

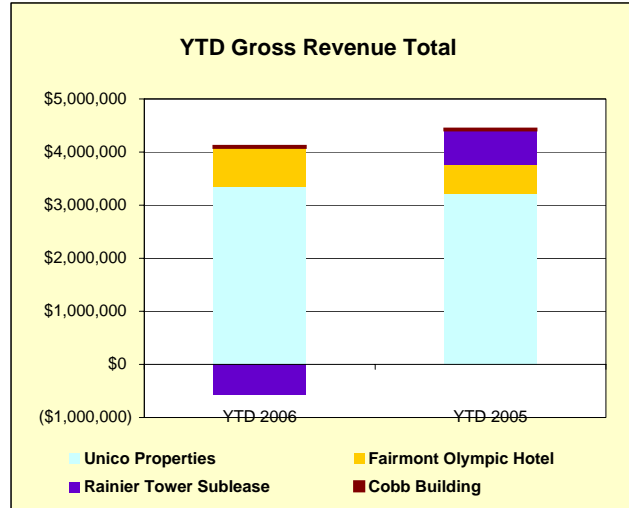
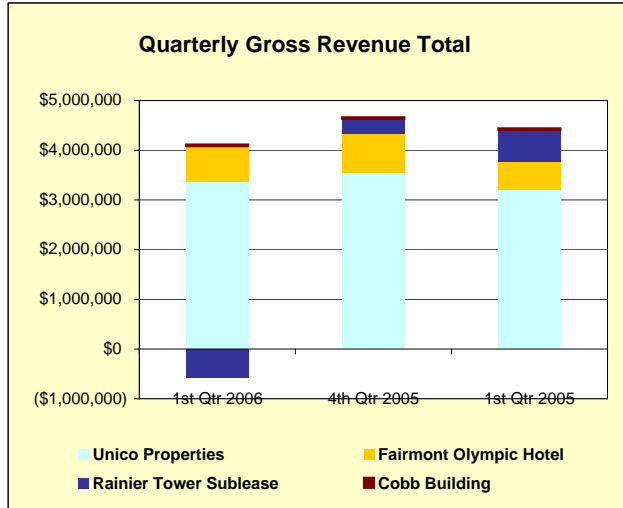
METROPOLITAN TRACT
PERFORMANCE REPORT
For the Quarter Ended
March 31, 2006



Finance, Audit & Facilities Committee

May 18, 2005

University of Washington Metropolitan Tract
CONSOLIDATED METROPOLITAN TRACT PROPERTIES
Quarterly Summary
Quarter Ending March 31, 2006



CURRENT QUARTER							
Gross Revenue to University	1st Qtr 2006	Prior Qtr* 4th Qtr 2005	Prior Year* 1st Qtr 2005	Change from Prior Qtr		Change from Prior Year	
				\$	%	\$	%
Unico Properties	3,351,324	3,536,245	3,206,522	(184,921)	(5.2%)	144,802	4.5%
Rainier Tower Sublease	(580,110)	288,117	642,267	(868,228)	(301.3%)	(1,222,377)	(190.3%)
Fairmont Olympic Hotel	723,426	803,713	554,927	(80,288)	(10.0%)	168,498	30.4%
Cobb Building	43,443	38,500	38,500	4,943	12.8%	4,943	12.8%
TOTAL GROSS REVENUE	\$3,494,640	\$4,628,076	\$4,403,717	(\$1,133,436)	(24.5%)	(\$909,077)	(20.6%)

Gross Revenue to University	CALENDAR YEAR TO DATE				ANNUAL	
	YTD 2006	YTD 2005	Change from Prior YTD \$	%	Projected 2006	Actual 2005
Unico Properties	3,351,324	3,206,522	144,802	4.5%	13,068,881	13,436,458
Rainier Tower Sublease	(580,110)	642,267	(1,222,377)	(190.3%)	(286,288)	2,345,964
Fairmont Olympic Hotel	723,426	554,927	168,498	30.4%	3,593,016	3,284,468
Cobb Building	43,443	38,500	4,943	12.8%	154,000	115,000
TOTAL GROSS REVENUE	\$3,494,640	\$4,403,717	(\$909,077)	(20.6%)	\$16,375,609	\$19,181,890

12/31/05 INTERNAL VALUATION	
	Gross Market Value
Unico Managed Properties ¹	396,100,000
Fairmont Olympic Hotel	160,000,000
Cobb Building ²	6,700,000
TOTAL	\$562,800,000

¹ Includes the Rainier Tower Sublease

² Represents stabilized value less cost to complete the project

CONSOLIDATED METROPOLITAN TRACT PROPERTIES

Quarterly Summary

Quarter Ending March 31, 2006

CONSOLIDATED METROPOLITAN TRACT SUMMARY

The Metropolitan Tract total revenue was \$3.5 million in the first quarter of 2006. Capital expenditures in Rainier Tower were the primary cause of a nearly 25% decline from the fourth quarter of 2005. When compared to the year-ago period, the last 3 months show a 20.6% decline, despite increases in every sector except for the Sublease.

Throughout 2006 and into 2007, this will be the norm. Although positive results are projected by the other sectors, the increased capital expense needs of the Sublease until the new leases commence in January of 2008 will dramatically impact the consolidated numbers.

UNICO PROPERTIES

Revenue from the Unico properties was off 5.2%, totaling \$3.35 million for the quarter. Office revenue was off 3%, but a nearly 9% decrease in Retail had an almost equal share in the quarterly decline of \$185K. Comparing to a year prior, Office was flat and Retail is actually up by more than 27%. Occupancy in the office properties hovers near 90%. The average occupancy in the Seattle Central Business District is approximately 89%.

RAINIER TOWER SUBLEASE

Lower revenue and dramatically increased capital costs related to the new Marsh & Mercer leases and the expansion of Whitepages.com had a negative impact on the Rainier Tower Sublease's bottom line. In the first three months of 2006, the net result from the sublease shows a loss of more than \$580,000. Adding to the quarter over quarter variance was the expiration of the Washington Mutual lease for two floors. Three additional floors will be vacated in September when WAMU relocates to its new HQ. The Marsh and Mercer leases commence in January of 2008, at which time revenues will enjoy a marked upturn. However, for 2006 and 2007, we can expect continued operations in the red for the Sublease. Since 1995, the Rainier Tower Sublease has generated more than \$14.7 million dollars of net revenue.

FAIRMONT OLYMPIC HOTEL

The Fairmont Olympic Hotel generated revenue to the University of \$723,426. While this is an expected decrease (of 10% from the preceding quarter), it is more appropriate to compare it to the year-ago quarter due to the seasonality of the hotel revenues. In that comparison, the first quarter of 2006 was up more than 30%. It is worth noting that while last year's performance was phenomenal, the early part of the year was not out of line with recent years. March, 2006 reported record setting average daily rates and occupancy.

INTERNAL VALUATION

The numbers presented represent the overall value of the real estate as estimated by Heitman and Urbis Partners as of 12/31/05, but do not account for the leasehold encumbrances.

MARKET UPDATE

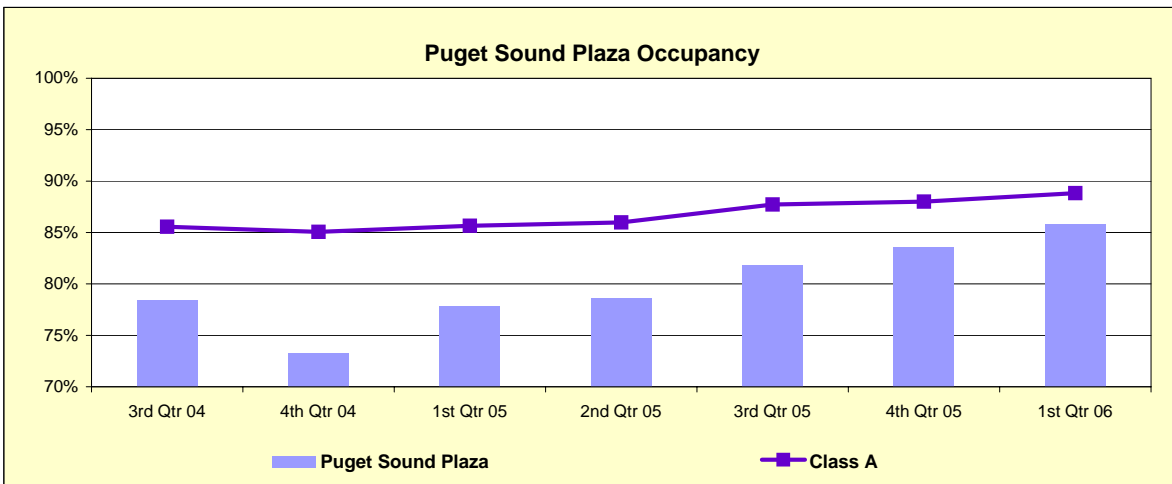
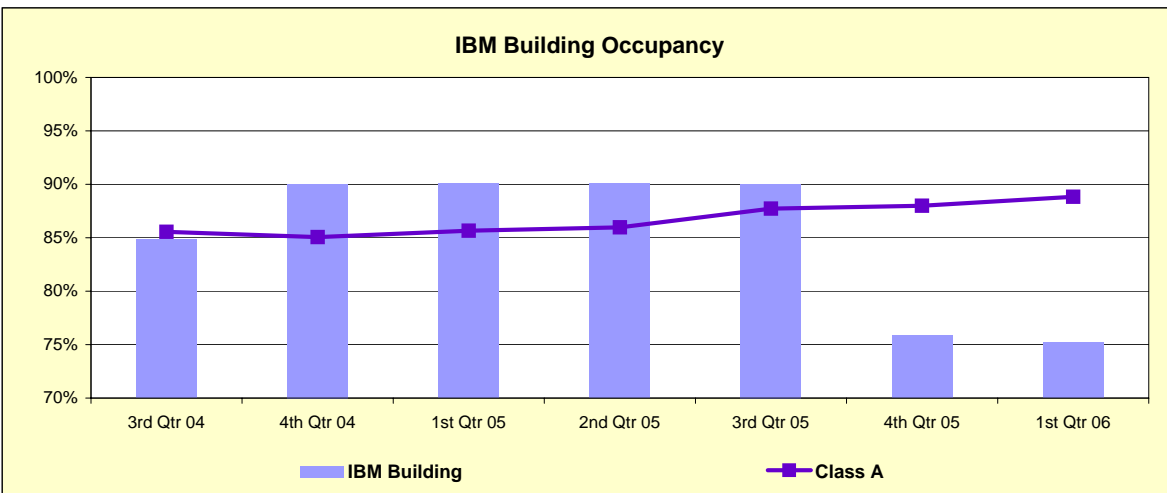
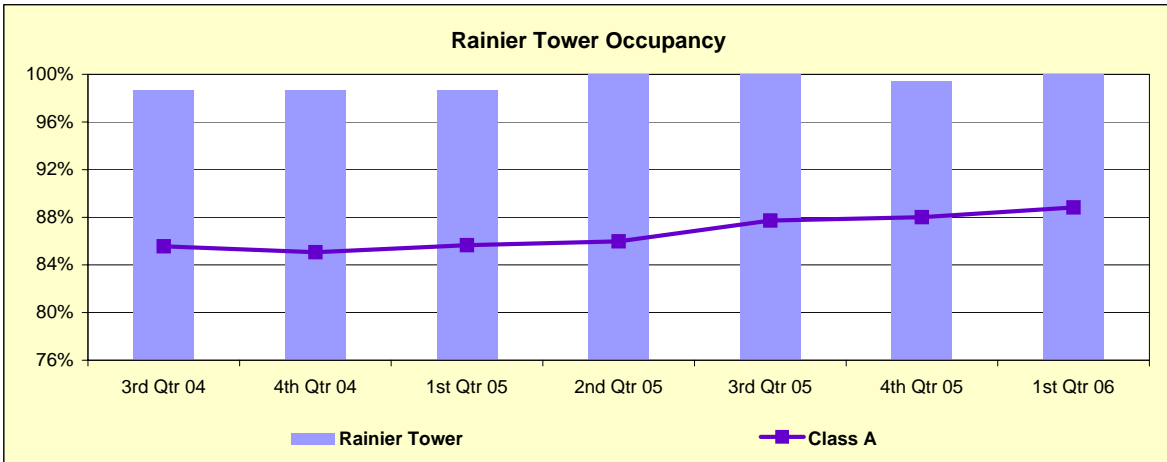
OFFICE MARKET

The Puget Sound office market is maintaining its trend of steady improvement. Until Washington Mutual Center opens and adds its 800,000 square feet to the market, this will continue to be the case. There is a lot of activity in the market both from new sources as well as expansions from existing tenants who are expanding with the economy. As of 3/31/06, the CBD office vacancy was approximately 11.5% of the nearly 20 million square foot market. Safeco is rumored to have negotiated letters of intent in two buildings for space totaling nearly 500,000 sf. If these result in executed leases, market rents should increase dramatically.

HOTEL MARKET

It has been a robust beginning of 2006 for the hotel industry. The Fairmont Olympic has had amazing performances so far, and the numbers across the luxury hotel sector for downtown Seattle have been very impressive. The outlook for the rest of the year is positive as it is believed that the market will build on 2005's stellar year. Seattle is seen as a very desirable market and many buyers have attempted to enter the market, submitting unsolicited bids on a number of existing hotels in the area, as well as on listed assets. There is some concern, however, based on the high volume of new supply of luxury rooms. While it is commonly believed that Seattle could sustain a large increase in total rooms (such as the new tower at the Sheraton), there is less certainty regarding the large influx of ultra luxury rooms such as those from the Four Seasons (2007), Pan Pacific (late 2006) and 1000 Madison (summer, 2006).

University of Washington Metropolitan Tract
OFFICE BUILDING OCCUPANCY COMPARISON CHARTS
 Last Seven Quarters
 Quarter Ending March 31, 2006
 Includes Direct and Sublease Vacancy

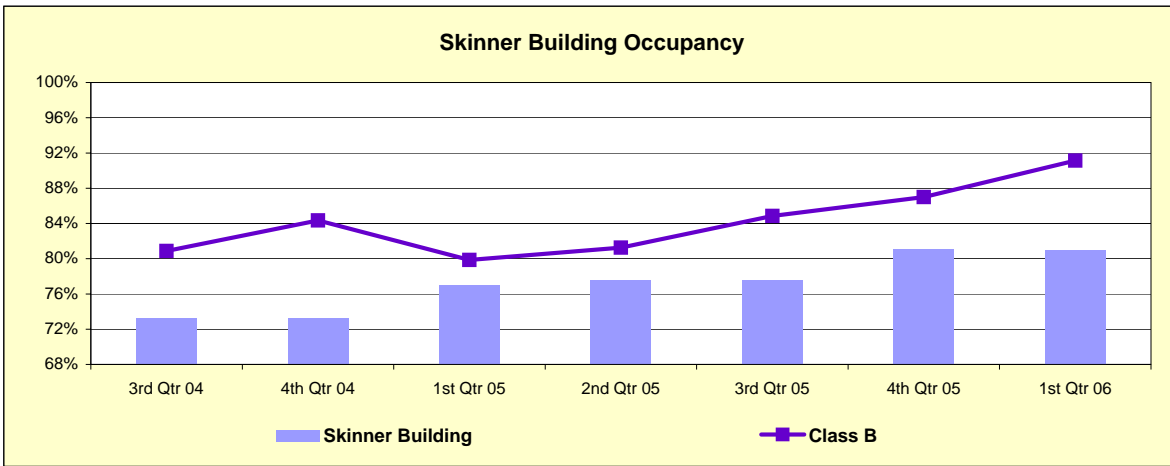
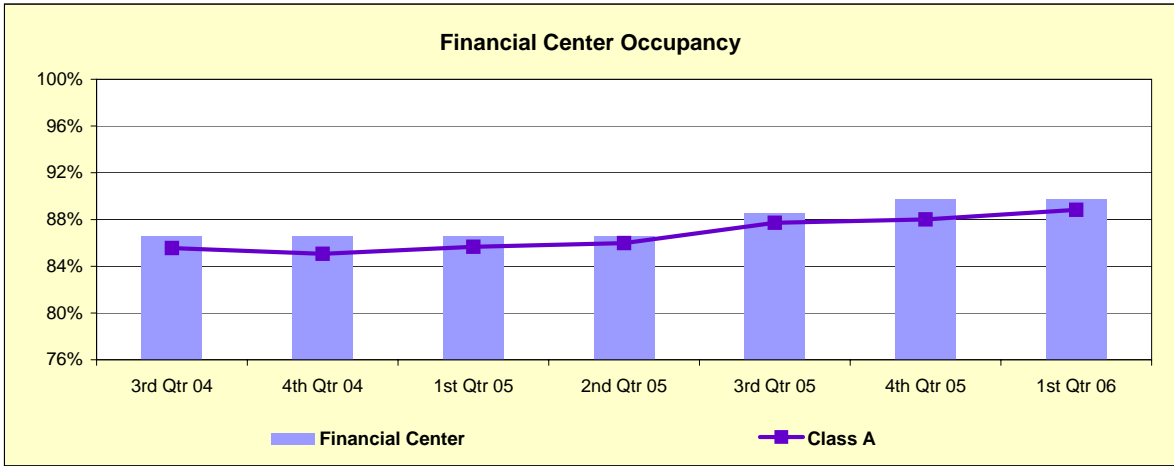


OFFICE BUILDING OCCUPANCY COMPARISON CHARTS

Last Seven Quarters

Quarter Ending March 31, 2006

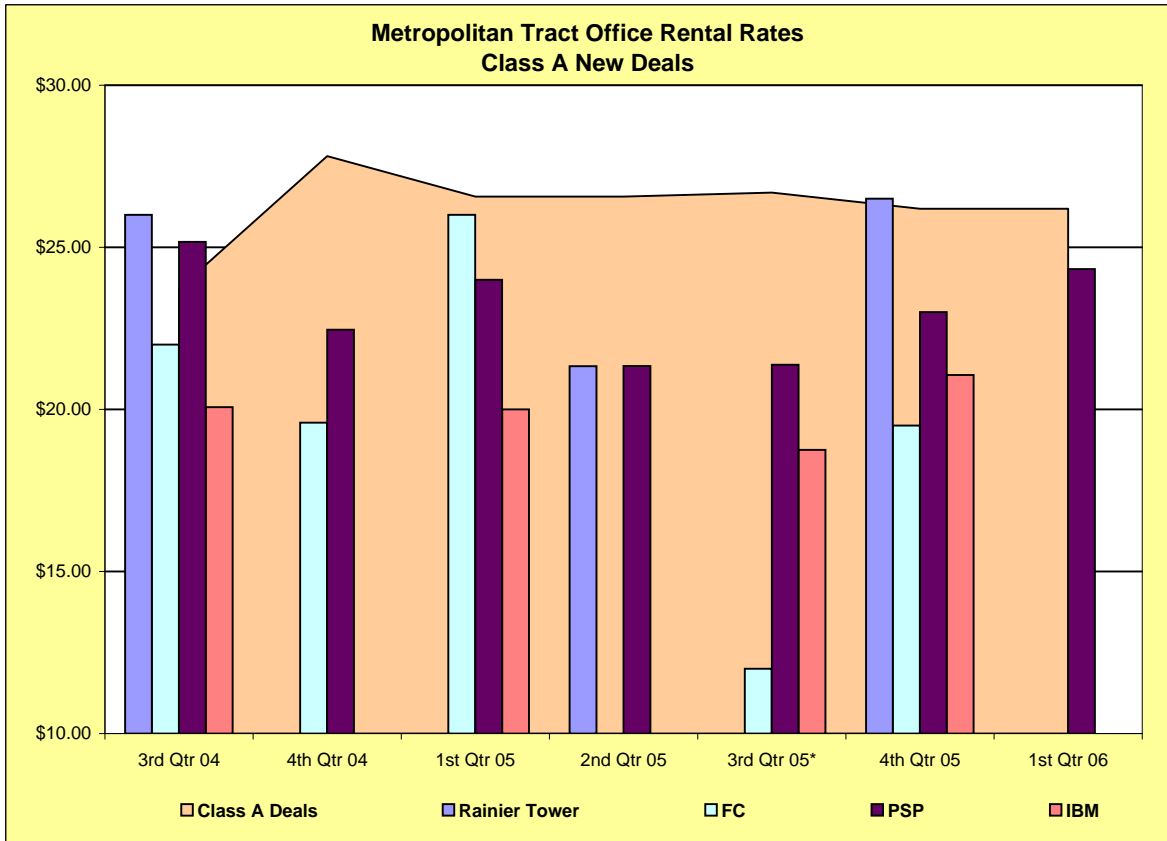
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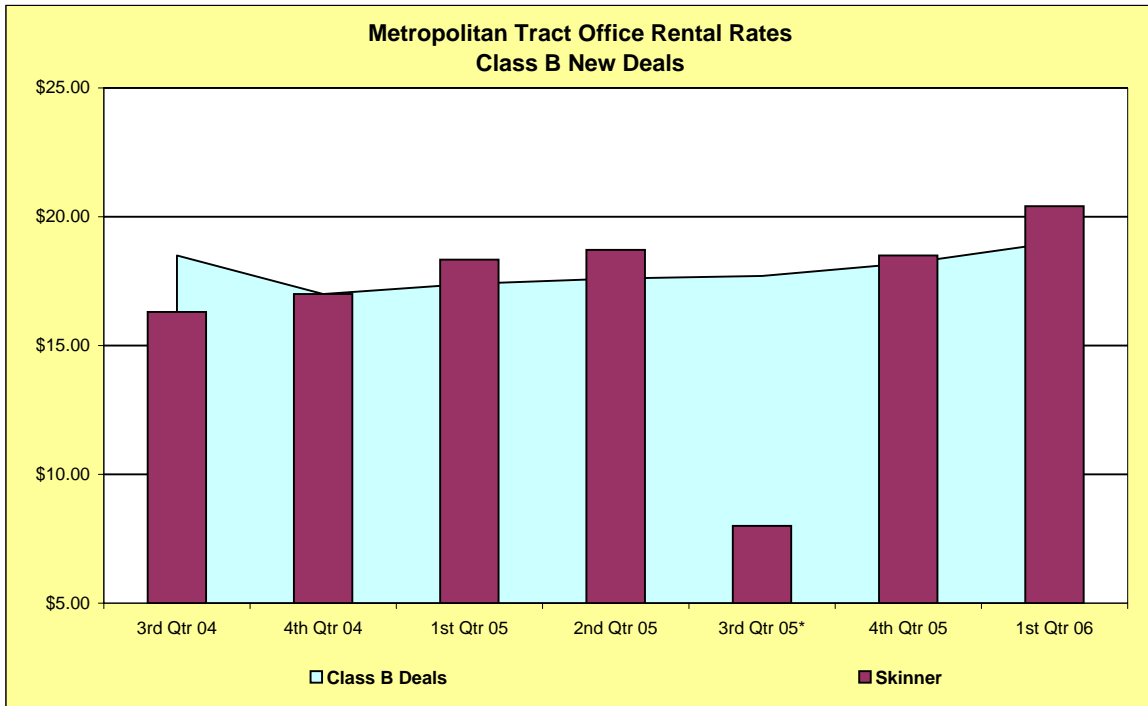
OFFICE BUILDING RENTAL RATE COMPARISON

Last Seven Quarters

Quarter Ending March 31, 2006

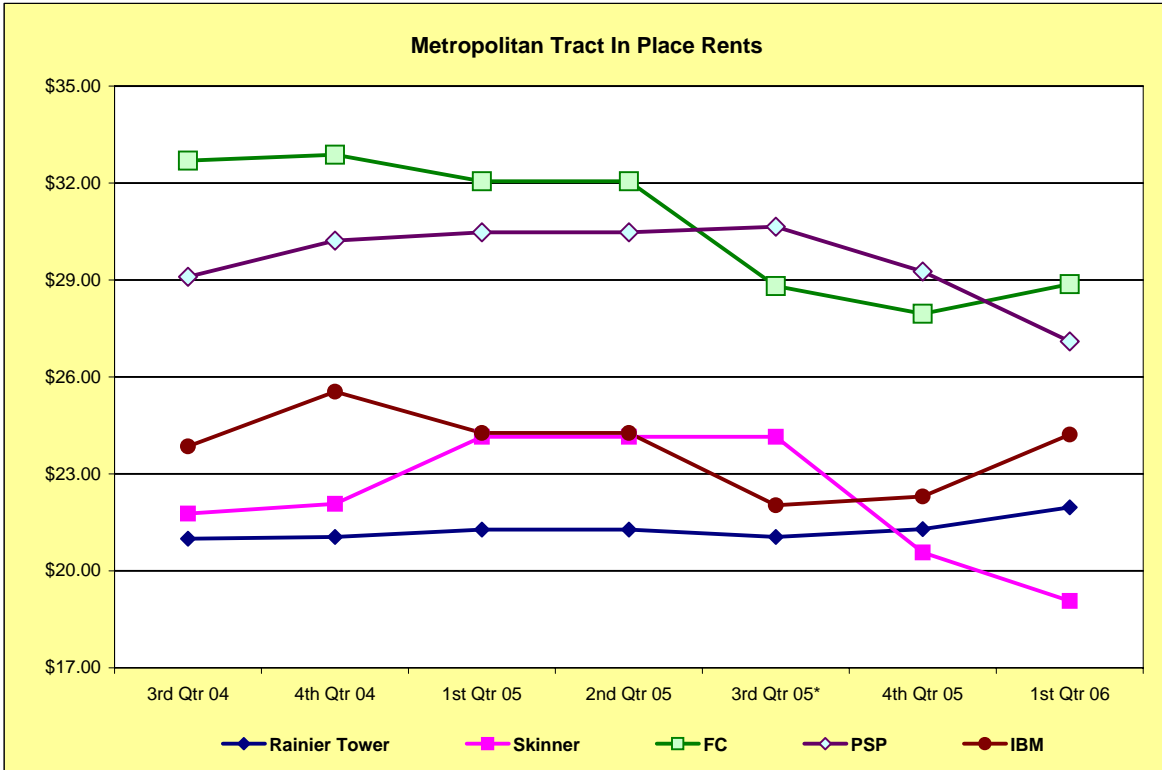


*In the 3rd Quarter of 2005, a tenant of 5,409 sf for \$12.00/sf leased some undesirable space in the Financial Center on an as is basis.



*In the 3rd Quarter of 2005, 5th Avenue Theatre leased space in the lower level of the Skinner Building.

University of Washington Metropolitan Tract
OFFICE BUILDING RENTAL RATE COMPARISON
 Last Seven Quarters
 Quarter Ending March 31, 2006

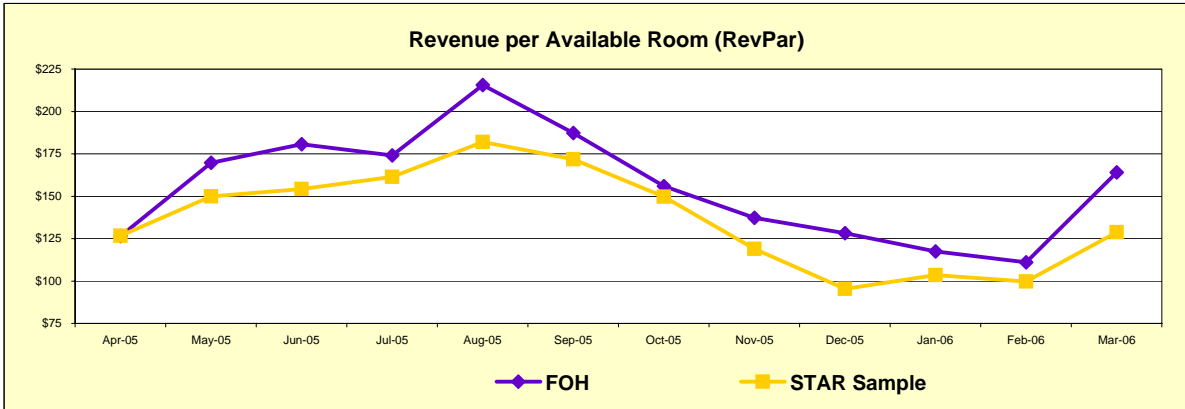


Notes regarding In Place Rents

As these rates are calculated based on occupied square footage, this chart does not necessarily indicate overall profitability of individual properties, simply how much is being generated per occupied square foot. As such, many of the trends are somewhat counterintuitive in that higher numbers are often the result not of increased revenue, but of leases expiring.

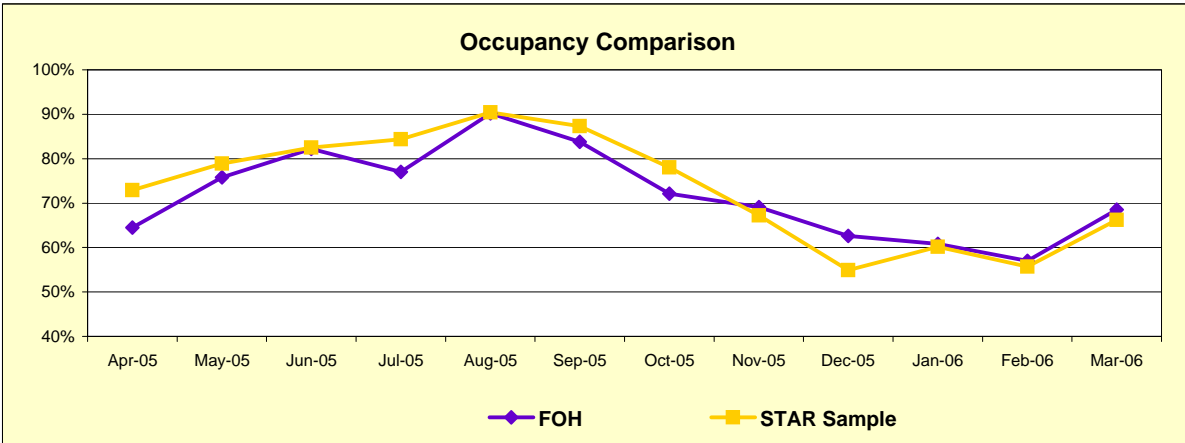
- The increase rent rate in the IBM Building during the most recent quarter is a result of Piper Jaffray vacating. That removed over 40,000 sf which was generating approximately \$22/sf
- Puget Sound Plaza and Financial Center's decreases stem from new leases going into effect that were below the previous level.
- Similarly, Skinner's decrease since the 3rd quarter of 2005 was a result of new deals commencing.

FAIRMONT OLYMPIC HOTEL MARKET COMPARISONS
Twelve Months Ended March 31, 2006



RevPar 12-months Average	Mar-06	Mar-05	Change from Prior Year \$
FOH	\$155.64	\$126.35	\$29.29
STAR Sample Avg <1>	\$136.85	\$118.20	\$18.65

RevPar Current Month Ended	Mar-06	Mar-05	Change from Prior Year %
FOH	\$164.02	\$108.08	\$55.94
STAR Sample Avg <1>	\$128.77	\$82.62	\$46.15

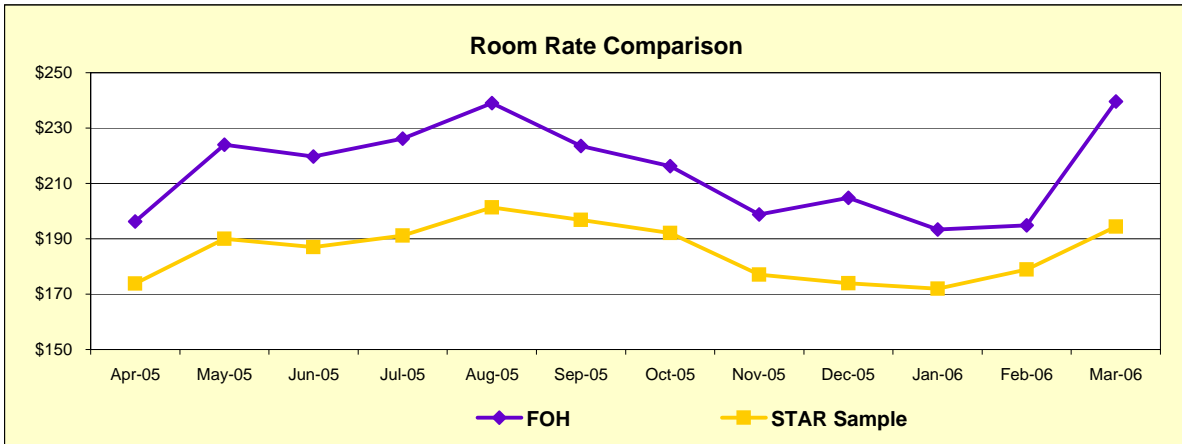


Occupancy 12-months Average	Mar-06	Mar-05	Change from Prior Year %
FOH	72.0%	63.0%	9.0%
STAR Sample Avg <1>	73.2%	68.5%	4.7%

Occupancy Current Month Ended	Mar-06	Mar-05	Change from Prior Year %
FOH	68.5%	57.9%	10.6%
STAR Sample Avg <1>	66.2%	62.9%	3.3%

<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 March 31, 2006



Average Daily Rate 12-months Average	Mar-06	Mar-05	Change from Prior Year \$
FOH	\$214.67	\$199.38	\$15.29
STAR Sample Avg <1>	\$185.71	\$171.01	\$14.70

Average Daily Rate Month Ended	Mar-06	Mar-05	Change from Prior Year \$
FOH	\$239.58	\$188.67	\$50.91
STAR Sample Avg <1>	\$194.44	\$162.95	\$31.49

<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.