

UHM

DIVIDEND
REINVESTMENT
AND SHARE
PURCHASE PLAN

FOR SHAREHOLDERS OF
UNIVERSAL HEALTH REALTY
INCOME TRUST

UHM

Administered by:
Computershare Trust Company, N.A.

UNIVERSAL HEALTH REALTY INCOME TRUST DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN

SUMMARY OF THE SIGNIFICANT FEATURES OF THE PLAN

- You may purchase additional Shares of Universal Health Realty Income Trust (“UHT”) through monthly optional cash dividends on all or a portion of your Trust Shares without paying brokerage commissions or fees.
- You may also purchase additional Shares of UHT through monthly optional cash investments (subject to a minimum of \$25.00 per calendar month and a maximum of \$50,000.00 per calendar month) without paying brokerage commissions or fees.
- Holders of Trust Shares in broker or nominee name may participate in the Plan.
- Your record-keeping will be simplified since you will receive periodic statements of your account.
- You may deposit Trust Shares held by you and registered in your name into the Plan for added convenience through the safekeeping feature.

DESCRIPTION OF THE PLAN

The following, in question and answer form, explains and constitutes Universal Health Realty Income Trust's Dividend Reinvestment and Share Purchase Plan ("Plan"). Shareholders who do not participate in the Plan will receive cash dividends as declared, and will be paid in the usual manner.

PURPOSE

1. What is the purpose of the Plan?

The purpose of the Plan is to provide holders of Trust Shares with a simple and convenient way to invest cash dividends or optional cash payments in additional Trust Shares. When the Trust is not engaged in making a public offering of Trust Shares pursuant to a registration statement that is in effect under the Securities Act of 1933, as amended (an "Offering"), the Plan Administrator will purchase Trust Shares either from or through securities broker dealers. When the Trust has registered Trust Shares available for sale, the Plan Administrator shall use its best efforts to purchase either (i) outstanding Trust Shares from or through securities broker dealers or (ii) "newly issued" Trust Shares directly from the Trust in accordance with the terms of the offering. In those cases in which Trust Shares are purchased directly from the Trust, the Trust will use the additional funds for its business purposes, which primarily include real estate equity investments.

ADVANTAGES

2. What are the advantages of the Plan?

Participants in the plan may:

- (a) have cash dividends on all or a portion of their Trust Shares automatically reinvested or have optional payments invested in Trust Shares without paying brokerage commissions, fees, or any charges for record-keeping; and
- (b) purchase additional shares of UHT through monthly optional cash investments (minimum of \$25.00 and maximum of \$50,000.00 per calendar month) without paying brokerage commissions; and
- (c) obtain full investment use of funds, as the Plan provides for fractions of Trust Shares to be credited to participants' accounts; and
- (d) utilize the convenient and free certificate safekeeping and record-keeping service.

3. Who is eligible to participate?

All holders of record of Trust Shares are eligible to participate in the Plan. Beneficial owners of Trust Shares whose securities are registered in the name of a broker or nominee must contact the broker to make arrangements for them to participate on your behalf or become a record holder by having the Trust Shares transferred to his or her own name.

4. How does an eligible holder participate?

An eligible holder of Trust Shares who is not already enrolled in the Plan may join the Plan by going online to www.computershare.com or signing the enclosed Enrollment Form and returning it to Computershare Trust Company, N.A., Investor Relations Department, PO Box 43078, Providence, RI 02940-3078, which is acting as the Plan Administrator.

5. Are securities broker dealers eligible to participate?

Yes. A beneficial owner whose securities are registered in the name of a broker and who wishes to participate in the Plan should contact the broker and request to participate.

6. When may a holder join the Plan?

An eligible holder of Trust Shares may join the Plan at any time. Once in the Plan, the holder will remain a participant until he or she discontinues his or her participation or sells all Trust Shares held in his or her own name which are designated for participation in the Plan as well as Trust Shares in the Plan account.

If an Enrollment Form specifying reinvestment of dividends is received by the Plan Administrator on or before the Record Date (or, if the Record Date is not a business day, the preceding business day) established for a particular dividend payment, reinvestment will commence with that Dividend Payment Date (or, if the payment date is not a business day, the following business day). Although dividends are not guaranteed and schedules may change, Dividend Record Dates are typically the 15th of March, June, September and December. Dividend Payment Dates are approximately the last business day of March, June, September, and December.

If the Enrollment Form is received after the record date established for a particular dividend payment, then the reinvestment of dividends may not begin until the

Dividend Payment Date following the next record date, as applicable. See No. 12 for information concerning the investment of optional cash payments.

7. What does the Enrollment Form provide?

The Enrollment Form provides for the purchase of additional Trust Shares through the following investment options:

- (a) Full Dividend Reinvestment directs the Trust to invest in accordance with the Plan all of your cash dividends on all of the Trust Shares then or subsequently registered in your name, and also permits you to make optional cash payments for the purchase of additional Trust Shares in accordance with the Plan;
- (b) Partial Dividend Reinvestment directs the Trust to issue a check in accordance with the Plan for cash dividends on only the number of Trust Shares registered in your name and held by you which are designated in the appropriate space on the Enrollment Form. The remainder of your dividend will be reinvested in additional Trust Shares. This option also permits you to make optional cash payments for the purchase of additional Trust Shares in accordance with the Plan.
- (c) Optional Cash Purchases Only permits you to make optional cash payments for the purchase of additional Trust Shares in accordance with the Plan, without reinvesting dividends on the Trust Shares held by you. After you receive your statement on each optional cash purchase, you may elect to receive cash dividends on such Trust Shares by withdrawing such stock from your account. See No. 20.

In all reinvestment options, cash dividends on all of the Trust Shares held in your account under the Plan will be reinvested in accordance with the Plan, including dividends on such Trust Shares purchased with optional cash payments.

8. How may a participant change options under the Plan?

As a participant, you may change your investment options at any time by contacting the Plan Administrator online at www.computershare.com, by phone at (877) 282-1168 or by requesting a new Enrollment Form and returning it to the Computershare Trust Company, N.A., Investor Relations Department, PO Box 43078, Providence, RI 02940-3078.

9. Are there any expenses to Participants in connection with the purchase of Trust Shares under the Plan?

No.

10. How many Trust Shares will be purchased for participants?

If you become a participant in the Plan, the number of Trust Shares to be purchased depends on the amount of your dividends or optional cash payments and the purchase price of the Trust Shares. Your account will be credited with that number of Trust Shares, including fractions, equal to the total amount to be invested divided by the purchase price per share.

11. When and at what price will Trust Shares be purchased under the Plan?

Purchases of Trust Shares with reinvested dividends will begin on the Dividend Payment Date (or on the following business day). The date on which optional payments received from participants will be applied to the acquisition of additional Trust Shares will be on the Dividend Payment Date in dividend months or on the last business day of the month in non-dividend months (the "Optional Payment Investment Date").

In the event the Plan Administrator is unable to have purchased the necessary Trust Shares within 30 days, except where temporary curtailment or suspension of purchases is necessary to comply with applicable provisions of the Federal Securities Laws or when unusual market conditions make prudent investment impracticable, such funds will be returned to you. Optional payments and reinvested dividends may be commingled. In order to be invested on an upcoming Optional Payment Investment Date or Dividend Payment Date, optional cash payments must be received by the Plan Administrator no later than two business days prior to the investment date. Late payments will be invested on the next subsequent investment date.

The Trust shall determine whether to issue new Trust Shares or purchase such Shares on the open market. In the case of Trust Shares purchased in open market transactions, the purchase price shall be the weighted average price of the Trust Shares purchased for the accounts of Plan participants for the investment. The price at which newly issued Trust Shares are acquired directly from the Trust shall be the average of the high and low reported sales price of the Trust Shares on the New York Stock Exchange for the trading date immediately preceding the investment date. Participants will become owners of Trust Shares purchased on the

open market as of the settlement date (which is typically three business days after the investment date). Newly issued Trust Shares will be credited to participants' accounts on the investment date.

12. Who will be eligible to make optional cash payments?

All holders of record of Trust Shares who enroll via the Internet, submit an Enrollment Form or who continue to be enrolled in the Plan are eligible to make optional cash payments at any time. The Trust will apply any optional cash payment received from a participant at least two business days prior to the Optional Payment Investment Date.

If you want to make only optional cash payments (and not reinvest dividends), the Trust will pay cash dividends on Trust Shares registered in your name and held by you in the usual manner and will apply any optional cash payments received from you to the purchase of additional Trust Shares for your account under the Plan. Unless Trust Shares acquired with optional cash payments are withdrawn from your account, dividends paid on such shares will be reinvested. (See No. 20 concerning withdrawal.)

An initial optional cash payment may be made by a participant when enrolling in the Plan (or by shareholders who continue to be enrolled in the Plan) by enclosing a check payable in U.S. dollars drawn against a U.S. bank with the Cash Investment and Other Transaction Form attached to the bottom of each Plan statement. Cash, traveler's checks, money orders and third party checks will not be accepted. Optional cash payments may be made at any time by sending them to the address listed on the Cash Investment and Other Transaction Form attached to the bottom of each Plan statement.

Forwarding payments to any other address does not constitute valid delivery. Checks should be made payable to "Computershare". While optional cash payments may be made at any time, no interest will be paid on such payments. In the event that any deposit is returned unpaid for any reason, the Plan Administrator will consider the request for investment of such funds null and void and shall immediately remove from the participant's account shares, if any, purchased upon the prior credit of such funds. The Plan Administrator shall thereupon be entitled to sell these shares to satisfy any uncollected balance. If the net proceeds of the sale of such shares are insufficient to satisfy the balance of such uncollected amount, the Plan Administrator shall be entitled to sell additional shares from the participant's account to satisfy the uncollected balance.

A \$25.00 fee will be charged for any deposit returned unpaid.

13. What are the limitations on the amount of optional cash payments?

The same amount of money need not be sent each month and you are under no obligation to make an optional cash payment in any month. Any optional cash payments you wish to make must not be less than \$25.00 nor may they total more than \$50,000.00 per calendar month. Only checks in U.S. funds drawn on U.S. banks should be remitted.

14. Under what circumstances will optional cash payments be returned?

Optional cash payments received by the Plan Administrator will be returned to you upon Internet, telephonic or written request received at least five business days prior to the investment date.

ADMINISTRATION

15. Who administers the Plan for participants?

Computershare Trust Company, N.A., a federally chartered trust institution as Plan Administrator, administers the Plan for participants, keeps records, sends statements of account to participants and performs other duties relating to the Plan. Computershare, Inc. acts as service agent for Computershare. Trust Shares purchased under the Plan, will be registered in the name of the Plan Administrator (or its nominee), as agent and credited to the accounts of the respective participants.

REPORTS TO PARTICIPANTS

16. What type of reports will be sent to participants in the Plan?

As soon as practicable after each purchase, a participant will receive an advice of transaction, including effective purchase price and the number of Trust Shares acquired. These statements are a record of the cost of purchase of shares under the Plan and should be retained for tax purposes. In addition, each participant will receive copies of the Trust's annual and quarterly reports to shareholders, proxy statements and dividend income information for tax reporting purposes.

DIVIDENDS ON TRUST SHARES

17. Will participants be credited with dividends on Trust Shares held in their accounts under the Plan?

Yes. As the record holder for the Trust Shares held in participants' accounts under the Plan, the Plan Administrator will receive dividends for all Trust Shares held by the Plan on the dividend record date, will credit such dividends to participants' accounts on the basis of full and fractional Trust Shares held in these accounts and will automatically reinvest the appropriate number of such dividends in additional Trust Shares.

CERTIFICATES FOR TRUST SHARES

18. Will certificates be issued for Trust Shares purchased under the Plan?

Unless requested, the Trust will not issue to participants certificates for Trust Shares purchased under the Plan. Your Trust Shares will be held in the name of the Plan Administrator or its nominee. The number of shares purchased for your account under the Plan will be shown on your statement of account. This feature protects against loss, theft or destruction of stock certificates.

Certificates for any number of whole Trust Shares credited to your account under the Plan will be issued to you upon your request. If you are reinvesting cash dividends with respect to all the Trust Shares registered in your name, cash dividends with respect to Trust Shares withdrawn from your account will continue to be reinvested unless you notify the Plan Administrator otherwise. Dividends on any full or fractional trust Shares remaining in your account will also continue to be reinvested. The Trust, at its discretion, may terminate any account which contains only a fraction of a Trust Share by paying the account holder in cash the dollar value of such fractional Trust Share. Certificates for fractions of Trust Shares will not be issued. (See No. 20 for instructions on withdrawing Trust Shares.)

Accounts under the plan will be maintained in the names in which certificates of the participants were registered at the time the participants entered the plan. Therefore, certificates for whole Trust Shares will be similarly registered when issued at the request of a participant. Should you want your Trust Shares registered and issued in a different name or should you want to change the name in which your account is maintained, you must so indicate in a written request and comply with any applicable transfer requirements.

A participant who wishes to pledge Trust Shares credited to his or her Plan account must first withdraw such Trust Shares from the account.

19. Is Trust Share safekeeping available?

As a participant in the Plan, you may deposit additional UHT Shares you now hold into your account for safekeeping. These are treated the same as shares purchased under the Plan. There is no charge to shareholders for this additional service.

All certificates should be sent to: Computershare Trust Company, N.A., Investor Relations Department, PO Box 43078, Providence, RI 02940-3078 by registered or certified mail, with return receipt requested or some other form of traceable mail and properly insured.

The certificates should not be endorsed.

WITHDRAWS AND TERMINATION

20. How may a participant withdraw Trust Shares purchased under the Plan?

You may withdraw all or a portion of the Trust Shares from your Plan account by notifying the Plan Administrator to that effect and specifying in the notice the number of whole Trust Shares to be withdrawn. This notice may be made by contacting the Plan Administrator online at www.computershare.com, calling the Plan Administrator at (877) 282-1168 or mailing a request to: Computershare Trust Company, N.A., Investor Relations Department, PO Box 43078, Providence, RI 02940-3078. Certificates for the whole Trust Shares so withdrawn will be issued to you. In no case will certificates for fractional Trust Shares be issued. Any notice of withdrawal received after two days prior to the Dividend Payment Date may not be effective until dividends for such record date have been reinvested and the Trust Shares so purchased are credited to the participant's Plan account. (See No. 6 as to the approximate Dividend Payment Record Dates.) If you are reinvesting dividends on all Trust Shares registered in your name, dividends with respect to Trust Shares withdrawn from your account will continue to be reinvested unless you notify the Plan Administrator otherwise.

OTHER INFORMATION

21. How may a participant sell Trust Shares?

You may sell all or a portion of the Trust Shares in your Plan account by notifying the Plan Administrator to that effect and specifying in the notice the number of whole Trust Shares to be sold. This notice may be made by contacting the Plan Administrator online at

www.computershare.com, calling the Plan Administrator at (877) 282-1168 or mailing a request to: Computershare Trust Company, N.A., Investor Relations Department, PO Box 43078, Providence, RI 02940-3078.

If a participant wishes to sell Trust Shares by telephone, the Plan Administrator limits such sales to a value of \$100,000. This limitation is set to protect the participant's account against unauthorized sales.

If the shares a participant wishes to sell have a value exceeding \$100,000 at the time they call the Plan Administrator, the participant may either send a request in writing for all of the shares they wish sold, or they may request that the Plan Administrator sell some of their Trust shares (up to \$100,000 in value) by telephone and send a written request for the remainder of the Trust shares that they wish to sell.

The Plan Administrator reserves the right to decline to process a sale by telephone if it determines, in its sole discretion, that supporting legal documentation is required. In addition, all sale requests within thirty days of an address change are expected to be submitted in written form.

The sale of a participant's Trust Shares shall be delivered to the executing broker on the day it is received, assuming that day is a trading day and the Plan Administrator receives the request by 1:00 p.m. Eastern time on that trading day. If not received on time, the sale request will be delivered for execution on the next trading day. The sales price will be the weighted average of all Trust Shares sold on a given day. The sale proceeds, after deduction of a brokerage commission of \$0.12 a share and a service charge of \$15 shall be delivered to the participant. No participant shall have the authority or power to direct the date or sales price at which Trust Shares may be sold. Requests must indicate the number of shares to be sold and not the dollar amount to be attained. Any such request that does not clearly indicate the number of shares to be sold will be returned to the participant with no action taken.

22. What happens to a participant's Plan account if all Trust Shares in the participant's own name are transferred or sold?

If you dispose of all Trust Shares registered in your own name and participating in the Plan, the Plan Administrator will continue to reinvest dividends on the Trust Shares held in our Plan account until you notify the Plan Administrator that you wish to withdraw such Trust Shares from your account. (See No. 20 concerning the withdrawal of Trust Shares.)

23. How does a participant discontinue the reinvestment of dividends under the Plan?

A participant may discontinue the reinvestment of dividends under the Plan with respect to all or a portion of the participant's Trust Shares at any time by notifying the Plan Administrator to that effect. Discontinuance with regard to all Trust Shares will constitute a request for withdrawal of the Trust Shares held in a participant's account. Notice of discontinuance should be made by contacting the Plan Administrator online at www.computershare.com, by calling the Plan Administrator at (877) 282-1168 or by writing to: Computershare Trust Company, N.A., Investor Relations Department, PO Box 43078, Providence, RI 02940-3078. To prevent the reinvestment of dividends in accordance with the Plan, a notice of discontinuance must be received at least two business days prior to the Dividend Payment Date. (See No. 6 for the approximate timing of Dividend Payment Dates.)

24. What happens if the Trust has a Trust Share rights offering, issues a Trust Share dividend or declares a Trust Share split?

Participation in any rights offering will be based upon both the Trust Shares registered in participants' names and the Trust Shares (including fractional Trust Shares) credited to participants' Plan accounts. Any Trust Share dividend or Trust Shares resulting from splits of Trust Shares, both full and fractional, credited to participants' accounts will be added to their Plan accounts.

25. How will a participant's Trust Shares held by the Plan be voted at a meeting of shareholders?

All Trust Shares credited to your account under the Plan will be voted as you direct. If on the record date for a meeting of shareholders, there are Trust Shares credited to your account under the Plan, you will be sent the proxy materials for such meeting. When you return an executed proxy, all of such Trust Shares will be voted as indicated. Or if you so elect, you may vote all of such Trust Shares in person at the shareholders' meeting.

26. What are the Federal income tax consequences of participation in the Plan?

Under Internal Revenue Service rulings in connection with similar plans, dividends paid with respect to Trust Shares which you reinvest in Trust Shares will be treated for Federal income tax purposes as having been received by you in the form of a taxable stock distribution rather than as a cash dividend. Under these rulings, an amount equal to the fair market value on the date of purchase of Trust Shares acquired with reinvested dividends will be

treated as a dividend to the extent the Trust has earnings and profits for Federal income tax purposes. In case of newly issued Trust shares acquired directly from the Trust, this fair market value will be based on the last reported sales price on the New York Stock Exchange for the date immediately preceding the date on which such Trust Shares are purchased. If there is no trading in the Trust Shares as reported on the New York Stock Exchange for the date immediately preceding the date of purchase, the fair market value shall be equal to the purchase price determined by the Trust as set forth in No. 11. In the case of Trust Shares acquired in open market transactions, the fair market value of Trust Shares will be their actual purchase price. To the extent that the amount so distributed by the Trust exceeds the current and accumulated earnings and profits of the Trust, such excess would be treated for Federal income tax purposes as a return of capital to the participants.

In addition, in the event that the Trust designates a part or all of the amount so distributed as a capital gain dividend, such gain would be treated by the participants as long-term capital gain. Your statements of account will show the purchase price of the Trust Shares acquired with reinvested dividends and a statement mailed to you at year-end will reflect your dividend income information for tax reporting purposes.

Participants who purchase additional Trust Shares with optional cash payments should not be treated for Federal income tax purposes as having received a dividend solely by reason of such purchase, inasmuch as they will have simply purchased additional Trust Shares for an amount equal to their fair market value, in the case of newly-issued Trust Shares, or their actual purchase price (including any brokerage commissions and service or other charges), in the case of Trust Shares acquired in open market transactions. Accordingly, such participants' statements of account will simply show the fair market value or actual purchase price (including any brokerage commissions and service and other charges) of the Trust Shares acquired with optional cash payments.

In accordance with the applicable Treasury Regulations, the tax basis of Trust Shares acquired under the Plan by reinvestment of dividends or by optional cash payments will be equal to their fair market value or actual purchase price.

As a participant in the Plan, you will not realize any taxable income when you receive certificates for whole Trust Shares credited to your account, either upon your request for such certificates or upon withdrawal from, or termination of, the Plan. However, you may recognize

gain or loss (which, for most participants, will be capital gain or loss) when whole Trust shares acquired under the Plan are sold or exchanged. You may also recognize gain or loss when you receive a cash payment for a fractional Trust Share credited to your account upon withdrawal from, or termination of, the Plan. The amount of such gain or loss will be the difference, if any, between the amount which you receive for your Trust Shares or fractional Trust Share and the tax basis thereof.

The Internal Revenue Service has ruled that a dividend reinvestment plan similar to the Plan will not adversely affect the qualification of a real estate investment trust. In addition, such trusts should be able to include amounts deemed distributed as dividends under such a plan in their dividends paid deduction.

Those considering participation in the Plan are urged to consult with their own tax advisors for more specific information and with respect to any changes in the tax laws or regulations affecting these matters.

27. What provision is made for holders of Trust Shares subject to backup withholding?

In the case of holders of Trust Shares who elect to have their dividends reinvested and whose dividends are subject to “backup” withholding under the Internal Revenue Code of 1986 (the “Code”), the Plan Administrator will invest in Trust Shares, an amount equal to the dividends of such participants less any tax required to be withheld. The statements confirming purchases made for such participants will indicate the net payment reinvested.

Under the “backup” withholding rules of the Code, the Trust is required to withhold for United States income tax purposes a percentage of all dividend payments to a holder of Trust Shares if (i) such person has failed to furnish to the Trust its taxpayer identification number (“TIN”), which for an individual is his or her social security number, (ii) the Internal Revenue Service has notified the Trust that the TIN furnished by such person is incorrect, (iii) the Internal Revenue Service notifies the Trust that backup withholding should be commenced because such person has failed to properly report interest or dividends or (iv) such person has failed to certify, under penalties of perjury, that he or she is not subject to backup withholding if such exemption is available to them.

Foreign Plan participants should consult their own tax advisors concerning the U.S. withholding tax consequences of participating in the Plan. Foreign holders of Trust Shares who elect to make optional cash

payments only, will continue to receive cash dividends on Trust Shares registered in their names in the same manner as if they were not participating in the Plan. Optional cash payments received from them must be in U.S. dollars and drawn against a U.S. bank and will be invested in the same way as payments from other participants.

28. What is the responsibility of the Plan Administrator under the Plan?

The Plan Administrator will not be liable for any act done in good faith or for any good faith omission to act, including without limitation, any claim of liability arising out of failure to terminate a participant's account upon such participant's death, the prices at which Trust Shares are purchased for a participant's account, the times when purchases are made or fluctuations in the market value of the Trust Shares.

Participants should recognize that neither the Trust nor the Plan Administrator can provide any assurance of a profit or protection against loss on any Trust Shares purchased under the Plan.

29. Can the Plan be changed or discontinued?

While the Trust hopes to continue the Plan indefinitely, the Trust reserves the right to suspend or terminate the Plan at any time, including the period between a dividend record date and the related payment date. It also reserves the right to make modifications to the Plan. Participants will be notified of any such suspension, termination or any material modification. The Trust also reserves the right to terminate any participant's participation in the Plan at any time.

30. How is the Plan to be interpreted?

Any question of interpretation arising under the Plan will be determined by the Trust and any such determination will be final.

31. Where should correspondence regarding the Plan be directed?

All correspondence regarding the Plan should be addressed as follows:

By Internet:

www.computershare.com

By Telephone:

(877) 282-1168 (U.S. or Canada)

(781) 575-3120 (Outside U.S. or Canada)

Customer Service Representatives are available 9:00 a.m. to 5:00 p.m. EST each business day.

In Writing:

Computershare Trust Company, N.A.,
Investor Relations Department, PO Box 43078,
Providence, RI 02940-3078

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For overnight or courier mail:
Computershare Investor Services
250 Royall Street
Canton, MA 02021

Please mention the specific Plan in all correspondence.

It will be the Trust's policy to declare quarterly distributions to the holders of Trust Shares so as to comply with applicable sections of the Code governing real estate investment trusts. Subject to the foregoing, future dividends will be determined in light of the earnings and financial condition of the Trust and other relevant factors.

UHT
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