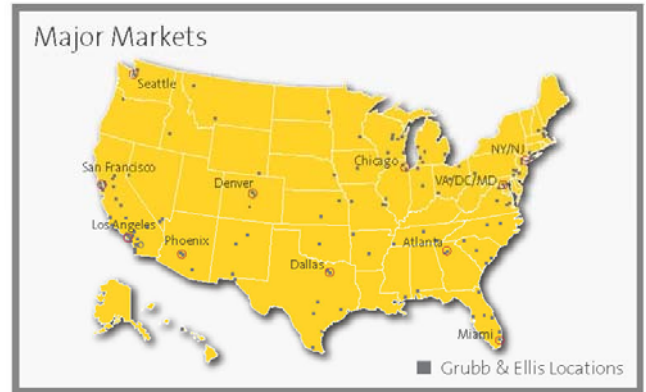


National Highlights

- On a national basis, there are no indicators of oversupply of colocation or wholesale data center space.
- There is potential for some markets to post a short-term surplus in either space, but the demand will offset supply.
- Similar to the second quarter, the third quarter had slow leasing activity in the wholesale data center market. Pent-up demand should result in a strong fourth quarter.
- Increased competition throughout the country led to a downward pressure on pricing in the colocation space during the third quarter.

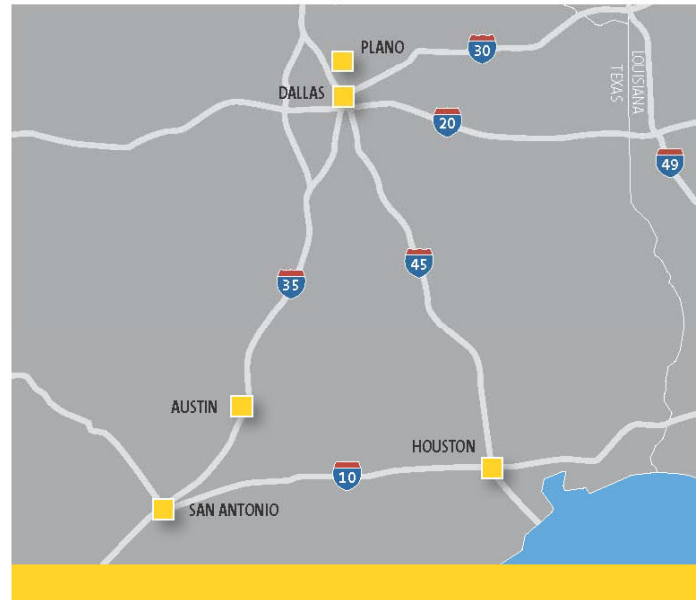


Spotlight: Texas

- There has been an influx of 300-600kW transactions in the market place. The majority of those transactions are expansions from the current corporate footprint.
- The Texas Comptroller's Office recently revised its tax rules to require companies with servers located in Texas to collect state sales tax on customer purchases.
- The Emerging Technology Fund is providing companies and universities with funding to enhance the development of research projects in the technical and scientific fields.

Spotlight: Dallas-Fort Worth

- Several major financial users in the market could account for more than 8 MW of wholesale leasing activity during the fourth quarter; cloud, disaster recovery solutions and hosting companies could account for at least another 10 MW. Some will push to 2011.
- Similar to Colorado, Virginia and Washington, there are several semiconductor facilities available for sale for potential data center reuse.
- Overall pricing has been between \$125-170/KW NNN for wholesale PODs.
- Five options in greater DFW with two or more megawatts for immediate occupancy include properties owned by Stream Realty, Digital Realty Trust, CyrusOne, DataBank and BCBS.
- 3000 Skyline in Mesquite was recently completed as a 100 MW project. The property is a powered shell property and is being marketed towards 40,000-square-foot users.
- Investment activity remains brisk in Dallas, highlighted by recent transactions with The Planet and Colo4Dallas. A number of other assets on the market are also seeing significant activity.
- DataBank has 30,000 square feet available that due to a recent upgrade can provide up to 11 MW.



Spotlight: Austin

- University of Texas completed its on-campus data center of 10,000 square feet (2 MW).
- Data Foundry began construction on its \$150M, 250,000-square-foot data center. Phase I has 55,000 square feet of raised floor space and 12 MW and is scheduled for delivery June 2011.

Spotlight: San Antonio

- There are a number of requirements looking for large capacities of low cost power. Electrical rates are \$.055/kWh.
- Most requirements are interested in San Antonio because of the area's regulated pricing structure and the diversity of CPS Energy, which utilizes nuclear and renewable sources (wind and solar) to generate more than 50 percent of its power.