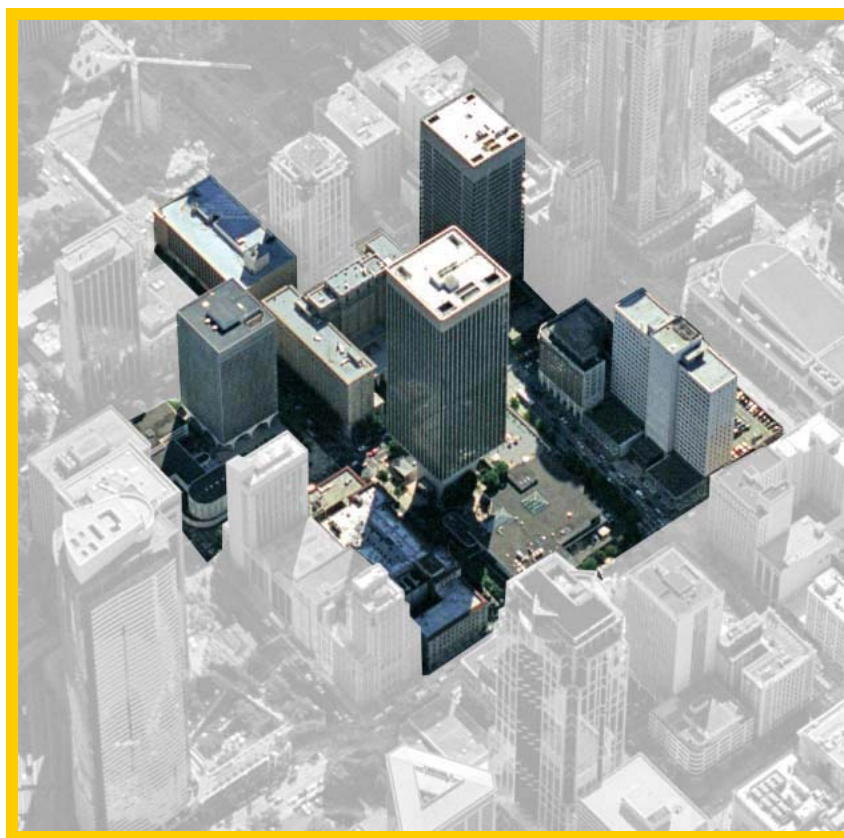


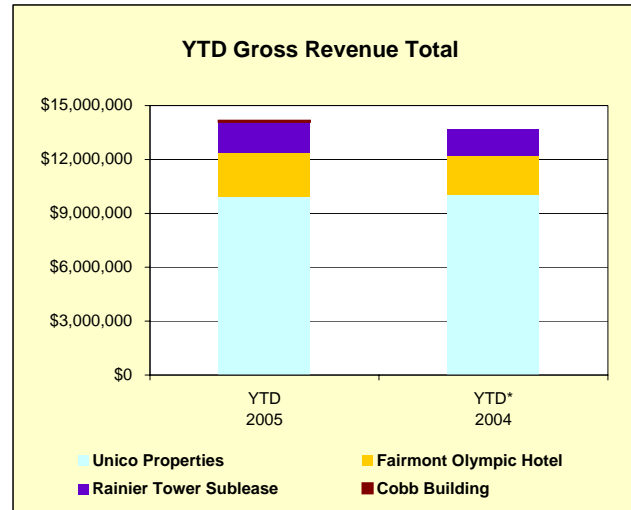
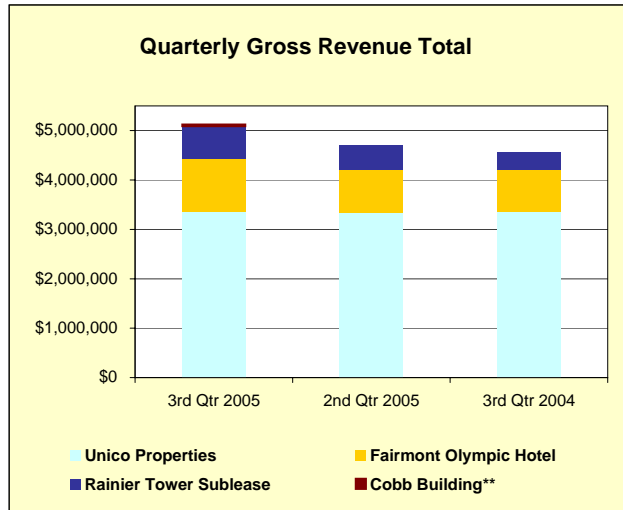
METROPOLITAN TRACT
PERFORMANCE REPORT
For the Quarter Ended
September 30, 2005



Finance, Audit & Facilities Committee

November 18, 2005

University of Washington Metropolitan Tract
CONSOLIDATED METROPOLITAN TRACT PROPERTIES
Quarterly Summary
Quarter Ending September 30, 2005



CURRENT QUARTER							
Gross Revenue to University	3rd Qtr 2005	Prior Qtr* 2nd Qtr 2005	Prior Year* 3rd Qtr 2004	Change from Prior Qtr		Change from Prior Year	
				\$	%	\$	%
Unico Properties	3,367,671	3,333,188	3,352,226	34,483	1.0%	15,445	0.5%
Rainier Tower Sublease	658,334	507,474	365,058	150,861	29.7%	293,277	80.3%
Fairmont Olympic Hotel	1,059,038	866,788	848,181	192,250	22.2%	210,857	24.9%
Cobb Building**	38,500	0	0	38,500	-	38,500	-
TOTAL GROSS REVENUE	\$5,085,043	\$4,707,450	\$4,565,465	\$377,594	8.0%	\$519,578	11.4%

Gross Revenue to University	CALENDAR YEAR TO DATE				ANNUAL	
	YTD 2005	YTD* 2004	Change from Prior YTD		Projected 2005	Actual* 2004
			\$	%		
Unico Properties	9,921,690	10,027,824	(106,134)	(1.1%)	13,854,843	13,463,841
Rainier Tower Sublease	1,682,470	1,500,157	182,313	12.2%	636,524	1,954,708
Fairmont Olympic Hotel	2,479,150	2,154,911	324,239	15.0%	2,941,650	2,855,971
Cobb Building	77,000	0	77,000	-	130,330	0
TOTAL GROSS REVENUE	\$14,083,310	\$13,682,892	\$400,418	2.9%	\$17,433,017	\$18,274,520

*Adjusted to exclude Cobb
**2nd Qtr Cobb payment recorded in 3rd Qtr.

CONSOLIDATED METROPOLITAN TRACT PROPERTIES

Quarterly Summary

Quarter Ending September 30, 2005

CONSOLIDATED METROPOLITAN TRACT SUMMARY

The Metropolitan Tract's revenue total was \$5.1 million in the third quarter of 2005. This is a solid increase of 8%, building on a nearly 10% increase in the previous quarter. The Unico portion was relatively flat, while both Rainier Tower Sublease and the Fairmont Olympic Hotel posted increases exceeding 20% over the previous quarter. All three are up, at varying degrees, from the prior year and, in the aggregate, the Tract is up more than 11%.

UNICO PROPERTIES

Revenue from the Unico properties was essentially flat at just under \$3.7 million. Office revenue was down marginally, but that was offset by marked improvements in both the retail and parking sectors. Retail was up nearly \$100,000 from the year-ago period, an increase of 13.6% which can be attributed, in large part, to the opening of the flagship Brooks Brothers store. Occupancy in the office properties has crested over 90%. Rainier Tower, Financial Center and IBM all continue to have occupancy around 90%, while Skinner continues to approach 80% and Puget Sound Plaza has just past that threshold. Current lease activity at Puget Sound Plaza should bring its occupancy level up in the near term. The average in the downtown submarkets is 87.72%

RAINIER TOWER SUBLEASE

Revenue from the Rainier Tower Sublease totaled \$658,334 in the 3rd quarter of 2005, an increase of nearly 30% from the previous quarter. These returns are skewed however by a one-time revenue event totaling \$175,000. Washington Mutual has vacated two floors in the Tower beginning a predicted downturn in revenue. Further, Washington Mutual will be vacating three more floors (20-22) in August, 2006. However, we expect to finalize a lease for the majority of this space shortly which will commence in January of 2008. Since 1995, the Rainier Tower Sublease has generated nearly \$14.9 million dollars of net revenue.

FAIRMONT OLYMPIC HOTEL

The Fairmont Olympic Hotel generated revenue to the University in excess of \$1 million dollars. This is a 22.2% increase over the preceding quarter. The 3rd quarter's returns also surpassed 2004's year-ago period by nearly 25%. This has been an unprecedented summer for the hotel, with occupancy, rates and RevPar exceeding all our historical records for the property.

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.

MARKET UPDATE

OFFICE MARKET

The Puget Sound office market is maintaining its trend of steady improvement. As with the Metropolitan Tract properties, occupancy throughout the market continues to increase as many companies are expanding their operations and finding their old offices a tight fit. This appears to be a fairly sustainable trend in the near-term. Though the opening of Washington Mutual Center will certainly have its impact, it seems as though the approach of that additional space has been factored into the current market behavior and an anticipation of coming higher rents is prevalent in the market.

HOTEL MARKET

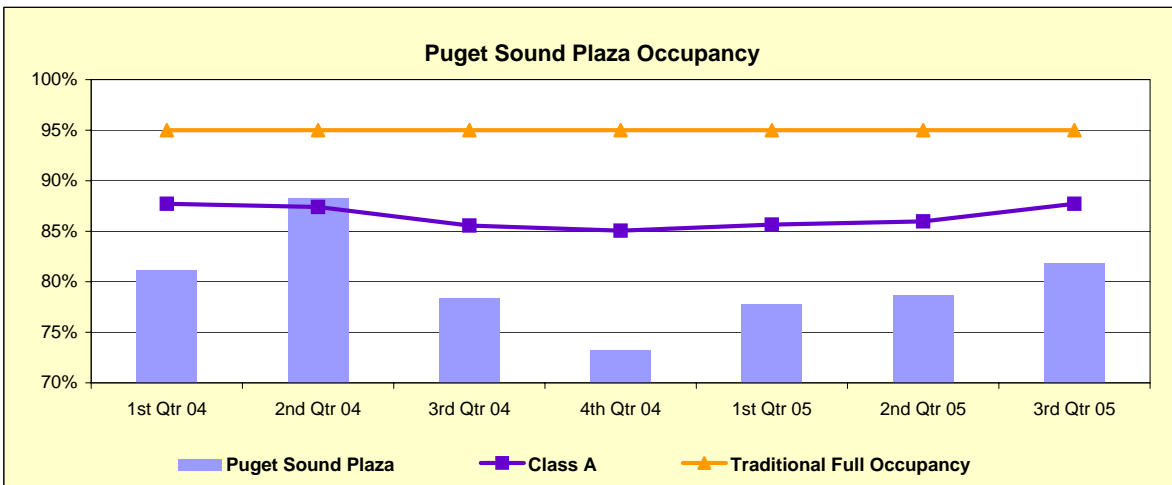
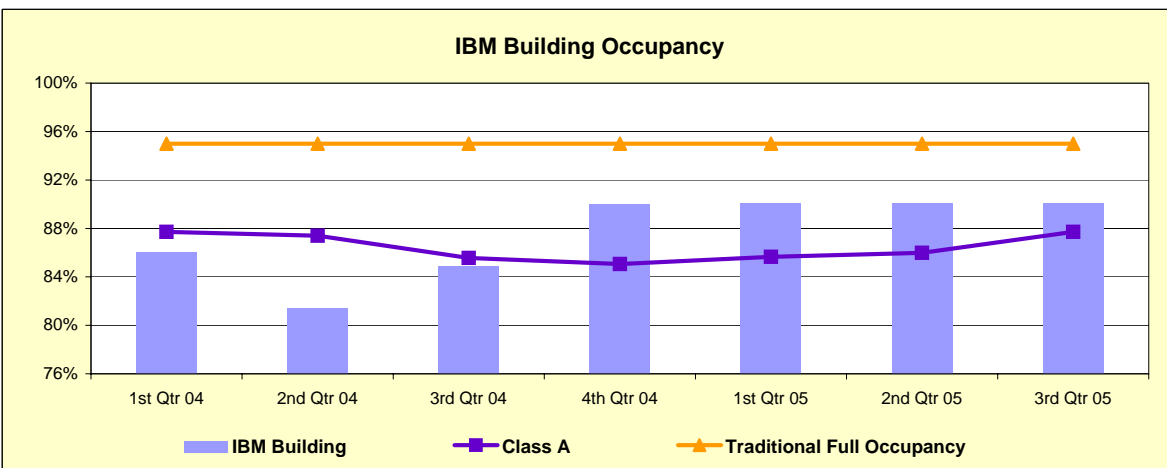
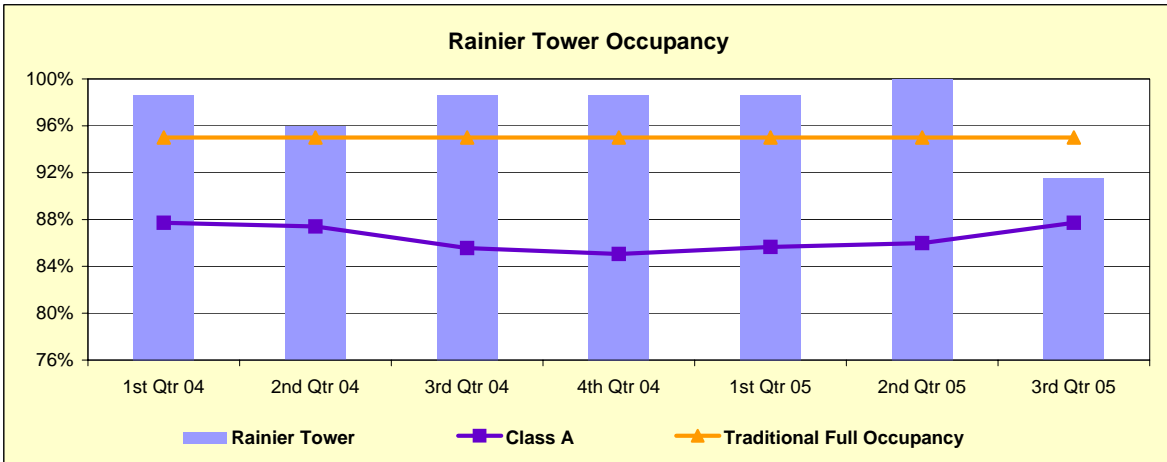
It has been an incredible summer for the luxury hotel market. It had been a slow start to the year, which saw the Olympic trailing 2004's pace at the end of the first quarter. But, this summer, the industry was booming. Not just for the Olympic, but across the market, Seattle hotels were particularly successful. As we head into autumn and winter, we can expect the pace to slow and revenues to decline. But, it seems evident that the market will be entering a period wherein we shall see declines from month-to-month, yet the revenues will exceed (perhaps dramatically) the returns of the year-ago periods.

OFFICE BUILDING OCCUPANCY COMPARISON CHARTS

Last Seven Quarters

Quarter Ending September 30, 2005

Includes Direct and Sublease Vacancy

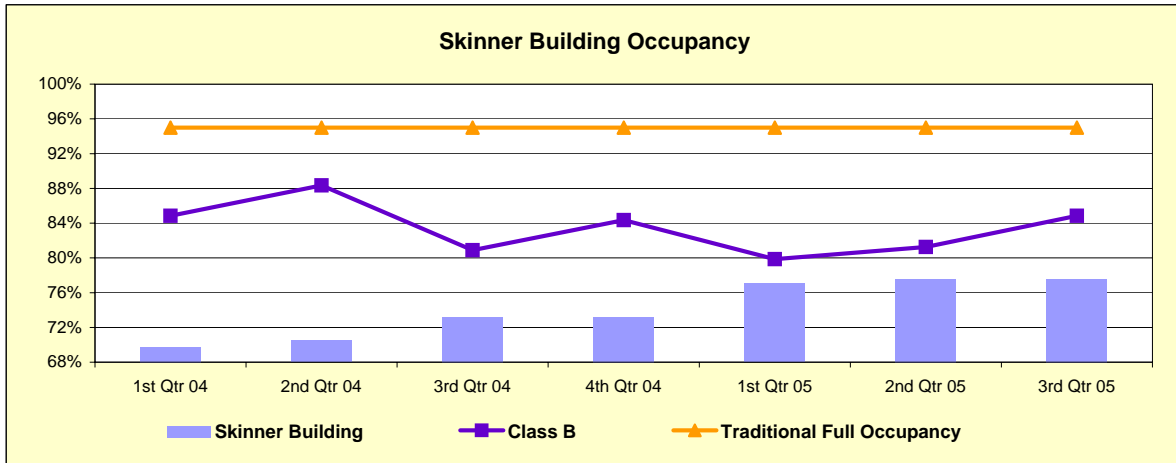
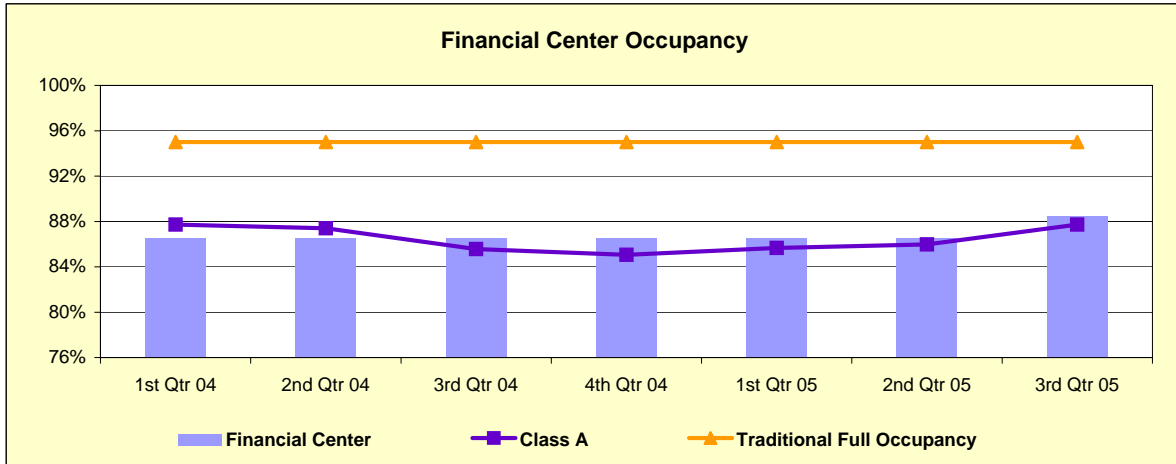


OFFICE BUILDING OCCUPANCY COMPARISON CHARTS

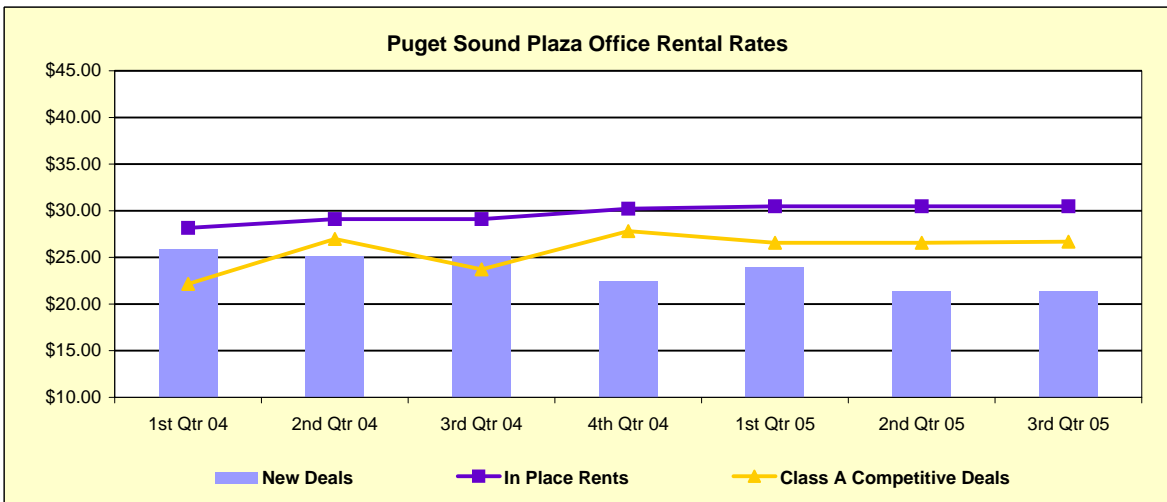
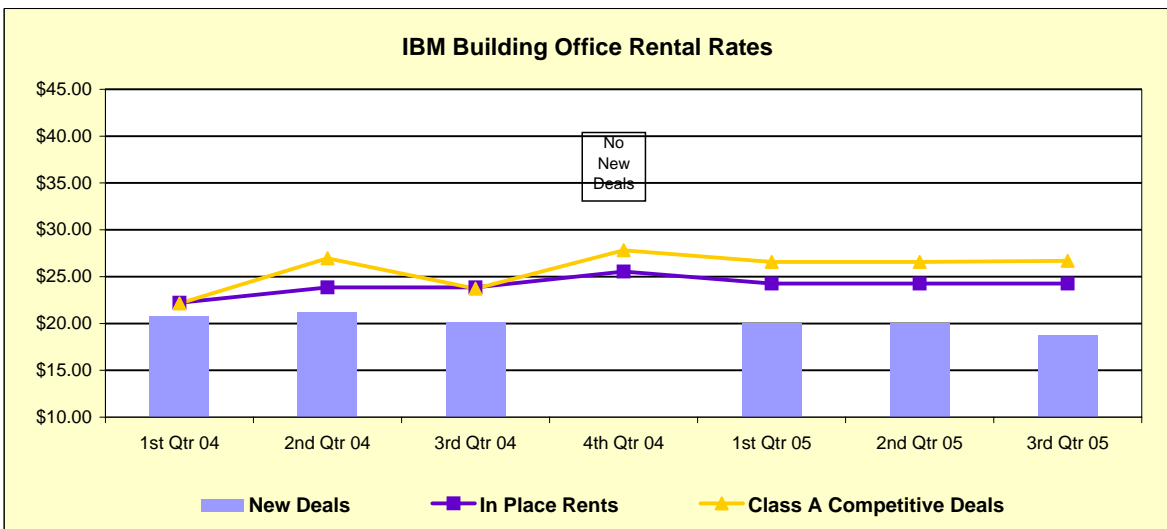
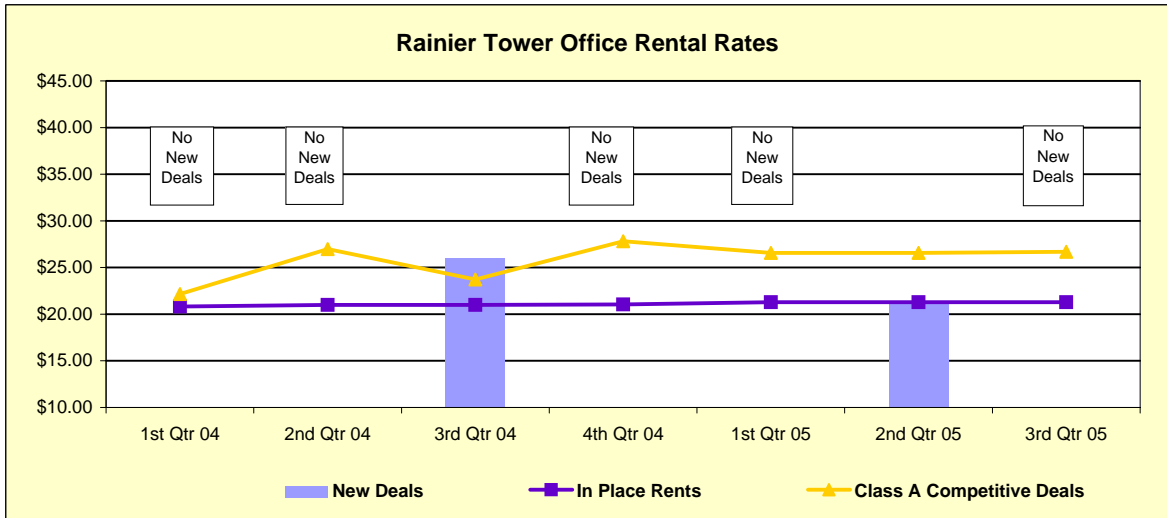
Last Seven Quarters

Quarter Ending September 30, 2005

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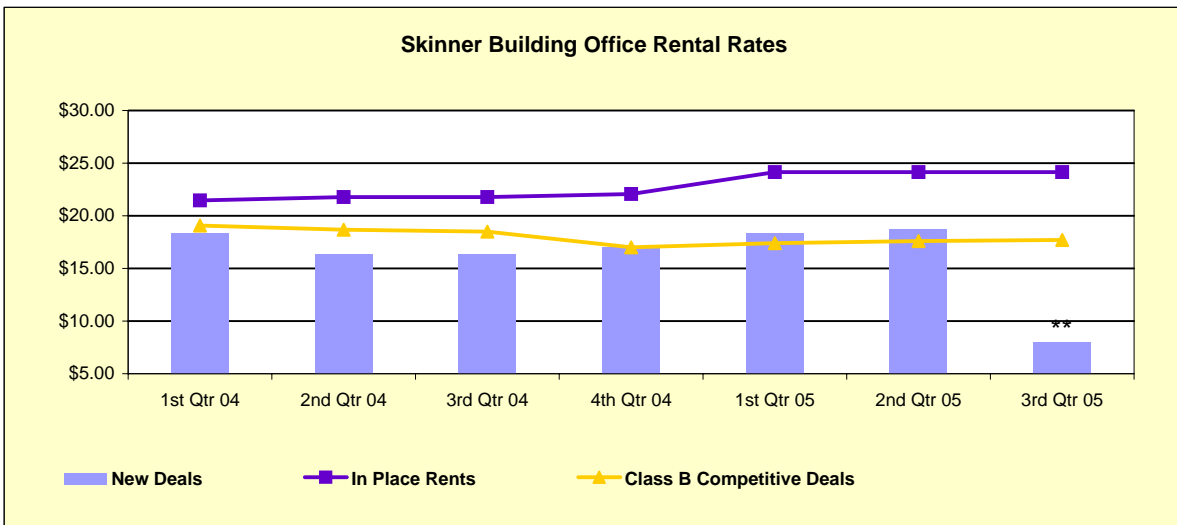
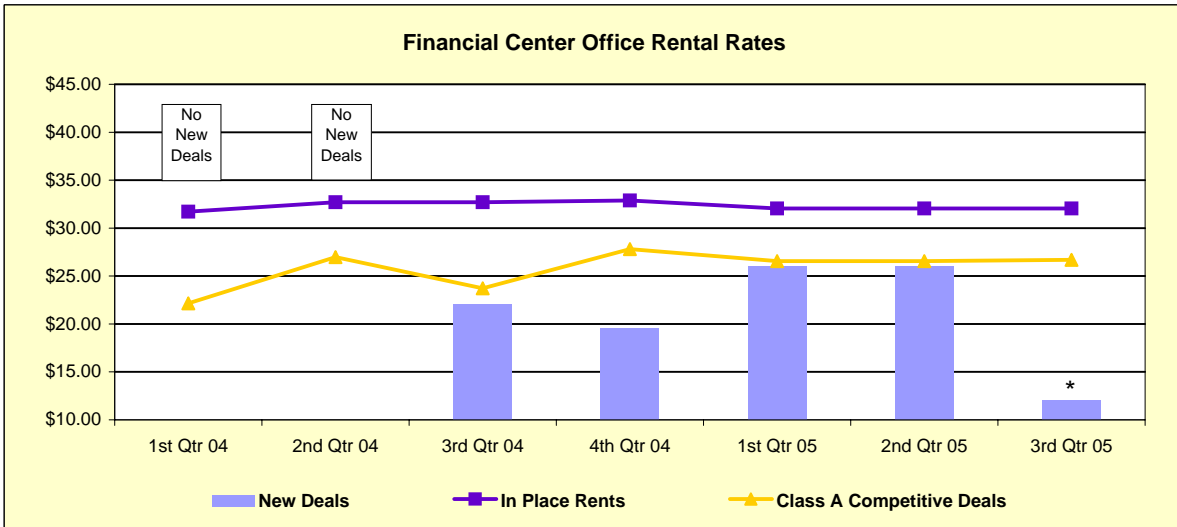


OFFICE BUILDING RENTAL RATE COMPARISON
 Last Seven Quarters
 Quarter Ending September 30, 2005



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 10% to 20% higher than 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.

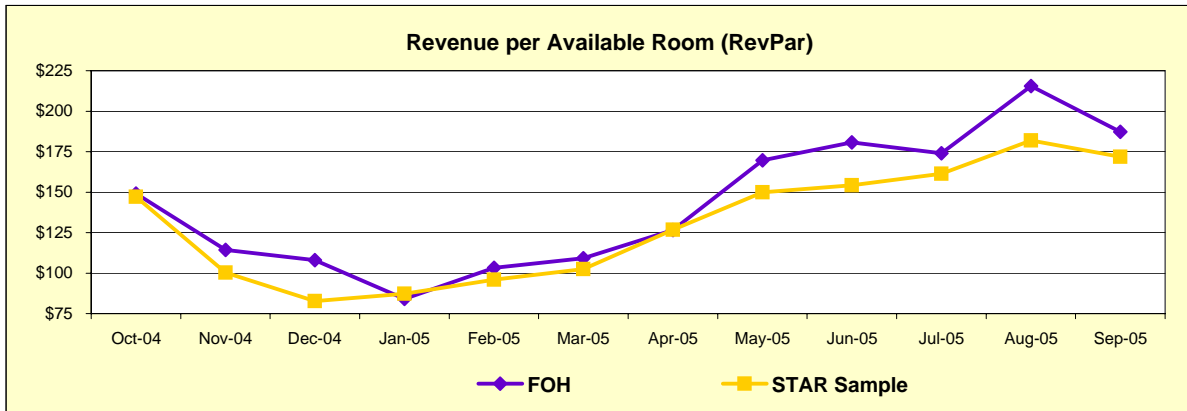
OFFICE BUILDING RENTAL RATE COMPARISON
 Last Seven Quarters
 Quarter Ending September 30, 2005



*Represents short term lease deal
 **Represents 5th Avenue Theatre

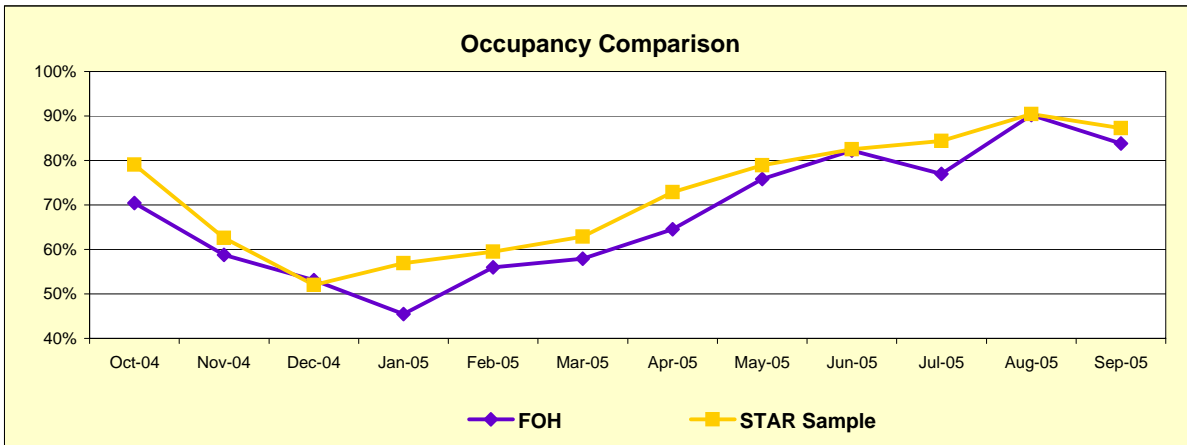
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FAIRMONT OLYMPIC HOTEL MARKET COMPARISONS
Twelve Months Ended September 30, 2005



RevPar 12-months Average	Sep-05	Sep-04	Change from Prior Year \$
FOH	\$143.49	\$124.49	\$19.00
STAR Sample Avg <1>	\$130.17	\$114.98	\$15.19

RevPar Current Month Ended	Sep-05	Sep-04	Change from Prior Year %
FOH	\$187.30	\$146.74	\$40.56
STAR Sample Avg <1>	\$171.85	\$141.37	\$30.48

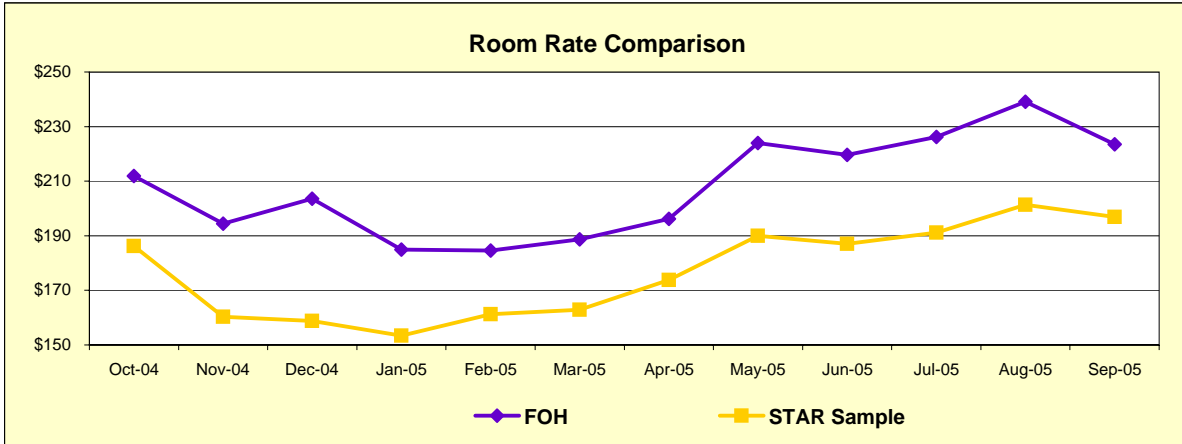


Occupancy 12-months Average	Sep-05	Sep-04	Change from Prior Year %
FOH	67.9%	63.1%	4.9%
STAR Sample Avg <1>	72.5%	69.0%	3.5%

Occupancy Current Month Ended	Sep-05	Sep-04	Change from Prior Year %
FOH	83.8%	71.6%	12.2%
STAR Sample Avg <1>	87.3%	79.0%	8.3%

<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 September 30, 2005



Average Daily Rate 12-months Average	Sep-05	Sep-04	Change from Prior Year \$
FOH	\$208.06	\$197.85	\$10.21
STAR Sample Avg <1>	\$176.93	\$168.78	\$8.14

Average Daily Rate Month Ended	Sep-05	Sep-04	Change from Prior Year \$
FOH	\$223.47	\$204.99	\$18.48
STAR Sample Avg <1>	\$196.85	\$178.91	\$17.94

<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.