

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant ☒ [X]

Filed by a Party other than the Registrant ☐ [ ]

Check the appropriate box:

☐ [ ] Preliminary Proxy Statement

☐ [ ] CONFIDENTIAL, FOR USE OF THE  
COMMISSION ONLY (AS PERMITTED BY  
RULE 14A-6(E)(2))

☒ [X] Definitive Proxy Statement

☐ [ ] Definitive Additional Materials

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

Universal Health Realty Income Trust

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ [X] No fee required.

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

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed  
pursuant to Exchange Act Rule 0-11 (set forth the amount on which  
the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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☐ [ ] Fee paid previously with preliminary materials.

☐ [ ] Check box if any part of the fee is offset as provided by Exchange  
Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee  
was paid previously. Identify the previous filing by registration statement  
number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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Notes:

UNIVERSAL HEALTH REALTY INCOME TRUST  
UNIVERSAL CORPORATE CENTER  
367 SOUTH GULPH ROAD  
KING OF PRUSSIA, PENNSYLVANIA 19406

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
June 1, 2001

Notice is hereby given that the Annual Meeting of Shareholders of Universal Health Realty Income Trust (the "Trust") will be held on Friday, June 1, 2001 at 10:00 AM, at the offices of the Trust, Universal Corporate Center, 367 South Gulph Road, King of Prussia, Pennsylvania for the following purposes:

- (1) To have the holders of Trust Shares elect two Class III Trustees, both Trustees to serve for a term of three years, until the annual election of Trustees in the year 2004 and election and qualification of their successors.
- (2) To transact such other business as may properly come before the meeting or any adjournment thereof.

Only shareholders of record at the close of business on April 20, 2001 are entitled to vote at the Annual Meeting.

All shareholders are cordially invited to attend the meeting in person. IN ANY EVENT, PLEASE MARK YOUR VOTES, THEN DATE AND SIGN THE ENCLOSED FORM OF PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE WHETHER OR NOT YOU CURRENTLY PLAN TO ATTEND THE ANNUAL MEETING. YOU MAY REVOKE YOUR PROXY IF YOU DECIDE TO ATTEND THE ANNUAL MEETING AND WISH TO VOTE YOUR SHARES IN PERSON.

BY ORDER OF THE BOARD OF TRUSTEES

/s/ Kirk E. Gorman

KIRK E. GORMAN  
Secretary

King of Prussia, Pennsylvania  
April 27, 2001

SKU0802-PS-01

UNIVERSAL HEALTH REALTY INCOME TRUST  
Universal Corporate Center  
367 South Gulph Road  
King of Prussia, PA 19406

PROXY STATEMENT

GENERAL

This Proxy Statement is furnished to the shareholders of Universal Health Realty Income Trust, a real estate investment trust organized under the laws of the State of Maryland (the "Trust"), in connection with the solicitation of Proxies by the Board of Trustees for use at the Annual Meeting of Shareholders, to be held at Universal Corporate Center, 367 South Gulph Road, King of Prussia, Pennsylvania on Friday, June 1, 2001 at 10:00 AM, and at any adjournment thereof. This Proxy Statement and related form of Proxy were first sent to shareholders of the Trust on or about April 27, 2001. The Annual Meeting is being held to: (1) elect two Class III Trustees of the Trust, both of whom will serve for a term of three years until the annual election of Trustees in the year 2004 and the election and qualification of their successors; and (2) transact such other business as may properly be brought before the meeting or any adjournment thereof.

A form of Proxy for use at the meeting is enclosed. Any shareholder may revoke a Proxy at any time before the authority granted by it is exercised by giving written notice of revocation to the Secretary of the Trust, by submitting another executed Proxy to the Secretary of the Trust bearing a later date (but prior to the voting of such Proxy), or by attending the meeting and asking (prior to the voting of such Proxy) for the return of such Proxy. Unless otherwise indicated on the Proxy, shares represented by any Proxy will, if the Proxy is properly executed and received by the Trust prior to the Annual Meeting, be voted FOR the nominees for Trustees.

Only holders of record of the shares of beneficial interest of the Trust, par value \$.01 per share (the "Shares"), at the close of business on April 20, 2001 will be entitled to vote at the meeting. On that date, there were 8,985,991 Shares outstanding. Each Share is entitled to one vote on each of the matters to be presented at the meeting. Shareholders entitled to vote for the election of the Trustees can withhold authority to vote for them. Each nominee will be elected if he receives a plurality of the votes cast. Broker non-votes are treated as shares as to which the beneficial owners have withheld voting authority and therefore are shares not entitled to vote on the matter. As of April 20, 2001, the Trust's current trustees and officers as a group owned of record or beneficially 171,369 Shares, representing 1.9% of the outstanding Shares.

A copy of the Trust's Annual Report to Shareholders, including financial statements for the year ended December 31, 2000, is enclosed.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth as of February 28, 2001, the number of Shares and the percentage of outstanding Shares owned beneficially, within the meaning of Securities and Exchange Commission Rule 13d-3, (i) by each person who is known by the Trust to own beneficially more than 5% of its Shares (ii) by each Trustee and each executive officer named in the Summary Compensation Table and (iii) by all Trustees and executive officers of the Trust as a group.

| Name and Address of<br>Beneficial Owner(1)<br>- - - - -   | Amount and Nature of<br>Beneficial Ownership<br>----- | Percent of<br>Outstanding Shares |
|---|---|----------------------------------|
| Universal Health Services, Inc.<br>("UHS")<br>367 South Gulph Road<br>King of Prussia, PA 19406   | 761,724(2)  | 8.5%                             |
| Private Capital Management, Inc.<br>3003 Tamiami Trail North<br>Naples, FL 33940  | 491,638(3)  | 5.5%                             |
| Idanta Partners, Ltd.<br>4660 La Jolla Village Dr., Suite 850<br>San Diego, CA 92122  | 582,919(4)  | 6.5%                             |
| Miles L. Berger<br>Berger Management Services, LLC<br>900 N. Michigan Ave., Suite 2010<br>Chicago, IL 60611                               | 2,500(6)  | (7)                              |
| Daniel M. Cain<br>Cain Brothers & Company, LLC<br>452 Fifth Avenue, 25th Floor<br>New York, NY 10018                                      | 4,824(6)  | (7)                              |
| James E. Dalton, Jr.<br>Quorum Health Group<br>103 Continental Place<br>Brentwood, TN 37027   | 2,125(6)  | (7)                              |
| Elliot J. Sussman, M.D., M.B.A.<br>Lehigh Valley Hospital & Health<br>Network<br>Cedar Crest Blvd. & Interstate 78<br>Allentown, PA 18105 | 250(6)  | (7)                              |
| Myles H. Tanenbaum<br>Arbor Enterprises<br>Four Tower Bridge, Suite 400<br>200 Barr Harbor Drive<br>W. Conshohocken, PA 19428             | 7,125(6)  | (7)                              |
| Alan B. Miller  | 98,250(5)(6)  | (7)                              |
| Kirk E. Gorman  | 30,478(6)   | (7)                              |
| Charles F. Boyle  | 9,886(6)  | (7)                              |
| Cheryl K. Ramagano  | 7,633(6)  | (7)                              |
| Timothy J. Fowler<br>3525 Piedmont Rd., N.E.<br>Atlanta, GA 30305   | 8,301(6)  | (7)                              |
| All Trustees & Executive Officers as a<br>group (10 persons)  | 171,369(6)  | 1.9%                             |

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- (1) Unless otherwise shown, the address of each beneficial owner is c/o Universal Health Realty Income Trust, Universal Corporate Center, 367 South Gulph Road, King of Prussia, PA 19406.
  - (2) UHS has an option to maintain ownership of 5% of the outstanding Shares of the Trust.
  - (3) Shares are held by Private Capital Management, Inc., a registered investment adviser. Information is based on Amendment No. 7 to Schedule 13G dated February 15, 2001.
  - (4) Shares are held by Idanta Partners, Ltd., a Texas limited partnership, and its General Partner, David J. Dunn. Information is based on a Shareholder Statement dated March 27, 2001.
  - (5) Includes 12,000 shares of beneficial interest beneficially owned by the Alan B. Miller Family Foundation, Alan B. Miller, as Trustee.
  - (6) Includes shares issuable pursuant to stock options to purchase shares of beneficial interest held by officers of the Trust and exercisable within 60 days of February 28, 2001 as follows: Miles L. Berger (1,500); Daniel M. Cain (2,125); James E. Dalton, Jr. (2,125); Elliot J. Sussman, M.D., M.B.A. (250); Myles H. Tanenbaum (2,125); Alan B. Miller (73,750); Kirk E. Gorman (9,375); Charles F. Boyle (5,625); Cheryl K. Ramagano (5,625); and Timothy J. Fowler (5,625).
  - (7) Less than 1%.

PROPOSAL NO. 1  
ELECTION OF TRUSTEES

The Trust was organized under the laws of the State of Maryland as a real estate investment trust on August 6, 1986. Trustees of the Trust, Mr. Miller, and Mr. Cain, assumed their positions with the Trust at the inception of the Trust. Mr. Tanenbaum was elected in November 1990, Mr. Gorman was elected in December 1994, Mr. Dalton was elected in December 1997, Mr. Berger was elected in December 1998 and Dr. Sussman was elected in 1999. Pursuant to the Declaration of Trust, the Trustees of the Trust have been divided into three classes, with staggered terms. The terms of the Trustees in Class I expire at the 2002 Annual Meeting, the terms of the Trustees in Class II expire at the 2003 Annual Meeting, and the terms of the Trustees in Class III expire at the 2001 Annual Meeting. At each Annual Meeting, Trustees are elected for a term of three years to succeed those in the class whose term is expiring at such Annual Meeting.

The persons listed below currently constitute the Trust's Board of Trustees. The terms of the Class III Trustees, Kirk E. Gorman and Miles L. Berger, Jr., expire at the 2001 Annual Meeting. They have been nominated to be elected for three-year terms. The Trustees have no reason to believe that the nominees will be unavailable for election; however, if the nominees become unavailable for any reason, the Shares represented by the Proxy will be voted for the persons, if any, who are designated by the Board of Trustees to replace the nominees. The nominees have consented to be named and have indicated their intent to serve if elected.

Pursuant to the Declaration of Trust, a majority of the Trust's Trustees must be "Independent Trustees" with each class of Trustees containing at least one Independent Trustee. The Declaration of Trust defines an "Independent Trustee" as a Trustee who is not an affiliate of Universal Health Services, Inc. ("UHS"), the parent company of the Trust's Advisor, and does not perform any services for the Trust, except as Trustee.

The following information is furnished with respect to the nominee for election as a Trustee and each member of the Board of Trustees whose term of office will continue after the meeting.

| Name | Class of Trustee | Age | Principal Occupation During the Last Five Years | Trustee Since |
|------|------------------|-----|---|---------------|
| ---- | -----            | --- | -----   | -----         |

NOMINEES WHOSE TERMS  
EXPIRE IN 2001

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|                  |     |    |  |      |
|------------------|-----|----|--|------|
| Kirk E. Gorman   | III | 50 | President and Chief Financial Officer of the Trust since 1990, Secretary of the Trust since December 1994 and Vice President and Chief Financial Officer of the Trust since 1987. Senior Vice President, Treasurer and Chief Financial Officer of UHS since December 1992. | 1994 |
| Miles L. Berger* | III | 70 | Chairman of the Board of MidTown Bank and 1998 Trust Company of Chicago, Berger Financial Services Corp., and Berger Management Services; Director, Franklin Capital Corp.; Trustee, Innkeepers Trust USA.   | 1998 |

TRUSTEES WHOSE TERMS  
EXPIRE IN 2002

- - - - -

|                |   |    |   |      |
|----------------|---|----|---|------|
| Alan B. Miller | I | 63 | Chairman of the Board and Chief Executive Officer of the Trust since 1986. Chairman of the Board, President and Chief Executive Officer of Universal Health Services, Inc. since 1978. Director of CDI (NYSE) Corp., Penn Mutual Life Insurance Company and Broadlane, Inc. | 1986 |
|----------------|---|----|---|------|

| Name<br>-----                                       | Class of<br>Trustee | Age<br>--- | Principal Occupation<br>During the Last Five Years<br>-----  | Trustee<br>Since<br>----- |
|---|---------------------|------------|--|---------------------------|
| Myles H. Tanenbaum*                                 | I                   | 70         | Chairman of the Board of Arbor Enterprises since 1989. Formerly President and CEO of both Arbor Property Trust (NYSE) (successor to EQK Green Acres, L.P.), 1986-1997, and EQK Realty Investors (NYSE), 1985-89. Director of Pep Boys (NYSE) and The Benjamin Franklin Institute, and member of the Board of Trustees of the University of Pennsylvania.   | 1990                      |
| Elliot J. Sussman, MD,<br>MBA*                      | I                   | 49         | President and Chief Executive Officer of Lehigh Valley Hospital and Health Network since 1993.   | 1999                      |
| TRUSTEES WHOSE TERMS<br>EXPIRE IN 2003<br>- - - - - |                     |            |  |                           |
| Daniel M. Cain*                                     | II                  | 56         | President and CEO, Cain Brothers & Company, LLC since 1986. Prior thereto, senior partner in Cain Brothers & Company since 1982. Mr. Cain is a Trustee of N-Vest Mutual Funds (NYSE) and eBenX, an employee benefits internet provider.  | 1986                      |
| James E. Dalton, Jr.*                               | II                  | 58         | President, Chief Executive Officer and Director of Quorum Health Group, Inc. since 1990. Prior thereto, Regional Vice President of Health Trust, Inc., Division Vice President of Hospital Corporation of America, and Regional Vice President of HCA Management Company. Director of AmSouth Bancorporation, the Nashville Branch of The Federal Reserve Bank of Atlanta, the Nashville Health Care Council, the Federation of American Health Systems, and a Trustee of the American Hospital Association. | 1997                      |

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\* Independent Trustee

#### Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Trust's trustees and executive officers, and persons who own more than ten percent of a registered class of the Trust's equity securities, to file with the Securities and Exchange Commission and the New York Stock Exchange initial reports of ownership and reports of changes in ownership of the Shares and other equity securities of the Trust. Based on reports filed with the Trust, the Trust believes all required reports of executive officers and Trustees were filed in a timely manner.

The Trust's officers are all employees of UHS of Delaware, Inc. ("UHS") and as of December 31, 2000, the Trust had no salaried employees. In 1999, 2000 and 2001, the Trustees awarded a \$50,000 bonus to Mr. Kirk E. Gorman, President, Chief Financial Officer, Secretary and Trustee of the Trust. Also, in 1999, 2000 and 2001, UHS agreed to a \$50,000 reduction in the annual advisory fee paid by the Trust. The Trust paid no cash compensation in 1998. The following tables set forth various information with respect to the compensation of the five most highly compensated officers of the Trust.

Universal Health Realty Income Trust  
Summary Compensation Table

| Name and principal position   | Fiscal Year | Annual Compensation |           |                                   | Long-term Compensation Awards |                                   |    | All Other Compensation |
|---|-------------|---------------------|-----------|-----------------------------------|-------------------------------|-----------------------------------|----|------------------------|
|   |             | Salary (\$)         | Bonus(\$) | Other Annual Compensation (\$)(a) | Restricted stock awards (\$)  | Securities Underlying Options (#) |    |                        |
|   |             |                     |           |                                   |                               |                                   |    |                        |
| Alan B. Miller,<br>Chairman of the Board and<br>Chief Executive Officer         | 2000        | --                  | --        | \$82,800                          | --                            | 20,000                            | -- |                        |
| Kirk E. Gorman,<br>President, Chief Financial<br>Officer, Secretary and Trustee | 1999        | --                  | --        | 45,250                            | --                            | --                                | -- |                        |
|   | 1998        | --                  | --        | 43,875                            | --                            | --                                | -- |                        |
| Charles F. Boyle,<br>Vice President and Controller                              | 2000        | --                  | \$50,000  | \$23,000                          | --                            | --                                | -- |                        |
|   | 1999        | --                  | 50,000    | 22,625                            | --                            | --                                | -- |                        |
|   | 1998        | --                  | --        | 21,938                            | --                            | --                                | -- |                        |
| Cheryl K. Ramagano,<br>Vice President and Treasurer                             | 2000        | --                  | --        | \$13,800                          | --                            | --                                | -- |                        |
|   | 1999        | --                  | --        | 13,575                            | --                            | --                                | -- |                        |
|   | 1998        | --                  | --        | 13,163                            | --                            | --                                | -- |                        |
| Timothy J. Fowler,<br>Vice President,<br>Acquisition and Development            | 2000        | --                  | --        | \$13,800                          | --                            | --                                | -- |                        |
|   | 1999        | --                  | --        | 13,575                            | --                            | --                                | -- |                        |
|   | 1998        | --                  | --        | 13,163                            | --                            | --                                | -- |                        |

(a) Other Annual Compensation in 2000, 1999 and 1998 for Messrs. Miller, Gorman, Boyle and Fowler and Ms. Ramagano consists of dividend equivalent rights accrued in connection with the Trust's 1997 Incentive Plan. Mr. Miller held 45,000 dividend equivalent rights as of December 31, 2000 and 25,000 dividend equivalent rights as of December 31, 1999 and 1998. As of December 31, 2000, 1999 and 1998, Messrs. Gorman, Boyle, Fowler and Ms. Ramagano held 12,500, 7,500, 7,500 and 7,500 dividend equivalent rights, respectively. The Other Annual Compensation amounts shown above were computed by multiplying each participants dividend equivalent rights by the declared dividends per share of \$1.84 in 2000, \$1.810 in 1999 and \$1.755 in 1998.

Option Grants In Last Fiscal Year

| Name                    | Options Granted (#)(a) | Percent of Total Options Granted to Officers in Fiscal Year | Exercise Price Per Share (\$/Share) | Expiration Date | Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term |            |
|-------------------------|------------------------|---|-------------------------------------|-----------------|--|------------|
|                         |                        |   |                                     |                 | 5%   | 10%        |
| Alan B. Miller.....     | 20,000                 | 100%  | \$14.75                             | 3/10/2010       | \$ 185,524   | \$ 470,154 |
| Kirk E. Gorman.....     | --                     | --  | --                                  | --              | --   | --         |
| Charles F. Boyle.....   | --                     | --  | --                                  | --              | --   | --         |
| Cheryl K. Ramagano..... | --                     | --  | --                                  | --              | --   | --         |
| Timothy J. Fowler.....  | --                     | --  | --                                  | --              | --   | --         |

(a) Options are exercisable as follows: 25% one year after date of grant and an additional 25% in each of the second, third and fourth years after the date of grant. The options expire ten years after the date of grant.

Aggregated Option Exercises in Last Fiscal Year  
and Fiscal Year-End Option Values

| Name<br>-----           | Shares<br>Acquired on<br>Exercise(##) | Value<br>Realized(\$) | Number of Securities<br>Underlying Value of<br>Unexercised Options at<br>Fiscal Year-end(##) |               | Value of Unexercised in-<br>the-Money Options at<br>Fiscal Year-end(\$)(1) |               |
|-------------------------|---------------------------------------|-----------------------|--|---------------|--|---------------|
|                         |                                       |                       | Exercisable  | Unexercisable | Exercisable  | Unexercisable |
| Alan B. Miller.....     | 0                                     | 0                     | 68,750   | 26,250        | \$173,438  | \$110,313     |
| Kirk E. Gorman.....     | 0                                     | 0                     | 9,375  | 3,125         | \$ 11,719  | \$ 3,906      |
| Charles F. Boyle.....   | 0                                     | 0                     | 5,625  | 1,875         | \$ 7,031   | \$ 2,344      |
| Cheryl K. Ramagano..... | 0                                     | 0                     | 5,625  | 1,875         | \$ 7,031   | \$ 2,344      |
| Timothy J. Fowler.....  | 0                                     | 0                     | 13,649   | 1,875         | \$ 37,121  | \$ 2,344      |

(1) Based on the difference between the exercise price (excluding effect of dividend equivalent rights) and the closing price of the share of beneficial interest on the New York Stock Exchange on December 29, 2000 of \$19.875 per share.

Report of Compensation and Benefits Committee

The Trust has established incentive plans to incentivize those persons to render greater service to the Trust. During 1997, the Trust's Board of Trustees approved the Universal Health Realty Income Trust 1997 Incentive Plan ("The Plan"), which is a stock option and dividend equivalent rights plan for the employees of the Trust, including officers and directors. There are 400,000 shares reserved for issuance under the Plan. As of December 31, 2000, 299,375 stock options and 299,375 dividend equivalent rights remain available for issuance pursuant to the terms of The Plan. In connection with this Plan, on March 10, 2000, Mr. Alan B. Miller was granted 20,000 stock options and 20,000 dividend equivalent rights. Also on March 10, 2000, 1,000 stock options and 1,000 dividend equivalent rights were granted to each of the following members of the Board of Trustees: Messrs. Myles L. Berger, Daniel M. Cain, James E. Dalton, Jr., Elliot J. Sussman, M.D., M.B.A. and Myles H. Tanenbaum. The stock options granted on March 10, 2000 to the individuals listed above were granted with an exercise price of \$14.75 per share representing the closing sale price of the Trust's shares of beneficial interest on the New York Stock Exchange on the date of grant. Prior to 2000, a net total of 75,625 stock options and 75,625 dividend equivalent rights (excluding cancelled stock options and dividend equivalent rights) were granted to various officers and Trustees of the Trust.

The Compensation and Benefits Committee, which is composed of independent trustees of the Trust, believes that in the general absence of cash compensation, it is important to provide the officers of the Trust, including the chief executive officer, an incentive to increase shareholder value by awarding equity based compensation. Because the substantial portion of the return of real estate investment trusts like the Trust is comprised of the dividend payable on the shares rather than share price appreciation the Committee believes that the 1997 Incentive Plan with its dividend equivalent rights feature provides the appropriate incentive for officers and directors of the Trust. The Committee believes that Mr. Gorman's special efforts on behalf of the Trust merit a special cash bonus of \$50,000 for each of the years 2001, 2000 and 1999. As Mr. Gorman is compensated by UHS which, as the Trust's advisor, received an advisory fee, UHS has elected to reduce this advisory fee in each year by the amount of Mr. Gorman's bonus thus resulting in no net cost to the Trust. The Committee will evaluate from time to time the compensation payable to its officers in light of the performance of the Trust, the individuals involved and competitive factors.

COMPENSATION AND BENEFITS COMMITTEE

Daniel M. Cain  
James E. Dalton Jr.  
Myles H. Tanenbaum



## COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Mr. Daniel M. Cain has from time to time performed investment banking services for the Trust. No compensation was paid to him for any services in 2000.

## STOCK PRICE PERFORMANCE GRAPH

The Stock Price Performance Graph below shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent the Trust specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

### COMPARISON OF FIVE YEAR CUMULATIVE TOTAL RETURN (The Trust, S&P 500, Peer Group)

[Graph]

|                         | 1995     | 1996     | 1997     | 1998     | 1999     | 2000     |
|-------------------------|----------|----------|----------|----------|----------|----------|
| Universal Health Realty |          |          |          |          |          |          |
| Income Trust            | \$100.00 | \$125.14 | \$144.99 | \$141.93 | \$117.01 | \$175.96 |
| S&P 500                 | \$100.00 | \$122.96 | \$163.98 | \$210.85 | \$255.21 | \$231.98 |
| Peer Group              | \$100.00 | \$123.38 | \$147.26 | \$125.25 | \$ 88.23 | \$100.57 |

The total cumulative return on investment (change in the year-end stock price plus reinvested dividends) for each of the periods for the Trust, the peer group and the S&P 500 Composite is based on the stock price or composite index at the end of fiscal 1994.

The above graph compares the performance of the Trust with that of the S&P 500 and a group of peer companies with the investment weighted on market capitalization. Companies in the peer group are as follows: Health Care Property Investors, Inc., Nationwide Health Properties, Inc., American Health Properties, Inc., Omega Healthcare Investors, Health Care REIT, Inc., G&L Realty Corp., Healthcare Realty Trust Incorporated, LTC Properties, Inc., National Health Investors, Inc. and National Health Realty, Inc.

#### BOARD OF TRUSTEES

##### MEETINGS OF THE BOARD

Regular meetings of the Trustees are generally held quarterly, while special meetings are called when necessary. Before each meeting, Trustees are furnished with an agenda and background materials relating to matters to be discussed. During 2000, there were seven Board meetings. All Trustees attended at least 75% of the meetings.

##### COMPENSATION OF TRUSTEES

Beginning in 2000, each Independent Trustee is paid by the Trust annual compensation of \$10,000 for service as a Trustee plus \$1,000 for attendance, in person, at each meeting of the Board of Trustees plus an additional \$500 for attendance for each Committee meeting thereof on a day on which the Board of Trustees does not meet. In addition, the Trust reimburses all Trustees for travel expenses incurred in connection with their duties as Trustees of the Trust. In 1992, the Board of Trustees and the shareholders adopted a Share Compensation Plan For Outside Trustees, pursuant to which Trustees may elect to receive their annual compensation in the form of Shares in lieu of cash. No Trustee elected to receive Shares in 2000. During 1997, the Trust's Board of Trustees approved the Universal Health Realty Income Trust 1997 Incentive Plan ("The Plan"), which is a stock option and dividend equivalent rights plan for the employees of the Trust, including officers and directors. The Plan was adopted by the shareholders at the 1998 Annual Shareholders Meeting. There are 400,000 shares reserved for issuance under the Plan. In connection with this plan, Messrs. Daniel M. Cain and Myles H. Tanenbaum each received 2,500 stock options and 2,500 dividend equivalents rights with an exercise price of \$18.625 per share representing the closing sale price of the Trust's shares of beneficial interest on the New York Stock Exchange on June 23, 1997. In March 1998, Mr. James E. Dalton, Jr. received 2,500 stock options and 2,500 dividend equivalent rights, with an exercise price of \$21.4375 per share representing the closing sale price of the Trust's shares of beneficial interest on the date of grant. In December 1998, Mr. Miles L. Berger received 2,500 stock options and 2,500 dividend equivalent rights, with an exercise price of \$19.625 per share representing the closing sale price of the Trust's shares of beneficial interest on the date of grant. In March 2000, Messrs. Daniel M. Cain, Myles H. Tanenbaum, James E. Dalton Jr., Miles L. Berger and Elliot J. Sussman, M.D., M.B.A. each received 1,000 stock options and 1,000 dividend equivalent rights, with an exercise price of \$14.75 per share representing the closing sale price of the Trust's shares of beneficial interest on the date of grant.

##### AUDIT COMMITTEE

The Audit Committee is responsible for providing assistance to the Board of Trustees in fulfilling its responsibilities relating to corporate accounting and reporting practices and in maintaining a direct line of communication between the Trustees and the independent accountants. It recommends the firm to be appointed independent auditor, reviews the scope and results of the audit with the independent auditors and considers the adequacy of the internal accounting and control procedures of the Company. The Audit Committee met once in 2000. Members of this Committee are Daniel M. Cain, James E. Dalton, Jr. and Myles H. Tanenbaum.

## AUDIT COMMITTEE REPORT

The Audit Committee of the Trustees of Universal Health Realty Income Trust (the Committee) is composed of three independent Trustees and operates under a written charter adopted by the Board of Trustees (Exhibit A). The Board of Trustees has determined that each Committee member is independent in accordance with the listing standards of the New York Stock Exchange.

Management is responsible for the Trust's internal controls and the financial reporting process. The independent auditors are responsible for performing an independent audit of the Trust's consolidated financial statements in accordance with generally accepted auditing standards and to issue a report thereon. The Committee's responsibility is to monitor and oversee these processes.

In this context, the Committee has met and held discussions with management and the independent auditors. Management represented to the Committee that the Trust's consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Committee has reviewed and discussed the consolidated financial statements with management and the independent auditors. The Committee discussed with the independent auditors matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees).

Arthur Andersen LLP, the Trust's independent auditors, also provided to the Committee the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Committee discussed with Arthur Andersen LLP their independence as independent auditors of the Trust.

Based on the Committee's discussion with management and Arthur Andersen LLP, and the Committee's review of the representation of management and the report of Arthur Andersen LLP to the Committee, the Committee recommended to the Board of Trustees, and the Board has approved, that the audited consolidated financial statements be included in the Trust's Annual Report on Form 10-K for the year ended December 31, 2000, for filing with the Securities and Exchange Commission. The Committee and the Board also have approved the selection of Arthur Andersen LLP as the Trust's independent auditors.

Audit Committee

Myles H. Tanenbaum  
James E. Dalton, Jr.  
Daniel M. Cain

## COMPENSATION AND BENEFITS COMMITTEE

The Compensation and Benefits Committee was established December 1, 1988 and is responsible for administering the 1997 Incentive Plan, Restricted Share Purchase Plan and the Stock Option Plan. It has full authority in its discretion from time to time, and at any time, to select those employees of the Trust, as the term employee is defined in the plans, to whom Shares or options will be granted, to determine the number of Shares subject thereto, the times at which such Shares shall be sold or options granted, the time at which the restrictions on the Shares shall lapse or the options shall vest, and the terms and conditions of the agreements to be entered into by the employees with the Trust. The Compensation and Benefits Committee met three times in 2000. Members of this Committee are Daniel M. Cain, James E. Dalton, Jr. and Miles L. Berger.

## TRANSACTIONS WITH MANAGEMENT AND OTHERS

### RELATIONSHIP WITH UHS

#### THE ADVISOR AND THE ADVISORY AGREEMENT

The Trust, with the approval of the Board of Trustees, including all the Independent Trustees, has entered into an Advisory Agreement with UHS of Delaware, Inc. (the "Advisor"), a Delaware corporation and wholly owned subsidiary of UHS, pursuant to which the Advisor will act as advisor to the Trust with respect to the Trust's operations. Mr. Alan B. Miller serves as Director and President of the Advisor and of UHS. ; Mr. Kirk E. Gorman serves as Director and Chief Financial Officer of the Advisor ; Mr. Steve Filton serves as Director, Vice President and Controller of the Advisor ; Mr. Bruce R. Gilbert serves as Secretary of the Advisor. Alan B. Miller is Chairman of the Board and Chief Executive Officer of the Trust, Kirk E. Gorman is President, Chief Financial Officer, Secretary and Trustee of the Trust, Charles F. Boyle is Vice President and Controller of the Trust, Cheryl K. Ramagano is Vice President and Treasurer of the Trust, Timothy J. Fowler is Vice President, Acquisitions and Development, of the Trust, and Bruce R. Gilbert serves as General Counsel to the Trust. All such persons are also employees of the Advisor. Mr. James Dalton an Independent Trustee is President and Chief Executive Officer of Quorum Health Group, Inc. Affiliates of Quorum Health Group, Inc. and UHS are members of a limited liability company which owns and operates three hospitals. Under the Advisory Agreement, the Advisor is obligated to present an investment program to the Trust, to use its best efforts to obtain investments suitable for such program (although it is not obligated to present any particular investment opportunity to the Trust), to provide administrative services to the Trust and to conduct the Trust's day-to-day affairs. In performing its services under the Advisory Agreement, the Advisor may utilize facilities, personnel and support services of various UHS affiliates, including accounting, legal and other services, for which the Advisor will be reimbursed directly by the Trust, but only if such services are first approved by a majority of the Independent Trustees. No additional compensation will be paid by the Trust for these services.

The term of the Advisory Agreement expired on December 31, 2000. The Board of Trustees, on December 6, 2000, voted to renew the Advisory Agreement for 2001. The Advisory Agreement is renewable annually thereafter by the Trust, subject to a determination by a majority of the Independent Trustees that the Advisor's performance has been satisfactory, and subject to the termination rights of the parties. The Advisory Agreement may be terminated for any reason upon sixty days' written notice by the Trust or the Advisor.

The Advisory Agreement does not restrict the Advisor from rendering advice to other investors (including other real estate investment trusts) or from managing other investments, including those of investors or investments advised, sponsored or organized by the Advisor. The Advisor also may render such services to joint ventures and partnerships in which the Trust is a co-venturer or partner and to the other entities in such joint ventures and partnerships, and the Advisor is not obligated to present any particular investment opportunity to the Trust. There is no restriction on the right of any director, officer, employee or stockholder of the Advisor, or

any affiliate of UHS, to engage in any other business or to render services of any kind to any other corporation, partnership or other entity (including competitive business activities). The Advisor has informed the Board of Trustees that it does not presently intend to provide advisory services to any other real estate investment trust and has agreed to inform the Board of any change in such intention.

Pursuant to the Advisory Agreement, the Trust paid the Advisor \$1.3 million in consideration for services rendered by the Advisor to the Trust during fiscal 2000. UHS agreed to reduce its 1999, 2000 and 2001 advisory fee by the cash bonus paid by the Trust to Mr. Kirk Gorman. The Advisory Agreement provides that the Advisor is entitled to receive an annual advisory fee equal to .60% of the average invested real estate assets of the Trust, as derived from its consolidated balance sheet from time to time. In addition, the Advisor will be entitled to an annual incentive fee equal to 20% of the amount by which cash available for distribution to shareholders for each year, as defined in the Advisory Agreement, exceeds 15% of the Trust's equity as shown on its balance sheet, determined in accordance with generally accepted accounting principles without reduction for return of capital dividends. No incentive fees were paid during 2000, 1999 or 1998. The advisory fee is payable quarterly, subject to adjustment at year end based upon audited financial statements of the Trust.

#### PROPERTIES

The Trust effectively commenced business on December 24, 1986, the closing date for the purchase of properties from certain subsidiaries of UHS (the "Subsidiaries"). In exchange for shares of beneficial interest, \$.01 par value, in the Trust, the Trust acquired 10 properties (the "Initial Properties") from the Subsidiaries having an appraised value of approximately \$122,000,000. The Initial Properties were immediately leased back to the respective Subsidiaries. In March 1988, the Trust acquired the real property of a 118-bed acute care hospital operated by a subsidiary of UHS for approximately \$9,500,000. The Trust concurrently leased the hospital to that UHS subsidiary on a long-term basis. The fixed term of the leases ranges from 10-15 years with up to six additional five-year renewal options. In 1989, two of these facilities consolidated their operations. The leases all provide for minimum rents and additional rents are payable if facility revenues increase. Additional rent is equal to 5% of the increase in facility revenues over a base period until the facility lease rate grows to 13.5% of the Trust's original shareholders' equity. Thereafter, additional rent is equal to 1% of the increase in facility revenues. The obligations under the leases are guaranteed by UHS.

During 1991, the Trust sold to UHS a 124-bed acute care hospital for its net book value of approximately \$5.7 million, which was higher than its appraised value. The real property of this hospital was previously leased to UHS. Also during 1991, the Trust acquired from UHS, for approximately \$4.1 million, newly constructed patient buildings on the campus of one of the behavioral health facilities already owned by the Trust.

In 1992, one of the Subsidiaries of UHS ceased operations at the facility leased by it from the Trust and, in 1993, UHS purchased the real property of that facility from the Trust for approximately \$3.2 million, the original purchase price of the facility, which was higher than its appraised value, and resulted in a \$371,000 gain, which was included in the Trust's 1993 first quarter results. Also during the fourth quarter of 1993, UHS, the former lessee and operator of Belmont Community Hospital, sold the operations of the facility to Transitional Hospitals Corporation ("THC"), an unaffiliated third party. Concurrently, the Trust purchased certain related real property from UHS for \$1 million in cash and a note payable with a carrying value of \$1.4 million (including accrued interest) at December 31, 2000. The note payable has a face value of \$1 million and is due on December 31, 2001. The amount of interest payable on this note is contingent upon the financial performance of this leased facility and its estimated face value at the end of the initial lease term. The Trust has estimated the total amount payable under the terms of this note and has discounted the payments to their net present value using a 6% rate. In connection with this transaction, UHS's lease with the Trust was terminated, and the Trust entered into an eight year lease agreement with THC for the real property of the Belmont Community Hospital facility.

During the third quarter of 1995, UHS purchased the assets of Westlake Medical Center, ("Westlake") a 126-bed hospital of which the majority of real estate assets were owned by the Trust and leased to UHS. In exchange for the real estate assets of Westlake and the termination of the lease, the Trust received substitution properties valued at approximately \$19 million (the Trust's original purchase price of Westlake) consisting of additional real estate assets which were owned by UHS but related to three acute care facilities, of which the Trust owns the real estate and which are operated by UHS (McAllen Medical Center, Inland Valley Regional Medical Center and Wellington Regional Medical Center). These additional real estate assets represent major additions and expansions made to these facilities by UHS since the purchase of the facilities by the Trust from UHS in 1986. The Trust also purchased from UHS, additional real estate assets related to McAllen Medical Center for approximately \$1.9 million in cash. Total annual base rental payments from UHS to the Trust on the substituted properties will be \$2.4 million which equals the total base and bonus rental earned by the Trust on the Westlake facility during 1994 (\$2.1 million base and \$300,000 bonus). Total annual base rental payments on the additional real estate assets purchased related to McAllen Medical Center will be approximately \$200,000. Bonus rental on the substituted and purchased real estate assets will be equal to 1% of the growth in revenues, in excess of base year amounts, generated by these additional assets. The guarantee by UHS under the existing leases, as amended to include the additional property, will continue.

During the third quarter of 1998, wholly-owned subsidiaries of UHS exercised five-year renewal options on four hospitals owned by the Trust which were scheduled to expire in 1999 through 2001 (Virtue Street Pavilion, The Bridgeway, Inland Valley Regional Medical Center and Wellington Regional Medical Center). The leases on these facilities were renewed at the same lease rates and terms as the initial leases and these renewals remove the majority of the previously disclosed uncertainty regarding the lease renewals with subsidiaries of UHS. As part of the renewal agreement, the Trust also agreed to grant additional fixed rate renewal options to a wholly-owned subsidiary of UHS commencing in 2022 on the real property of McAllen Medical Center.

During 1999, the Trust paid \$5.0 million to acquire a 98% interest in a limited liability company that owns the Summerlin Hospital Medical Office Building, which was constructed in 1997 and is connected to the Summerlin Hospital Medical Center in Las Vegas, Nevada. Summerlin Hospital Medical Center is owned by a limited liability company in which UHS holds a 72% ownership interest. Summerlin Hospital Medical Office Building was owned by this same limited liability company prior to the sale to the limited liability company in which the Trust holds a 98% ownership interest. Also during 1999, the Trust acquired the Orthopedic Specialists of Nevada Building in Las Vegas, Nevada for \$1.6 million. The ground lease on this medical office building is based upon an agreement between Valley Health Systems, LLC (a UHS subsidiary) and the Trust. In addition, the Trust purchased from UHS, additional real estate assets related to Chalmette Medical Center for approximately \$3.2 million in cash.

During the third quarter of 1999, the Trust recorded a provision for investment loss of \$2.6 million on Meridell Achievement Center, Inc., a behavioral health services facility operated by, and leased to, a wholly-owned subsidiary of UHS, pursuant to the terms of a lease that expired in December, 2000. In measuring the provision for investment loss during the third quarter of 1999, the Trust estimated fair value by discounting (using the Trust's internal hurdle rate) expected future cash flows, consisting of estimated future rental payments and residual value. During the second quarter of 2000, the wholly-owned subsidiary of UHS exercised its option pursuant to the lease to purchase the leased property upon the December 31, 2000 expiration of the initial lease. Pursuant to the terms of the lease agreement, three appraisal were obtained to determine the fair market value of the property and accordingly, the sale price was determined to be \$5,450,00. This sale was completed in December, 2000 resulting in a gain of approximately \$1.9 million which was included in the Trust's 2000 results of operations.

Also during 2000, the Trust invested \$2.0 million to acquire a 98% interest in a LLC that purchased the Summerlin Hospital Medical Office Building II which is connected to the Summerlin Hospital Medical Center in Las Vegas, Nevada. This medical office building was purchased from a LLC in which UHS holds a 72% ownership interest. The purchase price paid for the property to the UHS majority-owned LLC was \$10.5 million. The Trust made a cash investment of \$2.0 million, and the LLC, which is majority-owned by the Trust, obtained a \$9.8 million third-party, non-recourse mortgage to fund the balance of the purchase price and finance tenant improvements.

Pursuant to the terms of the leases with UHS, the lessees have rights of first refusal to: (i) purchase the respective leased facilities during and for 180 days after the lease terms expire at the same price, terms and conditions of any third party offer, or; (ii) renew the lease on the respective leased facility at the end of, and for 180 days after, the lease term on the same terms and conditions as to any third party offer. The leases also grant the lessees options, exercisable on at least six months notice, to purchase the respective leased facilities at the end of the lease term or any renewal term at the facility's then fair market value. The terms of the leases also provide that in the event UHS discontinues operations at the leased facility for more than one year, or elects to terminate its lease prior to the expiration of its term for prudent business reasons, UHS is obligated to offer a substitution property. If the Trust does not accept the substitution property offered, UHS is obligated to purchase the leased facility back from the Trust at a price equal to the greater of its then fair market value or the original purchase price paid by the Trust.

#### RELATIONSHIP WITH INDEPENDENT ACCOUNTANTS

Arthur Andersen LLP has been retained by the Board of Trustees, on the recommendation of the Audit Committee, to perform all accounting and audit services during the 2000 fiscal year. It is anticipated that representatives of Arthur Andersen LLP will be present at the Annual Meeting and will have an opportunity to make a statement, if they desire to do so, and to respond to any appropriate inquiries of the Shareholders or their representatives.

During 2000, the Trust retained Arthur Andersen LLP, to provide services in the following categories and amounts:

|                |          |
|----------------|----------|
| Audit fees     | \$46,000 |
| All other fees | 46,000   |
|                | -----    |
|                | \$92,000 |

The Audit Committee has considered whether the provision of non-audit services by the Trust's principal auditor is compatible with maintaining auditor independence.

#### EXPENSES FOR PROXY SOLICITATION

The principal solicitation of Proxies is being made by mail; however, certain officers and employees of the Trust and of the Advisor, or its affiliates, none of whom will receive additional compensation therefor, may solicit Proxies by telegram, telephone or other personal contact. The Trust will bear the cost of the solicitation of the Proxies, including postage, printing and handling and will reimburse the reasonable expenses of brokerage firms and others for forwarding material to beneficial owners of Shares.

DEADLINE FOR SUBMISSION OF SHAREHOLDER PROPOSALS FOR  
NEXT YEAR'S ANNUAL MEETING

Any proposal that a Shareholder wishes to present for consideration at the 2002 Annual Meeting must be received by the Trust no later than December 31, 2001. This date provides sufficient time for inclusion of the proposal in the 2001 proxy materials.

OTHER BUSINESS TO BE TRANSACTED

As of the date of this Proxy Statement, the Board of Trustees knows of no other business to be presented for action at the Annual Meeting. As for any other business that may properly come before the Annual Meeting, the Proxies confer discretionary authority in the persons named therein. Those persons will vote or act in accordance with their best judgment with respect thereto.

YOU ARE URGED TO VOTE, SIGN, DATE AND RETURN THE ACCOMPANYING PROXY IN THE ENCLOSED POSTAGE-PAID ENVELOPE AT YOUR EARLIEST CONVENIENCE, WHETHER OR NOT YOU CURRENTLY PLAN TO ATTEND THE ANNUAL MEETING IN PERSON.

BY ORDER OF THE BOARD OF TRUSTEES

/s/ Kirk E. Gorman

KIRK E. GORMAN  
Secretary

King of Prussia, Pennsylvania  
April 27, 2001

A COPY OF THE TRUST'S ANNUAL REPORT ON FORM 10-K WILL BE SENT WITHOUT CHARGE TO ANY SHAREHOLDER REQUESTING IT IN WRITING FROM: INVESTOR RELATIONS, UNIVERSAL HEALTH REALTY INCOME TRUST, UNIVERSAL CORPORATE CENTER, 367 SOUTH GULPH ROAD, P.O. BOX 61558, KING OF PRUSSIA, PENNSYLVANIA 19406-0958.



## AUDIT COMMITTEE CHARTER

## ORGANIZATION

There shall be a committee of the Board of Trustees to be known as the audit committee. The audit committee shall be composed of Trustees who are independent of the management of the corporation and are free of any relationship that, in the opinion of the Board of Trustees would interfere with their exercise of independent judgment as a committee member.

## STATEMENT OF POLICY

The audit committee shall provide assistance to the Trustees in fulfilling their responsibility to the shareholders, potential shareholders, and investment community relating to corporate accounting, reporting practices of the corporation, and the quality and integrity of the financial reports of the corporation. In so doing, it is the responsibility of the audit committee to maintain free and open means of communication between the Trustees, the independent auditors, and the financial management of the corporation.

## RESPONSIBILITIES

In carrying out its responsibilities, the audit committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and to ensure to the Trustees and shareholders that the accounting and reporting practices of the Trust are in accordance with all requirements and are of the highest quality.

In carrying out these responsibilities, the audit committee will:

- . Review and recommend to the Trustees the independent auditors to be selected to audit the financial statements of the Trust and its divisions and subsidiaries.
- . Meet with the independent auditors and financial management of the Trust to review the scope of the proposed audit for the current year and the audit procedures to be utilized, and at the conclusion thereof review such audit, including any comments or recommendations of the independent auditors.
- . Review with the independent auditors, and financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls of the Trust, and elicit any recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis should be given to the adequacy of such internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
- . Review the procedures established by the Trust that monitor the compliance by the Trust with its loan and indenture covenants and restrictions.
- . Review the financial statements contained in the annual report to shareholders with management and the independent auditors to determine that the independent auditors are satisfied with the disclosure and content of the financial statements to be presented to the shareholders. Any changes in accounting principles should be reviewed.

- . Provide sufficient opportunity for independent auditors to meet with the members of the audit committee without members of management present. Among the items to be discussed in these meetings are the independent auditors' evaluation of the Trust's financial, accounting, and auditing personnel, and the cooperation that the independent auditors received during the course of the audit.
- . Review accounting and financial human resources and succession planning within the Trust.
- . Submit the minutes of all meetings of the audit committee to, or discuss the matters discussed at each committee meeting with, the Board of Trustees.
- . Investigate any matter brought to its attention within the scope of its duties, with the power to retain outside counsel for this purpose if, in its judgment, that is appropriate.

PROXY

UNIVERSAL HEALTH REALTY INCOME TRUST

This Proxy is Solicited By The Board of Trustees For The Annual Meeting of  
Shareholders To Be Held on June 1, 2001

Alan B. Miller and Kirk E. Gorman, and each of them, as the true and lawful  
attorneys, agents and proxies of the undersigned, with full power of  
substitution, are hereby authorized to represent and to vote, as designated on  
the reverse side, all shares of Universal Health Realty Income Trust held of  
record by the undersigned on April 20, 2001 at the Annual Meeting of  
Shareholders to be held at 10:00 a.m., on Friday, June 1, 2001 at Universal  
Corporate Center, 367 South Gulph Road, King of Prussia, Pennsylvania and at any  
adjournment thereof. Any and all proxies heretofore given are hereby revoked.

(This proxy is continued on reverse side)

SEE REVERSE  
SIDE

PLEASE SIGN ON REVERSE SIDE AND RETURN PROMPTLY

SEE REVERSE  
SIDE

Please mark  
X votes as in  
this example

WHEN PROPERLY EXECUTED, THIS PROXY WILL BE VOTED AS DESIGNATED. IF NO CHOICE IS  
SPECIFIED, THE PROXY WILL BE VOTED "FOR" ELECTION OF THE NOMINEES FOR TRUSTEES.

1. Election of Trustees.  
Nominees: (01) Kirk E. Gorman (02) Miles L. Berger

|          |     |     |           |
|----------|-----|-----|-----------|
| FOR      |     |     | WITHHELD  |
| BOTH     | [ ] | [ ] | FROM BOTH |
| NOMINEES |     |     | NOMINEES  |

[ ] \_\_\_\_\_  
For except vote withheld from the following nominee(s).

Discretionary authority is hereby granted with respect  
to such other matters as may properly come before the  
meeting.

The undersigned acknowledges receipt of the Notice of  
Annual Meeting of Shareholders and the Proxy Statement  
furnished herewith.

MARK HERE IF YOU PLAN TO ATTEND THE MEETING. [ ]

MARK HERE FOR ADDRESS CHANGE AND NOTE AT LEFT. [ ]

NOTE: Please sign exactly as name appears hereon. Each joint  
owner shall sign. Executors, administrators, trustees, etc.  
should given full title.

Signature:\_\_\_\_\_ Date:\_\_\_\_\_

Signature:\_\_\_\_\_ Date:\_\_\_\_\_