

UNIVERSAL HEALTH REALTY INCOME TRUST
Form DEF 14A
April 29, 2014

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

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))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Universal Health Realty Income Trust

(Name of the Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- 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:

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

(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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.. Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

April 29, 2014

Dear Shareholder:

You are cordially invited to attend the Annual Meeting (the "Annual Meeting") of Shareholders of Universal Health Realty Income Trust (the "Trust") which will be held on Thursday, June 12, 2014 at 10:00 a.m., at the offices of the Trust, Universal Corporate Center, 367 South Gulph Road, King of Prussia, Pennsylvania for the following purposes:

- (1) the election by our shareholders of two Class I Trustees, to serve for a term of three years, until the annual election of Trustees in the year 2017 and the election and qualification of their successors;
- (2) to conduct an advisory (nonbinding) vote to approve named executive officer compensation;
- (3) to ratify the selection of KPMG LLP, as the Trust's independent registered public accounting firm for the fiscal year ending December 31, 2014; and
- (4) to transact such other business as may properly come before the meeting or any adjournment thereof.

Detailed information concerning these matters is set forth in the Important Notice Regarding the Availability of Proxy Materials (the "Notice") you received in the mail and in the attached Notice of Annual Meeting of Shareholders and Proxy Statement. We have elected to provide access to our Proxy Materials over the internet under the Securities and Exchange Commission's notice and access rules. If you want more information, please see the Questions and Answers section of this Proxy Statement.

Your vote is important. Whether or not you plan to attend the meeting, please either vote by telephone or internet or, if you received printed Proxy Materials and wish to vote by mail, by promptly signing and returning your proxy card in the enclosed envelope. Please review the instructions on each of your voting options described in this Proxy Statement as well as in the Notice you received in the mail. If you then attend and wish to vote your shares in person, you still may do so. In addition to the matters noted above, we will discuss the business of the Trust and be available for your comments and discussion relating to the Trust.

I look forward to seeing you at the meeting.

Sincerely,

Alan B. Miller
*Chairman of the Board,
Chief Executive Officer and President*

UNIVERSAL CORPORATE CENTER

367 SOUTH GULPH ROAD

KING OF PRUSSIA, PENNSYLVANIA 19406

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

June 12, 2014

Notice is hereby given that the Annual Meeting (the "Annual Meeting") of Shareholders of Universal Health Realty Income Trust (the "Trust") will be held on Thursday, June 12, 2014 at 10:00 a.m., at the offices of the Trust, Universal Corporate Center, 367 South Gulph Road, King of Prussia, Pennsylvania for the following purposes:

- (1) the election by our shareholders of two Class I Trustees, to serve for a term of three years, until the annual election of Trustees in the year 2017 and the election and qualification of their successors;
- (2) to conduct an advisory (nonbinding) vote to approve named executive officer compensation;
- (3) to ratify the selection of KPMG LLP, as the Trust's independent registered public accounting firm for the fiscal year ending December 31, 2014; and
- (4) to transact such other business as may properly come before the meeting or any adjournment thereof.

You are entitled to vote at the Annual Meeting only if you were a shareholder of record at the close of business on April 14, 2014. You are cordially invited to attend the Annual Meeting in person.

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE VOTE BY TELEPHONE OR INTERNET OR, IF YOU RECEIVED PRINTED PROXY MATERIALS AND WISH TO VOTE BY MAIL, MARK YOUR VOTES, THEN DATE AND SIGN THE ENCLOSED FORM OF PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE. YOU MAY REVOKE YOUR PROXY IF YOU DECIDE TO ATTEND THE ANNUAL MEETING AND WISH TO VOTE YOUR SHARES IN PERSON.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on Thursday, June 12, 2014:

The Proxy Statement and Annual Report to Shareholders are available at <http://www.edocumentview.com/UHT>

BY ORDER OF THE BOARD OF TRUSTEES

Cheryl K. Ramagano
Secretary

King of Prussia, Pennsylvania

April 29, 2014

Universal Corporate Center

367 South Gulph Road

King of Prussia, PA 19406

PROXY STATEMENT

QUESTIONS AND ANSWERS

1. Q: Why am I receiving these materials?

A: This Proxy Statement and enclosed forms of proxy (first mailed to shareholders who requested to receive printed Proxy Materials on or about April 29, 2014) are furnished in connection with the solicitation of proxies by our Board of Trustees for use at the Annual Meeting of Shareholders (the Annual Meeting), or at any adjournment thereof. A Notice Regarding the Availability of Proxy Materials was first mailed to all of our other shareholders beginning on or about April 29, 2014. The Annual Meeting will be held on Thursday, June 12, 2014 at 10:00 a.m., at our offices located at Universal Corporate Center, 367 South Gulph Road, King of Prussia, Pennsylvania. As a shareholder, you are invited to attend the Annual Meeting and are requested to vote on the items of business described in this Proxy Statement.

2. Q: What is the purpose of the Annual Meeting?

A: The Annual Meeting is being held to: (1) elect two Class I Trustees, who will serve for a term of three years until the annual election of Trustees in the year 2017 and the election and qualification of their successors and (2) conduct an advisory (nonbinding) vote to approve named executive officer compensation, (3) to ratify the selection of KPMG LLP, as the Trust's independent registered public accounting firm for the fiscal year ending December 31, 2014; and (4) transact such other business as may properly be brought before the meeting or any adjournment thereof. We will also discuss our business and be available for your comments and discussion.

3. Q: Why did Shareholders receive a notice in the mail regarding the internet availability of Proxy Materials instead of a full set of Proxy Materials?

A: In accordance with notice and access rules adopted by the U.S. Securities and Exchange Commission, or SEC, we may furnish Proxy Materials, including this Proxy Statement and our Annual Report to Shareholders, to our shareholders by providing access to such documents on the internet instead of mailing printed copies. Most shareholders will not receive printed copies of the Proxy Materials unless they request them. Instead, the Notice, which was mailed to shareholders, will instruct you as to how you may access and review all of the Proxy Materials on the internet. Please visit www.edocumentview.com/UHT. The Notice also instructs you as to how you may submit your Proxy on the internet. If you would like to receive a paper or e-mail copy of our Proxy Materials, you should follow the instructions for requesting such materials in the Notice.

4. Q: Who may attend the Annual Meeting?

A: Shareholders of record as of the close of business on April 14, 2014, or their duly appointed proxies, may attend the meeting. Shareholders whose shares are held through a broker or other nominee will need to bring a copy of a brokerage statement reflecting their ownership of our shares as of the record date.

5. Q: Who is entitled to vote at the Annual Meeting?

A: Only shareholders of record as of the close of business on April 14, 2014 are entitled to vote at the Annual Meeting. On that date, 12,918,287 shares of beneficial interest, par value \$.01 per share, were outstanding.

6. Q: Who is soliciting my vote?

A: The principal solicitation of proxies is being made by our Board of Trustees by mail. Certain of our officers and employees and certain officers and employees of UHS of Delaware, Inc. (our Advisor), a wholly-owned subsidiary of Universal Health Services, Inc. (UHS), or its affiliates, none of whom will receive additional compensation therefor, may solicit proxies by telephone or other personal contact. We 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. In addition, we may retain a third-party proxy solicitation service, to assist in the solicitation of proxies who may solicit proxies personally, by telephone and by mail.

7. Q: What items of business will be voted at the Annual Meeting?

A: The items of business that will be voted are the election of two Class I Trustees, who will serve for a term of three years until the annual election of Trustees in the year 2017 and the election and qualification of their successors, an advisory (nonbinding) vote to approve named executive officer compensation, and to ratify the selection of KPMG LLP, as the Trust's independent registered public accounting firm for the fiscal year ending December 31, 2014.

8. Q: How does the Board of Trustees recommend that I vote?

A: The Board of Trustees recommends that you vote your shares FOR the nominees for Class I Trustees, FOR the approval of our named executive officer compensation and FOR to ratify the selection of KPMG LLP, as the Trust's independent registered public accounting firm for the fiscal year ending December 31, 2014.

9. Q: How will voting on any other business be conducted?

A: Other than the items of business described in this Proxy Statement, we know 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, your signed proxy confers discretionary authority in the persons named therein. Those persons will vote or act in accordance with their best judgment.

10. Q: What is the difference between a shareholder of record and a street name holder?

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A: These terms describe how your shares are held. If your shares are registered directly in your name with Computershare Trust Company, N.A., our transfer agent, you are a shareholder of record. If your shares are held in the name of a brokerage, bank, trust or other nominee as a custodian, you are a street name holder.

11. Q: How do I vote my shares if I am a shareholder of record?

A: For specific instructions on how to vote your shares, please refer to the instructions on the Notice Regarding the Availability of Proxy Materials you received in the mail or, if you received printed proxy materials, your enclosed proxy card. If you received printed proxy materials, you may vote by signing and dating each proxy card you receive and returning it in the enclosed prepaid envelope, or you may vote by telephone or internet. Unless otherwise indicated on the proxy, shares represented by any proxy will, if the proxy is properly executed and received by us prior to the Annual Meeting, be voted FOR the nominees for Trustee, FOR the approval of our named executive officer compensation and FOR the ratification of the selection of KPMG LLP, as the Trust's independent registered public accounting firm for the fiscal year ending December 31, 2014. You may also vote by telephone or internet.

12. Q: How do I vote by telephone or electronically?

A: Instead of submitting your vote by mail on the enclosed proxy card (if you received printed proxy materials), your vote can be submitted by telephone or electronically, via the internet. Please refer to the specific instructions set forth on the Notice Regarding the Availability of Proxy Materials or, if you received printed Proxy Materials, on the enclosed proxy card. For security reasons, our electronic voting system has been designed to authenticate your identity as a shareholder.

13. Q: How do I vote my shares if they are held in street name?

A: If your shares are held in street name, your broker or other nominee will provide you with a form seeking instruction on how your shares should be voted.

14. Q: Can I change or revoke my vote?

A: Yes. Any proxy executed and returned to us is revocable by delivering a later signed and dated proxy or other written notice to our Secretary at any time prior to its exercise. Your proxy is also subject to revocation if you are present at the meeting and choose to vote in person.

15. Q: What is the vote required to approve the proposals?

A: The vote of a majority of all the votes cast at a meeting at which a quorum is present is necessary for the election of the Class I Trustees. A majority of the votes cast means that the number of shares voted for a Trustee's election exceeds the number of shares withheld from or voted against that Trustee. A nominee currently serving as a Trustee not receiving a majority of the votes cast will tender his or her resignation, promptly following certification of the shareholder vote, for consideration by the Nominating & Corporate Governance Committee. For the purposes of the election of trustees, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum.

The affirmative vote of a majority of all of the votes cast at a meeting at which a quorum is present is required for approval of the advisory vote on named executive officer compensation. For purposes of the vote on the approval of the named executive officer compensation, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum,

The affirmative vote of a majority of all of the votes cast at a meeting at which a quorum is present is required for approval of the ratification of the selection of KPMG LLP, as the Trust's independent registered public accounting firm for the fiscal year ending December 31, 2014. Abstentions will not be counted towards the vote total for this proposal. The ratification of the appointment of KPMG LLP, as the Trust's independent registered public accounting firm for the fiscal year ending December 31, 2014 is a discretionary matter on which brokers may vote without instructions from their clients.

16. Q: What constitutes a quorum ?

A: The shareholders entitled to vote at the meeting representing a majority of the total number of votes authorized to be cast by shares of beneficial interest then outstanding and entitled to vote on any question present in person or by proxy shall constitute a quorum at any such meeting for action on such question. Proxies received but marked with instructions to withhold authority to vote or abstain from voting and broker non-votes will be included in the calculation of the number of shares to be considered present at the meeting.

17. Q: What are our voting rights?

A: Each share is entitled to one vote on the matters to be presented at the meeting.

18. Q: What if I withhold my vote or abstain from voting?

A: If you are entitled to vote at the Annual Meeting, you can withhold authority to vote or abstain from voting. If you attend the meeting or send in your signed proxy with instructions to withhold authority or abstain from voting for the proposals, you will be counted for the purposes of determining whether a quorum exists.

With respect to the election of the Trustees, instructions on the accompanying proxy card to withhold authority to vote will result in the nominees receiving fewer votes. Any nominee currently serving as a trustee in an election who receives a greater number of votes withheld or votes against his or her election than votes for such election shall tender his or her resignation for consideration by the Nominating & Governance Committee. For the purposes of the election of trustees, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote.

For purposes of the vote on the approval of the named executive officer compensation, abstentions will not be counted as votes cast and will have no effect on the result of the vote.

For purposes of the vote on the ratification of the selection of KPMG LLP, as the Trust's independent registered public accounting firm for the fiscal year ending December 31, 2014, abstentions will not be counted as votes cast and will have no effect on the result of the vote.

19. Q: Will my shares be voted if I do not sign and return my proxy card or do not vote by internet or telephone?

A: If you are a registered shareholder and you do not sign and return your proxy card or do not vote by internet or telephone, your shares will not be voted at the Annual Meeting. If your shares are held in street name and you do not issue instructions to your broker, your broker may vote your shares at its discretion on routine matters, but may not vote your shares on non-routine matters.

Under the New York Stock Exchange rules, the proposals relating to the election of the Trustees and the advisory vote on our named executive officer compensation are deemed to be nonroutine matters with respect to which brokers and nominees may not exercise their voting discretion without receiving instructions from the beneficial owner of the shares.

20. Q: What is a broker non-vote ?

A: Broker non-votes are shares held by brokers or nominees which are present in person or represented by proxy, but which are not voted on a particular matter because instructions have not been received from the beneficial owner. Under the rules of the Financial Industry Regulatory Authority, member brokers generally may not vote shares held by them in street name for customers unless they are permitted to do so under the rules of any national securities exchange of which they are a member. Under the rules of the New York Stock Exchange, New York Stock Exchange-member brokers who hold shares in street name for their customers and have transmitted our proxy solicitation materials to their customers, but do not receive voting instructions from such customers, are not permitted to vote on non-routine matters.

Since the election of the Trustees and the advisory vote on named executive officer compensation are nonroutine matters, a broker may not turn in a proxy card voting shares without receiving instructions from you.

21. Q: What is the effect of a broker non-vote?

A: Broker non-votes will be counted for the purpose of determining the presence or absence of a quorum but they do not affect the determination of whether a matter is approved.

22. Q: Who will count the votes?

A: Our Secretary will count the votes and serve as inspector of elections.

23. Q: When are shareholder proposals due in order to be included in our Proxy Statement for the 2015 Annual Meeting?

A: Any proposal that you wish to present for consideration at the 2015 Annual Meeting must be received by us no later than December 26, 2014. This date provides sufficient time for inclusion of the proposal in the 2015 proxy materials.

24. Q: Can I receive more than one set of Annual Meeting materials?

A: If you share an address with another shareholder, each shareholder may not receive a separate copy of our Annual Report and Proxy Statement. We will promptly deliver a separate copy of either document to any shareholder upon written or oral request to our Secretary at Universal Health Realty Income Trust, Universal Corporate Center, 367 South Gulph Road, King of Prussia, Pennsylvania 19406, telephone (610) 265-0688. If you share an address with another shareholder and (i) would like to receive multiple copies of the Proxy Statement or Annual Report to Shareholders in the future, or (ii) if you are receiving multiple copies and would like to receive only one copy per household in the future, please contact your bank, broker, or other nominee record holder, or you may contact us at the above address and phone number.

25. Q: How can I obtain additional information about Universal Health Realty Income Trust (the Trust)?

A: Copies of our Annual Report to Shareholders and Annual Report on Form 10-K for the year ended December 31, 2013 and our other annual, quarterly and current reports we file with the Securities and Exchange Commission, and any amendments to those reports, are available free of charge on our website, which is located at <http://www.uhrit.com>. Copies of these reports will be sent without charge to any shareholder requesting such copies in writing to our Secretary at Universal Health Realty Income Trust, Universal Corporate Center, 367 South Gulph Road, King of Prussia, Pennsylvania 19406. The information posted on our website is not incorporated into this Proxy Statement.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth as of March 31, 2014, the number of shares and the percentage of our outstanding shares beneficially owned, within the meaning of Securities and Exchange Commission Rule 13d-3, (i) by each person who is known to us to own beneficially more than 5% of our shares; (ii) by each Trustee and Trustee nominee and each executive officer named in the Summary Compensation Table, and; (iii) by all Trustees and executive officers as a group. Except as otherwise specified, the named beneficial owner has sole voting and investment power. No shares are pledged as security by any of our Trustees or executive officers.

Name and Address of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership	Percent of Outstanding Shares
Universal Health Services, Inc. 367 South Gulph Road King of Prussia, PA 19406	787,543	6.1%
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	1,637,195(2)	12.7%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	1,222,158(3)	9.5%
Vanguard Specialized Funds Vanguard REIT Index Fund. 100 Vanguard Blvd. Malvern, PA 19355	814,488(4)	6.3%
Miles L. Berger Berger Management Services, LLC 350 West Hubbard St. #222 Chicago, IL 60654	9,125(5)	(6)
James E. Dalton, Jr. 6505 Edinburgh Drive Nashville, TN 37221	7,020(5)	(6)
Elliot J. Sussman, M.D. The Villages Health 1020 Lake Sumter Landing The Villages, FL 32162	6,125(5)	(6)

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Robert F. McCadden	0	(6)
Pennsylvania Real Estate Investment Trust		
200 South Broad Street		
Philadelphia, PA 19102		
Alan B. Miller	153,630(5)(7)	1.2%
Marc D. Miller	1,454	(6)
Charles F. Boyle	26,259(5)	(6)
Cheryl K. Ramagano	25,943(5)	(6)

Name and Address of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership	Percent of Outstanding Shares
Timothy J. Fowler 3525 Piedmont Rd., N.E. Atlanta, GA 30305	18,489(5)	(6)
All Trustees & executive officers as a group (9 persons)	248,045(5)(7)	1.9%

- (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) These securities are held by The Vanguard Group, Inc. Information is based on Amendment No. 8 to Schedule 13G filed February 12, 2014. The Vanguard Group, Inc. reported that it has sole voting power with respect to 34,997 shares, shared voting power with respect to 7,700 shares, sole dispositive power with respect to 1,607,298 shares and shared dispositive power with respect to 29,892 shares.
- (3) These securities are held by BlackRock, Inc. Information is based on Amendment No. 4 to Schedule 13G filed January 31, .
- (4) These securities are held by Vanguard Specialized Funds Vanguard REIT Index Fund. Information is based on Amendment No. 3 to Schedule 13G filed February 4, 2014.
- (5) Includes shares issuable pursuant to stock options to purchase shares of beneficial interest held by officers and Trustees of the Trust and exercisable within 60 days of March 31, 2014 as follows: Miles L. Berger (2,000); James E. Dalton, Jr. (2,000); Elliot J. Sussman, M.D. (1,000); Alan B. Miller (12,500); Charles F. Boyle (7,000); Cheryl K. Ramagano (7,000) and Timothy J. Fowler (5,000).
- (6) Less than 1% of the outstanding shares.
- (7) Includes 42,000 shares of beneficial interest beneficially owned by the Alan B. Miller Family Foundation. Mr. Miller disclaims beneficial ownership of these securities.

Equity Compensation Plan Information

The table below provides information, as of December 31, 2013, concerning securities authorized for issuance under our equity compensation plans.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights(a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding column(a))
Equity compensation plans approved by security holders	80,000	\$ 35.65	27,025
Equity compensation plans not approved by security holders			
TOTAL	80,000	\$ 35.65	27,025

PROPOSAL NO. 1**ELECTION OF TWO TRUSTEES**

We were organized under the laws of the State of Maryland as a real estate investment trust on August 6, 1986. Pursuant to our Declaration of Trust, the Trustees have been divided into three classes, with staggered terms. The terms of the Trustees in Class I expire at this meeting, the terms of the Trustees in Class II will expire at the 2015 Annual Meeting and the terms of the Trustees in Class III will expire at the 2016 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 our Board of Trustees. The nominees for the Class I Trustees are Alan B. Miller and Robert F. McCadden. They have been nominated to be elected for a three-year term that expires at the 2017 Annual Meeting. The Trustees have no reason to believe that the nominees will be unavailable for election; however, if a nominee becomes unavailable for any reason, the shares represented by the proxy will be voted for the person, if any, who is designated by the Board of Trustees to replace the nominee. The nominees have consented to be named and have indicated their intent to serve if elected.

Pursuant to our Declaration of Trust, a majority of our 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 UHS, the parent company of our Advisor, and does not perform any services for us, except as Trustee.

The following information is furnished with respect to the nominees 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
TRUSTEES WHOSE TERMS EXPIRE IN 2014				
Alan B. Miller	I	76	Chairman of our Board and our Chief Executive Officer since 1986 and our President since February, 2003. Chairman of the Board and Chief Executive Officer of UHS since 1978 and previously served as UHS's President until May, 2009. Father of Marc D. Miller, a Trustee and President of UHS.	1986
Robert F. McCadden*	I	56	Elected Trustee of the Trust in December, 2013. Currently serves as Executive Vice President and Chief Financial Officer of Pennsylvania Real Estate Investment Trust since his appointment in 2004. Formerly, he served as audit partner of KPMG LLP from 2002 to 2004 and audit partner of Arthur Andersen LLP from 1993 to 2002. Since 2011, Mr. McCadden has served as a member of the Board of Directors of Independence Realty Trust, Inc.	2013

THE BOARD OF TRUSTEES RECOMMENDS A VOTE FOR THE ELECTION OF THESE NOMINEES AS TRUSTEES. ANY NOMINEE CURRENTLY SERVING AS A TRUSTEE IN AN

ELECTION WHO RECEIVES A GREATER NUMBER OF VOTES WITHHELD OR VOTES AGAINST HIS OR HER ELECTION THAN VOTES FOR SUCH ELECTION SHALL TENDER HIS OR HER RESIGNATION FOR CONSIDERATION BY THE NOMINATING & GOVERNANCE COMMITTEE.

Name	Class of Trustee	Age	Principal Occupation	Trustee Since
			During the Last Five Years	
TRUSTEES WHOSE TERMS EXPIRE IN 2015				
James E. Dalton, Jr.*	II	71	Formerly, Chairman of the Board of Signature Hospital Corporation from 2006-2012. Formerly, President, Chief Executive Officer and Director of Quorum Health Group, Inc. from 1990 to 2001. Formerly, President of Edinburgh Associates from 2001-2007. Formerly, a Director of US Oncology, Inc. from 2005-2010. Currently, a director of Select Medical Corp. since 2005.	1997
Marc D. Miller	II	43	Appointed President of UHS in May, 2009. Previously served as Senior Vice President and Co-Head of acute care division for UHS since 2007 and previously served as a Vice President of UHS's acute care division since 2004. Prior to that he served as Assistant Vice President of UHS from 2003 to 2004; Chief Executive Officer at Central Montgomery Medical Center (an acute care hospital formerly owned by UHS) from 2002 to 2003; Chief Operating Officer at Wellington Regional Medical Center from 2000 to 2002 and Assistant Administrator at The George Washington University Hospital from 1999 to 2000. He is the son of Alan B. Miller, our Chief Executive Officer, President and Chairman of the Board.	2008

Name NOMINEES WHOSE TERMS	Class of Trustee	Age	Principal Occupation During the Last Five Years	Trustee Since
EXPIRE IN 2016				
Miles L. Berger*	III	83	Chairman of the Board of Berger Management Services, LLC since 1999; Trustee of Innkeepers Trust USA from 1993 until the sale of the company in 2007, and a member of the Board of Directors of Medallion Bank since 2002 and Chatman Lodging Trust since 2010.	1998
Elliot J. Sussman, M.D.*	III	62	Chairman of The Villages Health and a Consultant. Former President and Chief Executive Officer of Lehigh Valley Hospital and Health Network from 1993 to 2010. Currently, a member of the Board of Directors of iCAD, Inc. since 2002.	1999

* Independent Trustee

PROPOSAL NO. 2

ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION

Pursuant to rules of the Securities and Exchange Commission, we are asking you to approve, on an advisory (non-binding) basis, the compensation paid to our named executive officers as disclosed in the Compensation Discussion and Analysis below, the compensation tables below, and any related narrative discussion contained in this Proxy Statement. This proposal, commonly known as a "say-on-pay" proposal, gives shareholders the opportunity to express their views on the compensation paid to our named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this Proxy Statement. Accordingly, we are asking the shareholders to vote **FOR** the following resolution at the Annual Meeting:

RESOLVED, that the Trust's shareholders approve, on an advisory basis, the compensation paid to the Trust's named executive officers, as disclosed in the Trust's proxy statement for the 2014 Annual Meeting of Shareholders, pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion contained in this Proxy Statement.

Vote Required

The affirmative vote of a majority of all of the votes cast at a meeting at which a quorum is present is required for approval of the advisory vote on named executive officer compensation. For purposes of the vote on Proposal No. 2, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum,

The "say-on-pay" vote is advisory and will not be binding upon the Trust, the Board of Trustees or the Compensation Committee. However, the Compensation Committee will take into account the outcome of the vote when considering future named executive officer compensation arrangements.

THE BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS A VOTE FOR APPROVAL OF THE COMPENSATION PAID TO THE TRUST'S NAMED EXECUTIVE OFFICERS, AS DISCLOSED PURSUANT TO ITEM 402 OF REGULATION S-K, INCLUDING THE COMPENSATION DISCUSSION AND ANALYSIS, COMPENSATION TABLES AND NARRATIVE DISCUSSION CONTAINED IN THIS PROXY STATEMENT.

PROPOSAL NO. 3

RATIFICATION OF THE SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Audit Committee of the Board has selecte