Expect speculative development to be three to four years out.

