

SCHEDULE 14A  
SCHEDULE 14 INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934

Filed by the Registrant ☐ [ ]

Filed by a Party other than the Registrant ☒ [ X ]

Check the appropriate box:

☒ [X] Preliminary Proxy Statement

☐ [ ] Definitive Proxy Statement

☐ [ ] Definitive Additional Materials

☐ [ ] Soliciting Material Pursuant to Section 240.14a-11(c) or  
Section 240.14a-12

Name of Registrant as Specified in Its Charter:

Universal Health Realty Income Trust

Name of Person(s) Filing Proxy Statement:

Culinary Workers Union, Local 226

Payment of Filing Fee (check the appropriate box)

☒ [X] \$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), or  
14a-6(j)(2).

☐ [ ] \$500 per each party to the controversy pursuant to Exchange  
Act Rule 14a-6(i)(3).

☐ [ ] Fee computed on table below per Exchange Act Rules 14a-  
6(i)(4) and 0-11.

Preliminary Proxy Statement

For release to shareholders 1/23/99

Culinary Workers Union Local 226  
1630 S. Commerce Street  
Las Vegas, Nevada 89102  
(702) 387-7064 tel.  
(702) 385-1197 fax.

NOTICE OF INTENDED PROXY CONTEST  
AT  
UNIVERSAL HEALTH REALTY INCOME TRUST  
(NYSE:UHT)

IS THE TRUST BEING RUN BY "INDEPENDENT" TRUSTEES?

To Fellow UHT shareholders:

We intend to solicit proxies at the next annual meeting for  
the following proposal:

RESOLVED, that shareholders recommend the trustees support  
amendment of the Declaration of Trust to prohibit so-called  
"independent" trustees from having any business relationship  
with the Trust's Advisor. "Business relationship" includes  
not only personally doing business with the Advisor, but  
also being an executive of a corporation (or other entity)  
which does business with the Advisor, or which has on its  
own board someone who is an executive of the Advisor.

Currently the Trust has an "Advisor", Universal Health Services,  
Inc. ("UHS"), which is also the Trust's primary tenant. We  
believe the best way to ensure that all transactions between the  
Trust and UHS are fair to shareholders is to have a majority of  
trustees be truly independent of UHS.

We question whether such independence is achieved by the current Declaration of Trust, the document governing the Trust. While it requires that a majority of trustees be "independent", it uses a narrow definition of that term.

Thus, for example, "independent" trustee Michael Walker is CEO of Genesis Health Ventures, which has on its board of directors the CEO of UHS, Alan Miller. Miller has even served on the Genesis executive compensation committee which sets Walker's pay.

"Independent" trustee James Dalton, Jr. is the CEO of Quorum Health Group, which is involved in a 3-hospital joint venture with UHS in the Las Vegas area.

Quorum's relationship with UHS was not disclosed in the Trust's last proxy statement to shareholders. Are there other undisclosed relationships?

We in no way suggest these trustees made improper decisions - -- that would require analyzing data to which we do not have access.

Rather, we simply believe shareholders should not have to worry that "independent" trustees are favoring UHS at the Trust's expense because of their private business relationships with UHS.

Please support our proposal to avoid conflicts-of-interest among independent trustees overseeing the Trust.

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That definition is as follows: "'Independent Trustee' shall mean a Trustee who, in his individual capacity, (i) is not an Affiliate of the Advisor and (ii) does not perform any services for the Trust except as Trustee." The definition is further narrowed by the Declaration defining "Affiliate" to ignore joint venturers, suppliers, contractors, consultants, customers, joint venturers, and other business relationships which might make the trustee feel beholden to UHS: "'Affiliate' shall mean, as to any Person, (i) any other Person directly or indirectly controlling, controlled by or under common control with such person, (ii) any other Person that owns beneficially, directly or indirectly, five percent (5%) or more of the outstanding capital stock, shares or equity interests of such Person, or (iii) any officer, director, employee, general partner or trustee of such Person or of any Person controlling, controlled by or under common control with such Person (excluding trustees who are not otherwise an Affiliate of such Person)."

## SUMMARY OF RELATIONSHIP BETWEEN THE TRUST AND UHS

In 1998, UHS subsidiaries were the principal tenants of 7 of the 9 hospitals owned by the Trust. These leases accounted for 79% of the Trust's total revenues for the 5 years ended 12/31/97.

The Trust's officers are all also UHS officers. The Advisory Agreement between the Trust and UHS is renewable annually, subject to approval by a majority of independent trustees. The Trust paid UHS \$1.1 million for advisory services in FY 1997.

As of the last proxy statement, 2 of the 7 trustees were UHS executives and therefore not deemed "independent" under the current declaration of trust.

More information about the trustees and the relationship between UHS and the Trust is contained in the Trust's last proxy statement at pp. 3-4 and pp. 13-15, incorporated herein by reference.\*

\* You may obtain a copy of these materials from the SEC's EDGAR database ([www.sec.gov](http://www.sec.gov)), or by contacting us at the address or phone above.

## VOTING PROCEDURE

We intend to solicit for the proposal using our own proxy card and a revised proxy statement: look for these after you receive your proxy card from the Trust. The Trust's proxy card may not include the proposal. We intend to solicit at least a majority of the voting power of the outstanding stock. The Trust's annual shareholders meetings have occurred in early June at the offices of UHS and the Trust, 367 South Gulph Road, King of Prussia PA 19406, (610) 265-0688 (tel).

Passage of the proposal will require a favorable vote by a majority of stock represented at the meeting. The proposal is non-binding.

A shareholder may revoke a proxy card any time prior to the count at the meeting by (a) executing a new card; (b) sending written notice of revocation to the Company's secretary, or (c) attending the meeting and voting there.

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The super-majority requirement of the declaration of trust makes it impractical to amend the declaration without trustee support: the declaration provides it may not be amended by shareholders unless 95 percent of stock eligible to vote actually votes for an amendment. This voting requirement is lowered to 50% if all (or all but one) trustees approve of the amendment.

## PROXY SOLICITATION

This solicitation is conducted by Culinary Workers Local 226, which owns 56 shares in the Trust. Culinary represents over 40,000 employees in Las Vegas, including approximately 100 employees at UHS' Valley Hospital. Culinary is negotiating with UHS for a new agreement. Culinary has petitioned to compel arbitration over a grievance concerning UHS's failure to apply the agreement to Desert Springs Hospital after a majority of Desert's unit employees designated Culinary as their representative. No work stoppage or picketing has occurred. Culinary does not ask for your support in these matters, and does not believe them relevant to how you should vote as a Trust shareholder. Neither hospital is owned by the Trust. Regardless of the outcome of labor matters, Culinary will vote each proxy card it receives in accordance with the shareholder's instructions. Culinary will not ask you for any discretionary voting authority: rather, it will vote your stock solely as you have directed. Culinary will bear all solicitation costs (anticipated at \$5000) and will not seek reimbursement from the Company. It intends to solicit proxies by mail, fax, phone, e-mail and meetings using regular staff.

## RECORD DATE/EXECUTIVE COMPENSATION/STOCK OWNERSHIP OF MANAGEMENT, TRUSTEES AND 5% OWNERS/ELECTION OF TRUSTEES

We do not have information on these matters more current than the Trust's last proxy statement (pp. 1-4 and 6-19, incorporated by reference herein).\*

## SHAREHOLDER PROPOSALS

The deadline for shareholders to submit proposals for inclusion in management's proxy materials will appear in management's upcoming proxy statement.

PLEASE RETURN THE ENCLOSED SURVEY TODAY.

For more information, contact our Research Analyst, John Canham-Clyne, at (702) 387-7064

SURVEY OF SHAREHOLDERS OF  
UNIVERSAL HEALTH REALTY INCOME TRUST

This is a voluntary survey, not a proxy card, and cannot be used to vote on the shareholder proposal. Your identity will be kept confidential unless you specifically authorize to the contrary. The information from your response will be used solely for communicating about matters for shareholder vote.

YOUR VIEW OF THE SHAREHOLDER PROPOSAL REGARDING TRUSTEE  
CONFLICTS- OF-INTEREST:

- ☐ Strongly support  
☐ Likely to support  
☐ Likely to oppose because \_\_\_\_\_  
☐ Undecided

☐ Please send me more information about the issues on which  
Trust shareholders will be voting:

Mailing address: \_\_\_\_\_

\_\_\_\_\_

E-mail address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

\_\_\_\_\_  
PRINT SHAREHOLDER NAME

\_\_\_\_\_  
# SHARES

Please return by March 15, 1999 in the enclosed envelope or fax  
to (702) 385-1197.