TOP COLORADO SPRINGS RETAIL TRANSACTIONS

Size (Sq. Ft.)	Tenant	Address	Sales Price
13,824	Western Warehouse	5799 Stetson Hills Blvd	
12,960	Pawn One	5506 Academy Blvd	
13,000	Rock Family Church	1015 Garden of the Gods Rd	
46,353	Tri Peak Plaza	3805 E. Pikes Peak Ave	$4.5 M
243,413	Market Centre	4400 Austin Bluffs Pkwy	$25.9M

COLORADO SPRINGS RETAIL SUBMARKET MAP

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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 multi-tenant retail 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 retail brokers listed or
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SIERRA COMMERCIAL REAL ESTATE, INC

MARKETVIEW

COLORADO SPRINGS RETAIL

SECOND QUARTER 2005

QUICK STATS

	Current	Change from last Yr.	Change from last Qtr.
Vacancy	9.47%		
Lease Rates	$12.58		
Absorption	9,897		
Lease Activity	132,278		

HOT TOPICS

- Colorado Springs median home price of $212,425 is a 5.1% increase over June 2004
- Grocery-anchored Market Centre sells for $25.9 million
- Colorado Springs World Arena sells 3.6 acre site to developers for a planned 100-room hotel and two restaurants
- Pikes Peak Building Department single-family housing permits increase 7.2% from last year

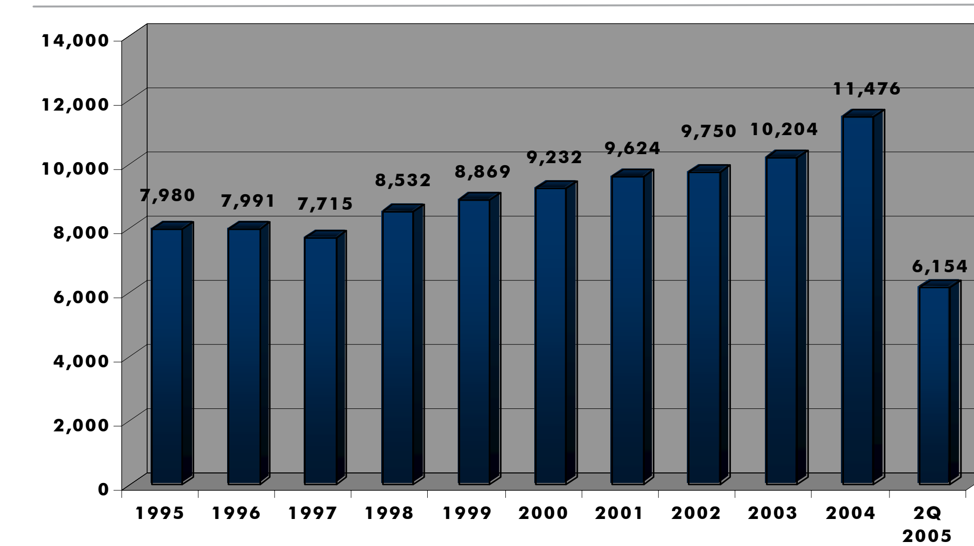
The first half of 2005 continues to display strong growth in the Colorado Springs retail sector. Even though vacancy rates have increased this quarter to 9.47%, the change is minimal from 9.31% reported in the first quarter of 2005. Year-to-date lease activity is at 310,456 SF. Almost half of the lease activity comes from the anchored shopping center market. Absorption dropped to 9,897 SF for the quarter but is expected to pick up in the latter part of 2005.

In the home building market, El Paso County has hit a 19-year high. Residential building permits are up 7.2% from June of 2004. Mortgage rates continue to remain low, which has assisted the sharp increase in new home sales. Mortgage rates remain under 6% across the nation.

In the Pikes Peak region…June home sales are up by 11.2% from this time last year.

In the Pikes Peak region overall, home sales continue to strengthen. June home sales are up by 11.2% from this time last year. This increase could be due to returning military personnel from Iraq, regional job growth, or continued stable mortgage rates. The Pikes Peak Association of Realtors reports the median price for single-family homes has reached an all time high of $212,425. Of the 6,154 home sales recorded, most occurred in El Paso and Teller counties.

PIKES PEAK REGIONAL HOME SALES



Source: Pikes Peak Association of Realtors

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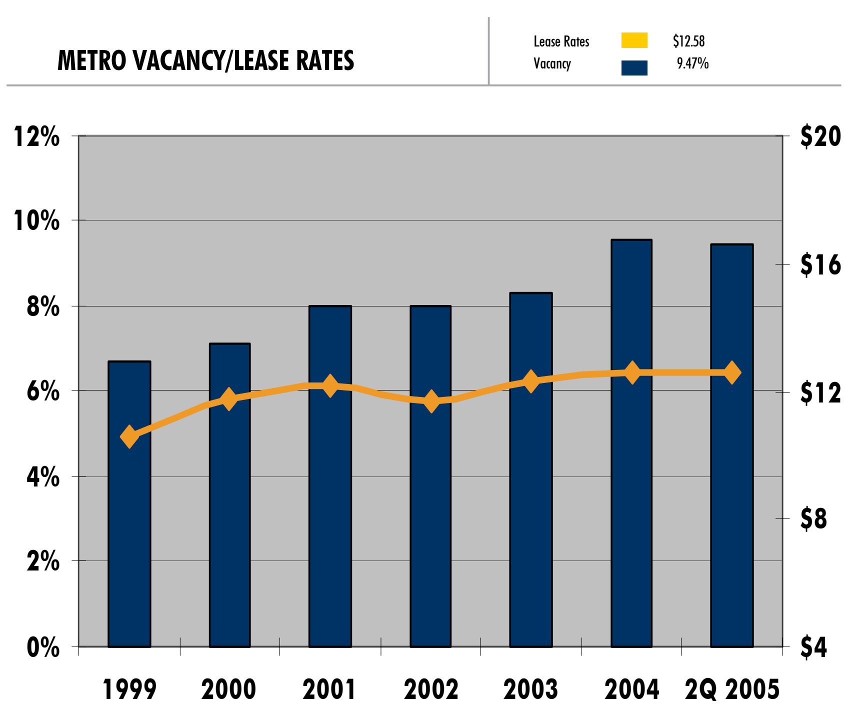
METRO RETAIL STATISTICS

Retail Submarket	Net Rentable Area	Vacant SF	Vacancy Rate %	Availability Rate %	Net Average Asking Lease Rate $ SF/YR	YTD Lease Activity	YTD Absorption SF
CBD	122,167	15,291	12.52%	12.52%	$15.10	3,730	-1,282
CBD Fringe	339,521	25,757	7.59%	7.59%	$10.80	26,464	25,714
Northwest	722,372	74,896	9.70%	9.70%	$12.74	26,611	5,370
Northeast	3,276,420	152,591	4.66%	4.66%	$20.39	51,731	-16,465
East	2,967,797	307,130	10.35%	10.74%	$13.14	100,209	35,039
Southeast	1,261,269	338,576	26.84%	26.84%	$8.50	26,728	7,364
Southwest	1,801,638	81,182	4.51%	4.51%	$10.74	13,050	-973
West	334,207	35,480	10.62%	11.81%	$13.54	1,764	-585
North Central	3,451,077	352,238	10.21%	10.21%	$12.62	46,119	-57,535
Monument	865,304	61,000	7.05%	7.05%	$13.38	11,400	10,600
Falcon	162,740	10,550	6.48%	6.48%	$18.00	2,650	2,650
Total	***15,354,512***	***1,454,691***	***9.47%***	***9.57%***	***$12.58***	***310,456***	***9,897***



MARKET OUTLOOK

For the remainder of 2005, the retail market will remain strong. In addition to the continued growth in the East and Northeast retail submarkets, the Central Business District is likely to attract more retail business. The Front-Range Express has established a new park-and-ride lot near Tejon Street and Interstate 25, improving accessibility for downtown shoppers and workers. Stratton Pointe, at 27 South Tejon, is a planned retail and office development. This original two-story building will add 80,000+ SF in four additional stories. Construction is expected to begin in the third quarter of this year.

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ANCHORED SHOPPING CENTERS BUILT AFTER JAN. 1, 1995

Retail Submarket	Net Rentable Area	Vacant SF	Vacancy Rate %	Availability Rate %	Net Average Asking Lease Rate $ SF/YR	YTD Lease Activity	YTD Absorption SF
Northwest	94,333	4,500	4.77%	4.77%	$24.00	7,061	7,061
Northeast	2,783,852	62,306	2.24%	2.24%	$25.52	32,429	7,625
East	243,597	1,400	.57%	.57%	$23.50	2,580	2,480
Southeast	93,302	10,004	10.72%	10.72%	$19.00	0	0
Southwest	1,219,583	4,450	.36%	.36%	$23.16	7,500	7,500
North Central	311,995	0	0%	0%	$0.00	0	0
Monument	40,000	40,000	100%	100%	$12.00	0	0
Falcon	125,740	10,550	8.39%	8.39%	$18.00	1,450	1,450
Total	***4,912,402***	***133,210***	***2.71%***	***2.71%***	***$20.23***	***50,020***	***26,116***

The anchored shopping center market consists of centers greater than 40,000 SF. Of the twenty-two newer anchored shopping centers in the Colorado Springs market, sixteen are located in the Northeast and Southwest submarkets. Ten of these are over 200,000 square feet. For the second quarter of 2005, fourteen centers have available space for lease. Newer anchored shopping centers command higher asking lease rates at an average of $20.23 SF NNN, and carry a lower vacancy rate of 2.71%.

ANCHORED SHOPPING CENTERS BUILT BEFORE JAN. 1, 1995

Retail Submarket	Net Rentable Area	Vacant SF	Vacancy Rate %	Availability Rate %	Net Average Asking Lease Rate $ SF/YR	YTD Lease Activity	YTD Absorption SF
Northwest	294,429	28,953	9.83%	9.83%	$10.64	2,200	2,200
Northeast	168,515	20,132	11.95%	11.95%	$12.39	0	-9,532
East	1,665,956	187,876	11.28%	11.28%	$14.47	50,092	37,365
Southeast	841,979	270,431	32.12%	32.12%	$8.66	25,096	14,583
Southwest	181,438	32,500	17.91%	17.91%	$10.38	0	-2,500
West	115,608	2,000	1.73%	1.73%	$10.50	0	0
North Central	2,249,395	202,970	9.02%	9.02%	$12.81	21,451	-51,285
Monument	123,247	19,000	15.54%	15.54%	$12.00	1,000	1,000
Total	***5,640,567***	***763,862***	***13.54%***	***13.54%***	***$11.53***	***99,839***	***-8,169***

The majority of older anchored shopping centers in the Colorado Springs market are located in the East and North Central submarkets. Of the thirty-nine older anchored centers, thirty are under 200,000 square feet. For the second quarter of 2005, thirty-three centers have space available for lease.

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