

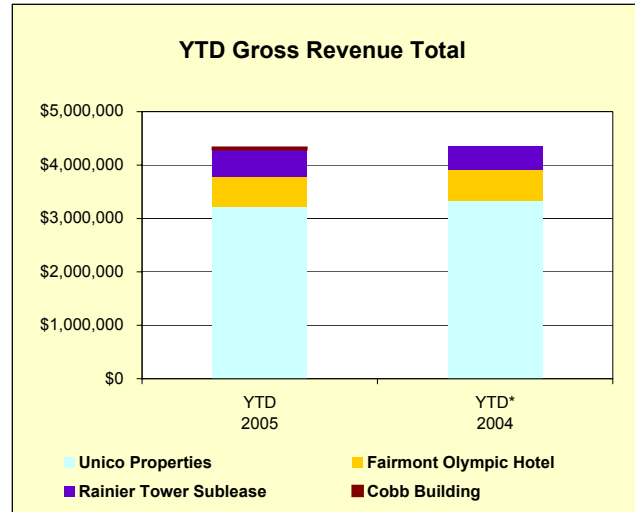
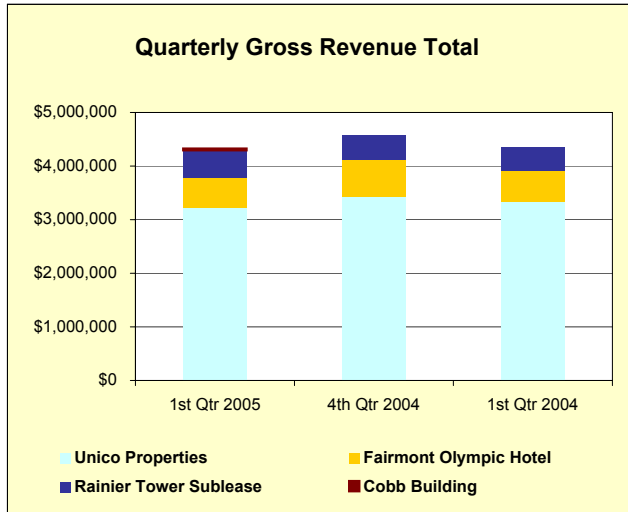
METROPOLITAN TRACT
PERFORMANCE REPORT
For the Quarter Ended
March 31, 2005



Capital Assets Committee

May 19, 2005

University of Washington Metropolitan Tract
CONSOLIDATED METROPOLITAN TRACT PROPERTIES
Quarterly Summary
Quarter Ending March 31, 2005



CURRENT QUARTER							
Gross Revenue to University	1st Qtr 2005	Prior Qtr* 4th Qtr 2004	Prior Year* 1st Qtr 2004	Change from Prior Qtr		Change from Prior Year	
				\$	%	\$	%
Unico Properties	3,220,831	3,425,297	3,324,418	(204,466)	(6.0%)	(103,587)	(3.1%)
Rainier Tower Sublease	516,662	454,551	434,880	62,111	13.7%	81,782	18.8%
Fairmont Olympic Hotel	553,324	695,495	594,285	(142,171)	(20.4%)	(40,961)	(6.9%)
Cobb Building	38,500	0	0	38,500	-	38,500	-
TOTAL GROSS REVENUE	\$4,290,818	\$4,575,344	\$4,353,583	(\$284,526)	(6.2%)	(\$62,766)	(1.4%)

	CALENDAR YEAR TO DATE				ANNUAL	
Gross Revenue to University	YTD 2005	YTD* 2004	Change from Prior YTD		Projected 2005	Actual* 2004
			\$	%		
Unico Properties	3,220,831	3,324,418	(103,587)	(3.1%)	13,854,843	13,463,841
Rainier Tower Sublease	516,662	434,880	81,782	18.8%	636,524	1,954,708
Fairmont Olympic Hotel	553,324	594,285	(40,961)	(6.9%)	2,941,650	2,855,971
Cobb Building	38,500	0	38,500	-	154,000	0
TOTAL GROSS REVENUE	\$4,290,818	\$4,353,583	(\$62,766)	(1.4%)	\$17,433,017	\$18,274,520

*Adjusted to exclude Cobb

CONSOLIDATED METROPOLITAN TRACT PROPERTIES

Quarterly Summary

Quarter Ending March 31, 2005

COBB BUILDING ADJUSTMENT

For comparison purposes, the Cobb Building has been factored out of all office and retail calculations in measurements of both revenue and occupancy.

CONSOLIDATED METROPOLITAN TRACT SUMMARY

Revenue from the Metropolitan Tract totaled \$4.3 million in the first quarter of 2005, off 6% from 4th quarter 2004. First quarter's total, however, represents an increase of \$100,000, or 2.5% over 1st quarter of 2004. Unadjusted totals (with Cobb included) produced results of \$4.7 million in the previous quarter and \$4.4 million in the year-ago period.

UNICO PROPERTIES

Revenue from the Unico properties totaled \$3.22 million in the first quarter, for a decrease of 6%. Compared to first quarter of last year, revenue from the Unico properties is up 2.0%. From the last quarter of 2004 to the first quarter of 2005, the office properties declined \$160,922 (5.9%). With the lone exception of the Skinner Building, which posted a slight gain, all of the individual office buildings suffered decreases in revenues. Most notably, the IBM Building's revenues were off more than 25%. Some of this decline is a function of Piper Jaffray's termination fee, paid in December 2004, but aside from that event, IBM was off nearly 20%. Retail predictably was down from the 4th quarter of 2004. The 8.9% decline is largely attributable to the holiday shopping receipts accrued in the previous quarter. Compared to 1st quarter 2004, the change was less than 1%. Conversely, parking income increased 6.2%. Again, this is a function of holiday shoppers, but with the delay in reporting, these numbers aren't realized until the subsequent quarter. Occupancy in the office properties is 89%. While Rainier Tower, Financial Center and IBM all enjoy occupancy exceeding 85%, Skinner and Puget Sound Plaza both have occupancies below 80%. The average in the downtown submarkets is 85.66%

RAINIER TOWER SUBLEASE

Revenue from the Rainier Tower Sublease totaled \$516,662 in the 1st quarter of 2005, up 13.7% from the 4th quarter of 2004. The difference is heavily influenced by a more than \$70,000 adjustment to address Unico's operating expenses in December 2004. Additionally, this marks an annual improvement of 18.8%, or \$81,782. A positive start to the year is all the better as Rainier Tower will be confronted by some challenges toward the middle of the year and into 2006. Washington Mutual will be vacating the 14th floor in August and the 13th floor in September. In addition to these leasing obstacles, Washington Mutual will be pulling out of 3 more floors (20-22) in May 2006. Since 1995, the Rainier Tower Sublease has generated more than \$14.2 million dollars of net revenue.

FAIRMONT OLYMPIC HOTEL

Gross revenue from the Fairmont Olympic Hotel declined \$142,171 (20.4%) in the 1st quarter, finishing at 553,324. Though that decline is seasonal and should be expected, it is also a decline of 6.9% from 2004's opening quarter. With the approach of spring, we see continued improvement from the seasonal lows of January. Occupancy, room rates and, therefore, RevPar all are increasing and we expect that trend to continue through the 2nd quarter, peaking during the middle to late summer.

MARKET UPDATE

OFFICE MARKET

Overall, the Puget Sound office market ended 2004 with a vacancy rate of 85.06%. With the upward trend in the economy, employment is also increasing, ultimately driving office space occupancy to higher levels. In March, unemployment was down to 5.2%, its lowest level in four years. General estimates are that employment growth for the region will be in the 2%-3% range in 2005. The effect of increasing employment can be seen in the Seattle office market that finished the 1st quarter at nearly 86% occupied. However, average office lease rates were off a bit this quarter and are not expected to increase dramatically in the next year or two. This is indicative of the still high level of competition in the marketplace for the available tenants as well as the anticipation of a drop in occupancy when Washington Mutual Center opens in mid-2006 and pulls nearly 900,000 square feet of tenants from existing buildings.

HOTEL MARKET

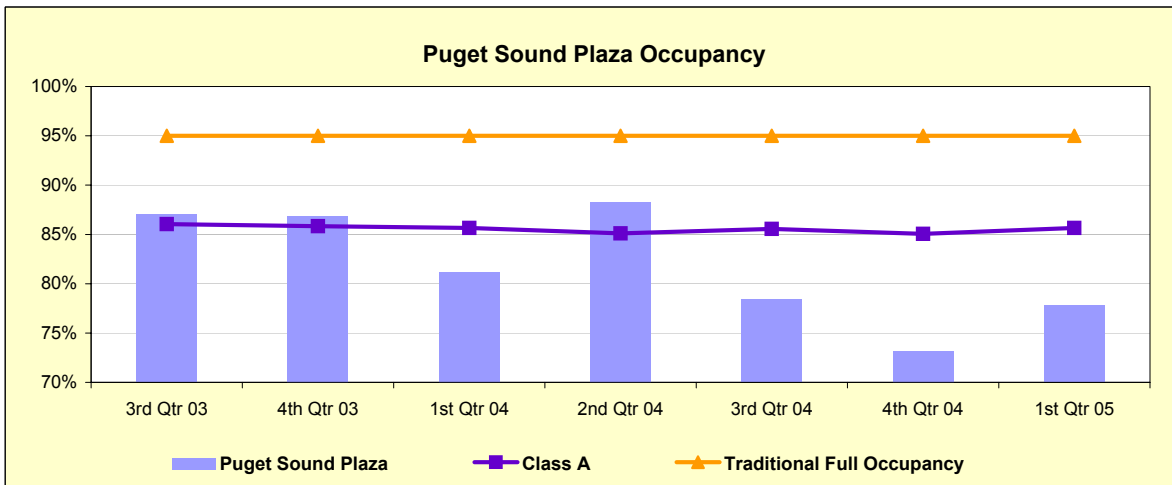
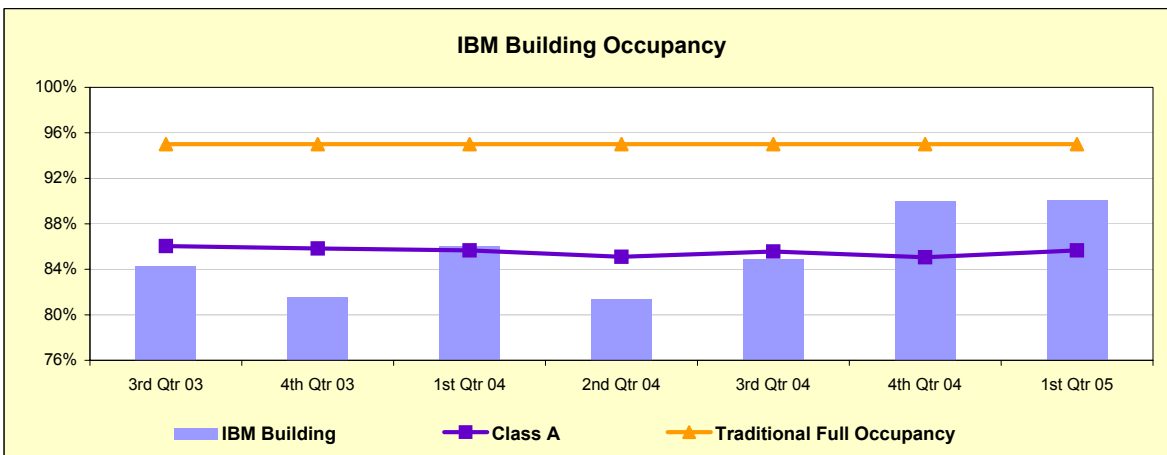
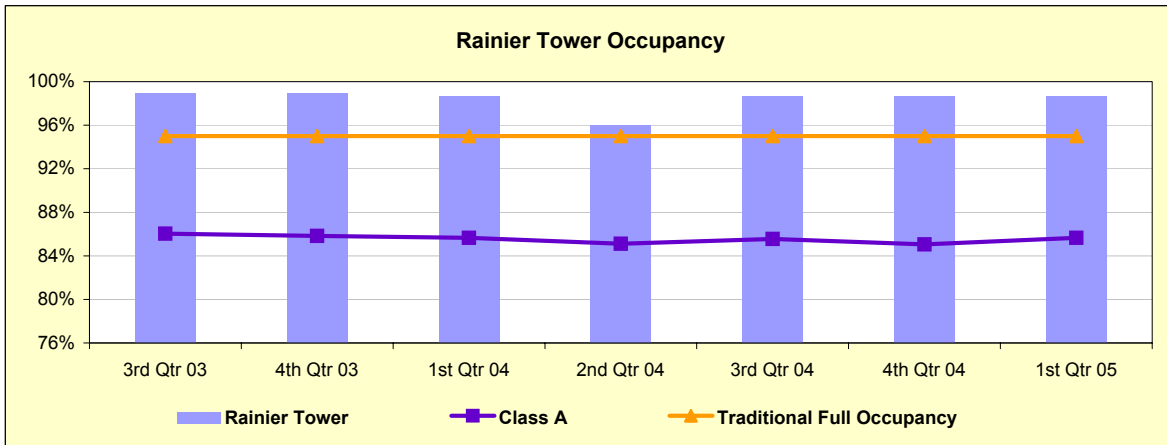
As mentioned last quarter, the general consensus was quite positive for 2005's outlook for the Seattle hotel market. Thus far, higher rates and occupancies in the market have seemingly reflected that this outlook may be bearing out, though Fairmont Olympic's numbers reveal a slow start. Most hotels in the area still have not recovered to pre-9/11 levels, but many expect that 2005 will be the year that happens. While there are a number of high-end hotels in development or planning stages, none of them will be coming onto the market until the summer of 2006 at the earliest. Thus, the optimistic outlook for 2005 will not be negatively impacted by new supply.

Even when the new projects do begin to come on line, their impact may not be too dramatic. Of the three higher-end projects--those that are targeting the ultra-high-end user that is the Fairmont's core market--none of them is larger than 160 rooms. Additionally, locations of these higher-end projects is more peripheral to the center of downtown. This reinforces the strength of Fairmont's proximity to both the business and retail cores. It should be noted, however, that the Four Seasons site does have distinct scenic advantage of views of Elliott Bay and Puget Sound.

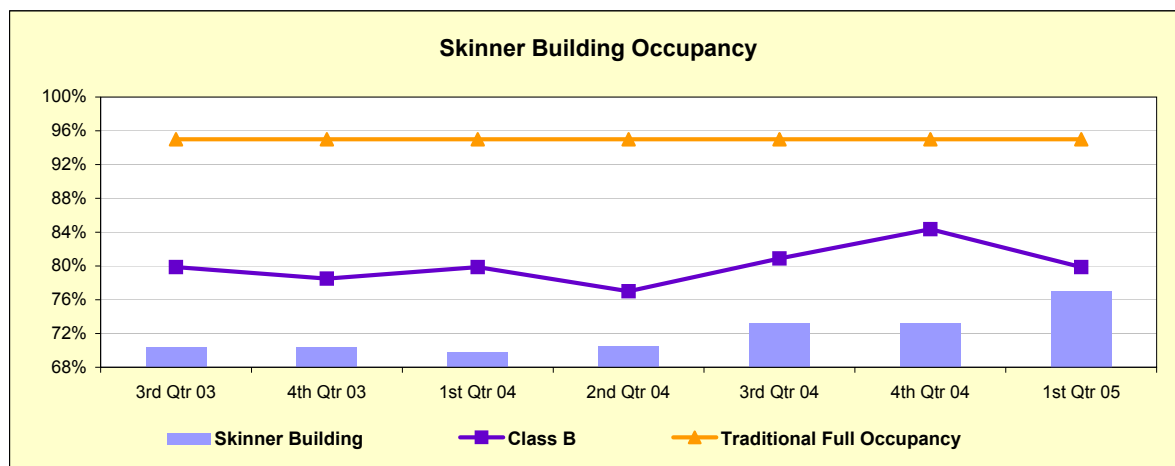
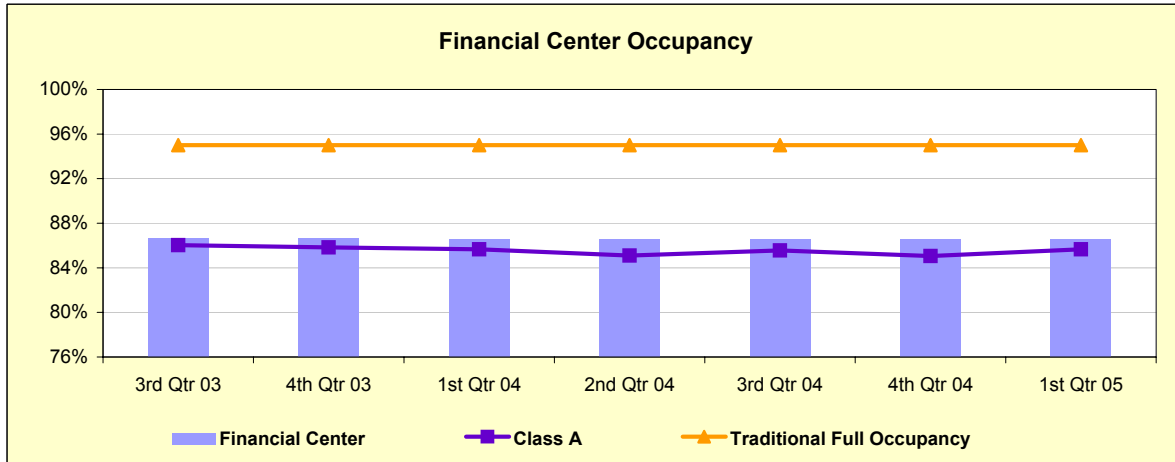
DOWNTOWN RESIDENTIAL

The market for upscale residential options in the downtown area continues to be strong. Additionally, the city is working toward enabling greater development of this sort and creating a more livable downtown. Aside from the condominium components of the new hotel developments the lack of available locations seems to be limiting activity on this front. So, when Cobb is redeployed it should find a positive demand, yet not too much competition. The Metropolitan Improvement District's efforts have also improved the cleanliness and safety of downtown Seattle, enhancing the appeal and demand for more downtown residential options.

University of Washington Metropolitan Tract
OFFICE BUILDING OCCUPANCY COMPARISON CHARTS
 Last Six Quarters
 Quarter Ending March 31, 2005
 Includes Direct and Sublease Vacancy

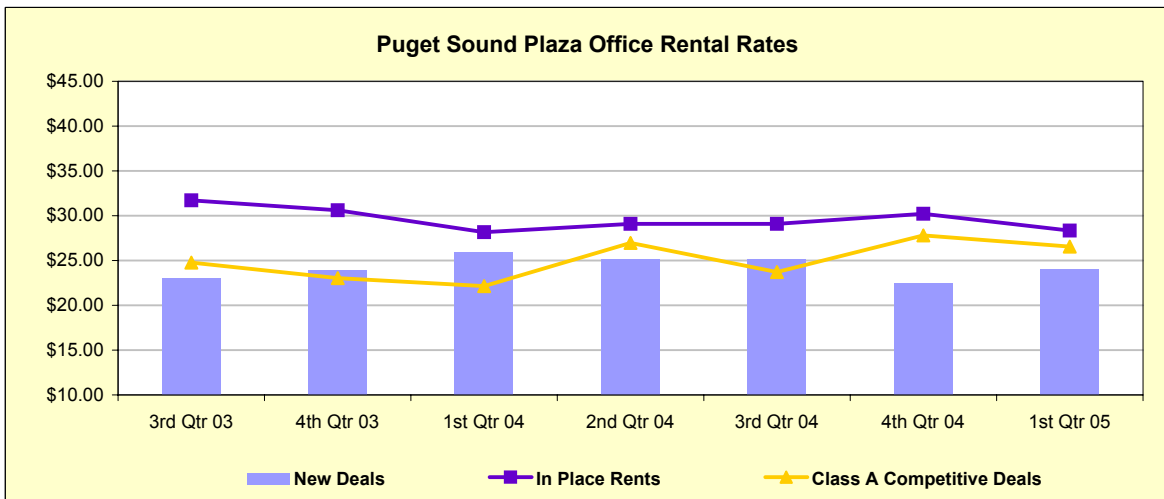
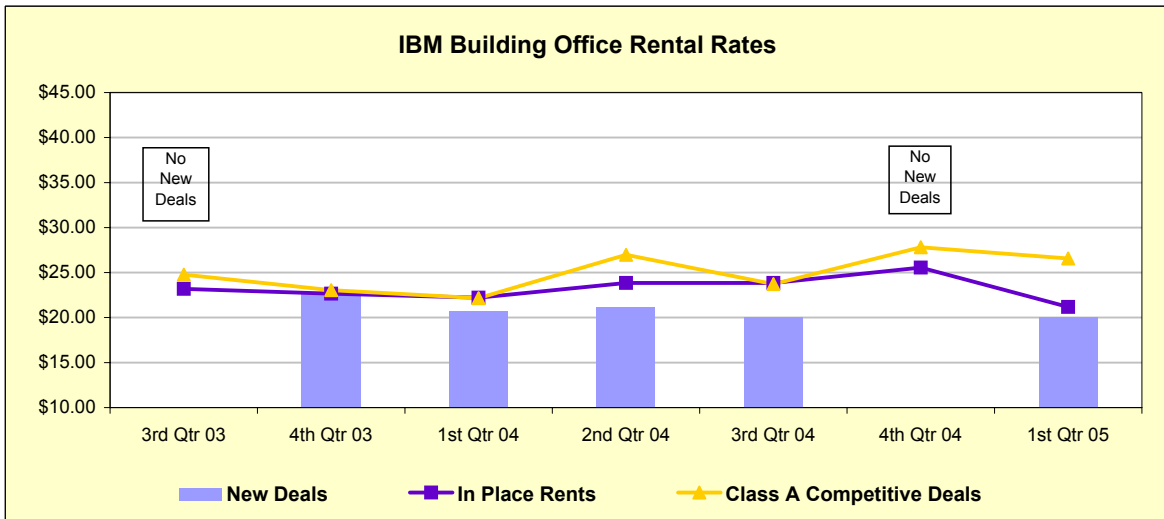
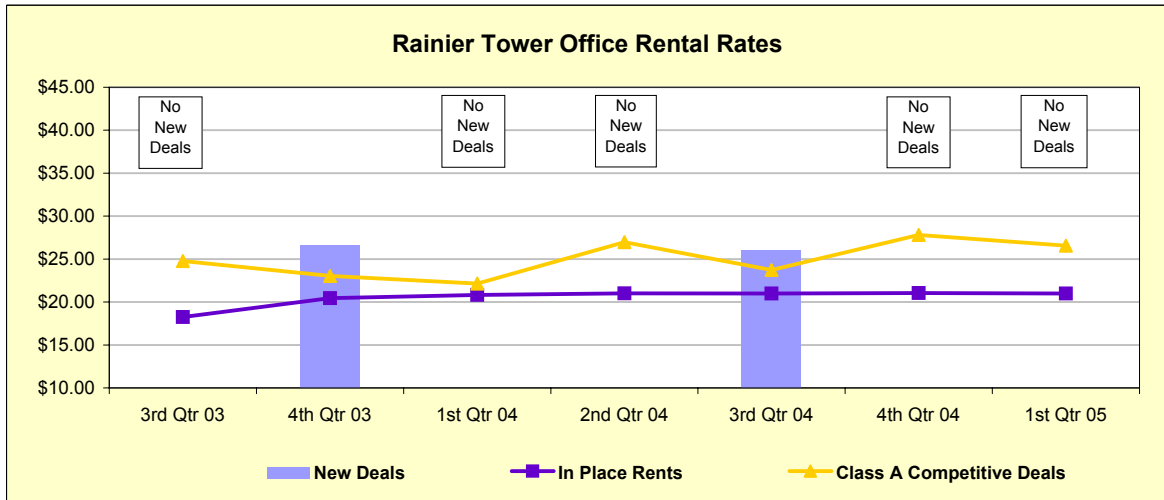


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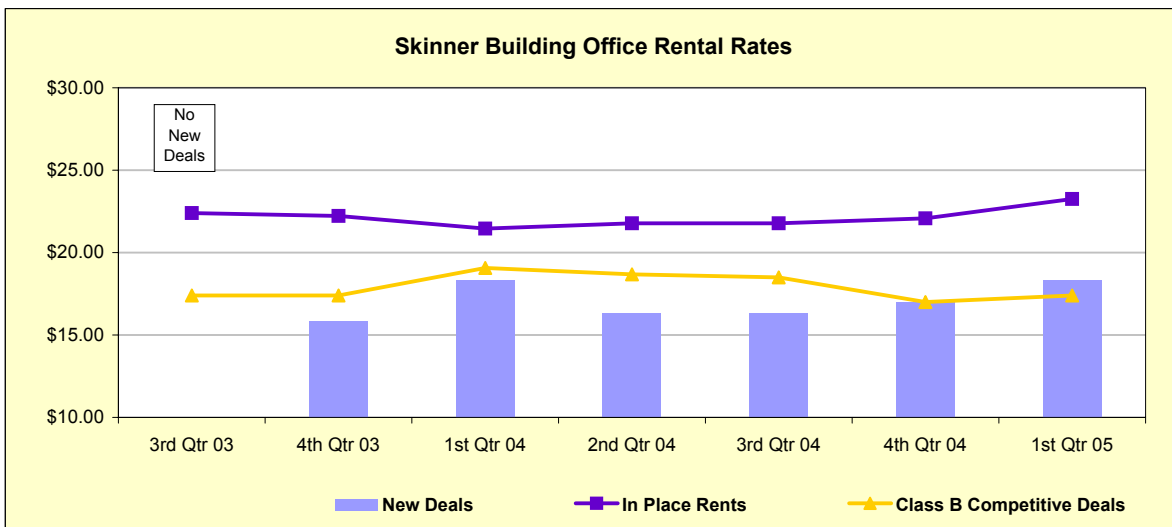
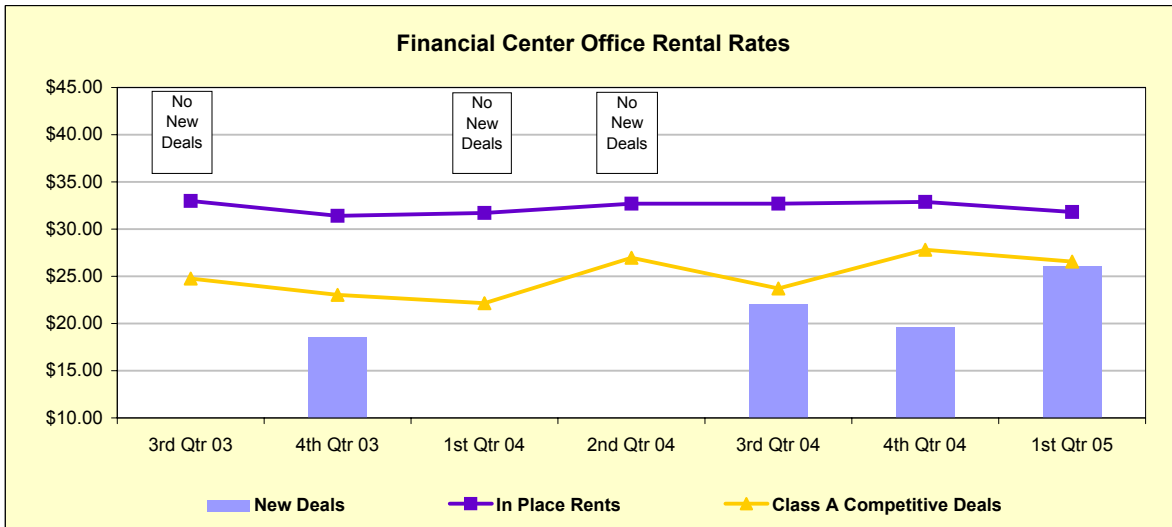
* Vacancy in the Skinner Building was created by loss of a single, full floor tenant coupled with a disruption due to current construction to complete the seismic upgrade.

OFFICE BUILDING RENTAL RATE COMPARISON
 Last Six Quarters
 Quarter Ending March 31, 2005



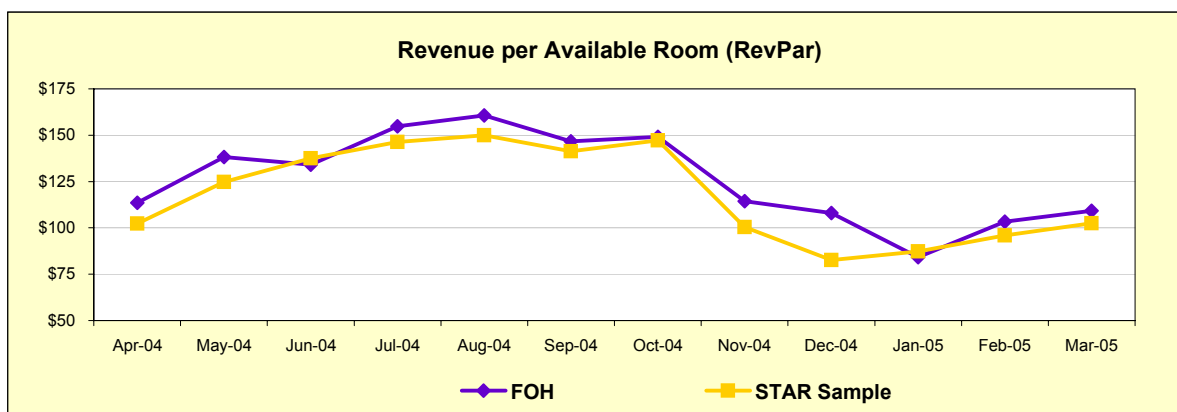
Note: Due to a decline in leasing velocity in the last several quarters, the competitive deals included in the charts above are based heavily upon asking rents, which are higher compared to where lease deals are actually being done. The result is a gap between New Deals in the Metropolitan Tract and Competitive Deals in the market.

University of Washington Metropolitan Tract
OFFICE BUILDING RENTAL RATE COMPARISON
 Last Six Quarters
 Quarter Ending March 31, 2005



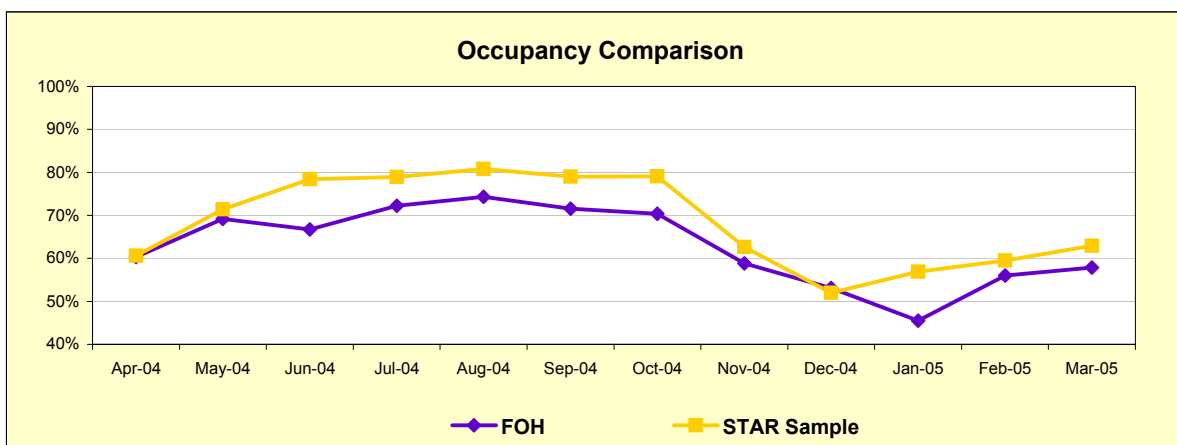
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FAIRMONT OLYMPIC HOTEL MARKET COMPARISONS
Twelve Months Ended March 31, 2004



RevPar 12-months Average	Mar-05	Mar-04	Change from Prior Year \$
FOH	\$126.35	\$127.01	(\$0.66)
STAR Sample Avg <1>	\$118.20	\$111.83	\$6.37

RevPar Current Month Ended	Mar-05	Mar-04	Change from Prior Year %
FOH	\$109.16	\$127.95	(\$18.79)
STAR Sample Avg <1>	\$102.47	\$108.17	(\$5.70)

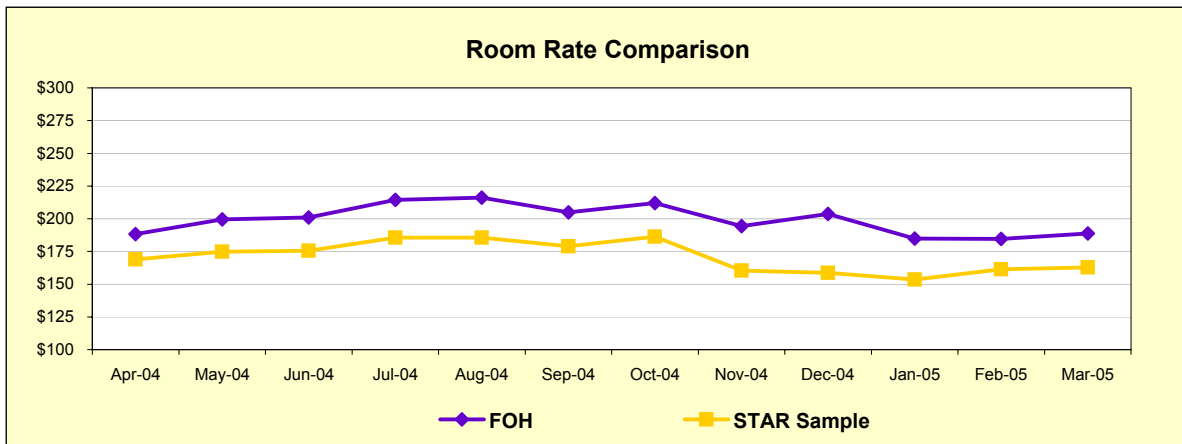


Occupancy 12-months Average	Mar-05	Mar-04	Change from Prior Year %
FOH	63.0%	62.5%	0.5%
STAR Sample Avg <1>	68.5%	69.8%	(1.3%)

Occupancy Current Month Ended	Mar-05	Mar-04	Change from Prior Year %
FOH	57.9%	68.0%	(10.1%)
STAR Sample Avg <1>	62.9%	66.3%	(3.4%)

<1> Information is based on Smith Travel Research (STAR) Report for the Sheraton Hotel, Hotel Vintage Park, Hotel Monaco, Seattle Alexis, Sorrento, Westin, W Hotel, Madison and Inn at the Market.

FAIRMONT OLYMPIC HOTEL MARKET COMPARISONS
Twelve Months Ended March 31, 2004



Average Daily Rate 12-months Average	Mar-05	Mar-04	Change from Prior Year \$
FOH	\$203.49	\$204.68	(\$1.18)
STAR Sample Avg <1>	\$161.57	\$157.54	\$4.03

Average Daily Rate Month Ended	Mar-05	Mar-04	Change from Prior Year \$
FOH	\$188.67	\$188.14	\$0.53
STAR Sample Avg <1>	\$162.95	\$170.06	(\$7.11)

<1> Information is based on Smith Travel Research (STAR) Report for the Sheraton Hotel, Hotel Vintage Park, Hotel Monaco, Seattle Alexis, Sorrento, Westin, W Hotel, Madison and Inn at the Market.