

The Depository Trust Company
IMPORTANT

B#: 1401
DATE: February 01, 2001
TO: All Participants
CATEGORY: Dividends
FROM: Anthony Capizzi, Domestic Tax Services, Dividend Dept.
ATTENTION: Managing Partner/Officer, Cashier, Dividend Mgr. Tax Mgr.
SUBJECT: USP Real Estate Investment Trust
CUSIP# 903370104
2000 Tax Information

The attached correspondence containing tax information was received by the Depository Trust Company. If applicable please consult your tax advisor to assure proper treatment of this event.

Attachment

903370104

USP Real Estate Investment Trust

To all Shareholders:

The enclosed Form 1099B reflects your proportionate share of the proceeds from sale and liquidation of USP Real Estate Investment Trust ("USP") in 2000. Report the total amount of \$6.90 per share as proceeds from the disposition of your USP shares. Compare this amount to your cost basis to determine taxable gain or loss. Whether such gain or loss is ordinary or capital, long-term or short-term, must be determined by each shareholder. Consult your own tax advisor.

An initial liquidating distribution of \$6.83 per share was paid in 2000 and is reportable by each shareholder whether or not actually received in 2000. If you have not received the distribution of \$6.83 per share, please contact EquiServe, the disbursing agent, by telephone at 1-800-426-5523 or by mail at: EquiServe, Attn: Corporate Actions, P.O. Box 9573, Boston, MA 02205-9573.

All remaining cash in USP was transferred to the USP Real Estate Investment Trust Liquidating Trust (the "Liquidating Trust") as a contingency reserve for the benefit of shareholders. Each shareholder is deemed to have constructively received a proportionate share of this transfer in 2000, representing the equivalent of \$.07 per share. Any cash remaining in the Liquidating Trust after payment of final expenses will be distributed to shareholders in 2001.

The Liquidating Trust is a separate entity from USP, was established as a grantor-type trust, has its own ID # 42-6603880 and earned \$569 of investment income in 2000. Shareholders should report their proportionate share of this income, equivalent to \$.00015 per share, as taxable ordinary dividend income in 2000.