

NATIONAL HEALTHCARE CORP

Form S-4

April 18, 2007

Table of Contents

As filed with the Securities and Exchange Commission on April 18, 2007

Registration No. 333-[]

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

FORM S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

NATIONAL HEALTHCARE CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

8051
*(Primary Standard Industrial
Classification Code Number)*

52-2057472
*(I.R.S. Employer
Identification Number)*

100 Vine Street, Suite 1400
Murfreesboro, Tennessee 37130
(615) 890-2020

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Robert G. Adams
President and Chief Executive Officer
National HealthCare Corporation
100 Vine Street, Suite 1400
Murfreesboro, Tennessee 37130
(615) 890-2020

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the date hereof.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Series A Convertible Preferred Stock, \$.01 par value per share	10,822,893(1)	N/A	\$165,690,870.36(2)	\$5,086.71
Common Stock, \$.01 par value per share	2,619,573(3)	N/A	N/A	None(4)
Total				\$5,086.71

- (1) Represents the maximum number of shares of Series A convertible preferred stock, \$.01 par value per share, of National HealthCare Corporation that may be issued pursuant to the transactions described in this registration statement.
- (2) The registration fee has been calculated based on a price of \$23.52 per share of common stock of National Health Realty, Inc. pursuant to Rule 457(f)(1). Upon the effectiveness of the transactions described in this registration statement, 363,200 shares of common stock of National Health Realty, Inc. held by National HealthCare Corporation will be cancelled. For purposes of the calculation of the maximum aggregate offering price (i) these 363,200 shares have been added to the 10,822,893 shares to be registered hereby pursuant to Rule 457(f)(1) and (ii) \$97,406,037 representing the amount of cash to be paid by National HealthCare Corporation upon the effectiveness of the transactions described in this registration statement, has been deducted from the proposed

maximum offering price pursuant to Rule 457(f)(3).

- (3) Represents the maximum number of shares of common stock, \$.01 par value per share, of National HealthCare Corporation issuable upon conversion of the 10,822,893 shares of Series A convertible preferred stock of National HealthCare Corporation that may be issued pursuant to the transactions described in this registration statement.
- (4) No consideration will be received by National HealthCare Corporation upon the conversion of the Series A Convertible Preferred Stock of National HealthCare Corporation. See Rule 457(i).

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

Table of Contents

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED APRIL 18, 2007

**National Health Realty, Inc.
100 Vine Street, Suite 1402
Murfreesboro, Tennessee 37130**

**National HealthCare Corporation
100 Vine Street, Suite 1400
Murfreesboro, Tennessee 37130**

A MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

To the stockholders of National Health Realty, Inc. and National HealthCare Corporation:

On December 20, 2006, Davis Acquisition Sub LLC (an indirect wholly-owned subsidiary of National HealthCare Corporation), NHC/OP, L.P. (a direct and indirect wholly-owned subsidiary of National HealthCare Corporation), National HealthCare Corporation (NHC), and National Health Realty, Inc. (NHR), entered into an Agreement and Plan of Merger. Pursuant to the merger agreement and following stockholder approval on _____, 2007, NHR completed a consolidation with its wholly-owned subsidiary, NEW NHR, Inc., which resulted in the formation of a new Maryland corporation (the Consolidated Company). As used in this joint proxy statement/prospectus, references to NHR mean, with respect to periods prior to _____, 2007, National Health Realty, Inc., and with respect to periods after _____, 2007, the Consolidated Company.

Subject to stockholder approval as described herein and consummation of certain other transactions specified in the merger agreement, NHR will be merged with and into Davis Acquisition Sub LLC, and Davis Acquisition Sub LLC will continue as a wholly-owned subsidiary of NHC/OP, L.P. and shall succeed to and assume all the rights and obligations of NHR.

Pursuant to the merger agreement, each outstanding common share of NHR not owned by Davis Acquisition Sub LLC, NHC/OP, L.P. or NHC will be converted into the right to receive one share of NHC Series A Convertible Preferred Stock (the Preferred Stock), plus \$9.00 in cash. In addition, immediately prior to the consummation of the merger, NHR will declare a special dividend payable to each holder of record of NHR common stock who shall receive the merger consideration at the effective time of the merger in an amount equal to the dividend that NHR would have declared and paid in the ordinary course of business in order to qualify as a REIT for the taxable year commencing on January 1, 2007 and ending on the effective date of the merger if NHR had not entered into the merger agreement. Each share of the Preferred Stock will be entitled to cumulative annual preferred dividends of \$0.80 per share and will have a liquidation preference of \$15.75 per share. The Preferred Stock will be listed on the American Stock Exchange and will be convertible at any time at the option of the holder into 0.24204 shares of NHC common stock, subject to adjustment.

NHC will hold a special meeting of stockholders on _____, 2007 at _____ a.m., Central time, at the principal executive offices of NHC, located at 100 Vine Street, Suite 1400, Murfreesboro, Tennessee 37130. At this meeting, stockholders of NHC will be asked (1) to consider and vote upon a proposal to adopt an amendment to the certificate of incorporation of NHC to increase the maximum number of shares of undesignated preferred stock having a par value of \$.01 per share from 10,000,000 shares to 25,000,000 shares, (2) to consider and vote upon a proposal to approve

the issuance of Series A Convertible Preferred Stock having a par value of \$.01 per share, pursuant to the merger agreement ((1) and (2) collectively, the NHC Proposal), (3) to approve the postponement or adjournment of the NHC special meeting for the solicitation of additional votes, if necessary, and (4) to transact any other business as may properly come before the NHC special meeting or any adjournment or postponement of the NHC special meeting.

Table of Contents

The affirmative vote of the holders of a majority of common shares outstanding and entitled to vote at the NHC special meeting is required to approve the amendment of the NHC certificate of incorporation. The affirmative vote of the holders of a majority of the outstanding common shares represented and voting at the NHC special meeting is required to approve the issuance of the Preferred Stock.

NHR will hold a special meeting of stockholders on _____, 2007 at _____ a.m., Central time, at the principal executive offices of NHR, located at 100 Vine Street, Suite 1402, Murfreesboro, Tennessee 37130. At this meeting, stockholders of NHR will be asked (1) to consider and vote upon the approval of the merger (the NHR Proposal), (2) to approve the postponement or adjournment of the NHR special meeting for the solicitation of additional votes, if necessary, and (3) to transact any other business as may properly come before the NHR special meeting or any adjournment or postponement of the NHR special meeting.

The affirmative vote of the holders of a majority of common shares outstanding and entitled to vote at the NHR special meeting and the affirmative vote of the holders of a majority of the common stock outstanding and entitled to vote, not owned by a director or officer of NHR, or any affiliate of NHR or NHC is required to approve the merger.

Before the merger can be completed, holders of the requisite number of outstanding shares of NHC common stock must vote in favor of the NHC Proposal at the NHC special meeting and holders of the requisite number of outstanding shares of NHR common stock must vote in favor of the NHR Proposal.

Holders of NHC common stock representing approximately 21.9% of the outstanding shares of NHC common stock as of March 1, 2007 have agreed to vote the shares of NHC common stock owned by them in favor of the NHC Proposal. NHR stockholders representing approximately 22.4% of the outstanding shares of NHR common stock as of March 1, 2007 have agreed to vote the shares of NHR common stock owned by them in favor of the NHR Proposal.

The merger agreement and the merger have been approved and declared advisable by (i) the sole managing member of Davis Acquisition Sub LLC, (ii) the general partner of NHC/OP, L.P., (iii) the board of directors of NHC, upon the unanimous recommendation of a special committee of its board of directors composed entirely of independent directors, and (iv) the board of directors of NHR, upon the unanimous recommendation of a special committee of its board of directors composed entirely of independent directors. Completion of the merger, which is expected to occur in the second quarter of 2007, is subject to the approval of certain matters by the requisite stockholders of NHC and NHR.

NHC's common shares are traded on the American Stock Exchange under the symbol NHC, and the closing price of NHC's common shares on _____, 2007 was \$ _____ per share. NHR's common stock is traded on the American Stock Exchange under the symbol NHR and the closing price of a share of NHR common stock on _____, 2007 was \$ _____ per share.

The board of directors of NHC has approved the merger agreement and the merger and has determined that the merger is in the best interest of NHC's stockholders. The board of directors of NHC recommends that NHC's stockholders vote FOR the NHC Proposal.

The board of directors of NHR has approved the merger agreement and the merger and has determined that the merger is advisable and in the best interest of NHR stockholders. The board of directors recommends that NHR stockholders vote FOR the NHR Proposal.

This joint proxy statement/prospectus provides NHC stockholders and NHR stockholders with detailed information about the special meetings and the proposed merger. You can also obtain information from publicly available documents filed by NHC and NHR with the Securities and Exchange Commission. **NHC and NHR encourage you**

to read this entire document carefully, including the section entitled Risk Factors beginning on page 14.

Table of Contents

Your vote is very important. Whether or not you plan to attend the NHC special meeting or the NHR special meeting, please take time to vote on the proposal by completing and mailing the enclosed proxy card.

Sincerely,

Donald K. Daniel
Senior Vice President & Controller
Principal Accounting Officer
National Health Realty, Inc.

Robert G. Adams
President and Chief Executive Officer
National HealthCare Corporation

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger approved or disapproved of the transaction, passed upon the merits or fairness of the transaction or determined if this joint proxy statement/prospectus is adequate, accurate or complete. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated
and is first being mailed to stockholders on or about

Table of Contents

SOURCES OF ADDITIONAL INFORMATION

This joint proxy statement/prospectus includes information also set forth in documents filed by NHC and NHR with the SEC, and those documents include information about each company that is not included in or delivered with this document. You can obtain any of those documents filed with the SEC from NHC or NHR, as the case may be, or through the SEC or the SEC's web site. The address of that site is <http://www.sec.gov>. Stockholders of NHC or NHR may obtain documents filed with the SEC or documents incorporated by reference in this document, when available, free of cost, by directing a request to the appropriate company at:

National Health Realty, Inc.
100 Vine Street, Suite 1402
Murfreesboro, Tennessee 37130
Attention: Corporate Secretary
Telephone Number: (615) 890-2020

National HealthCare Corporation
100 Vine Street, Suite 1400
Murfreesboro, Tennessee 37130
Attention: Corporate Secretary
Telephone Number: (615) 890-2020

If you would like to request documents, in order to ensure timely delivery, you must do so at least five business days before the date of the respective special meeting. This means you must request this information no later than _____, 2007. NHC or NHR, as the case may be, will mail properly requested documents to requesting stockholders by first class mail, or another equally prompt means, within one business day after receipt of such requests.

See Where You Can Find More Information.

Table of Contents

NATIONAL HEALTHCARE CORPORATION

**NOTICE OF SPECIAL
MEETING OF STOCKHOLDERS**

To Be Held On , 2007

To the stockholders of National HealthCare Corporation:

NOTICE IS HEREBY GIVEN that the special meeting of stockholders of National HealthCare Corporation, a Delaware corporation (NHC), will be held at a.m., Central time, on , 2007, at 100 Vine Street, Suite 1400, Murfreesboro, Tennessee 37130 for the following purposes:

1. To consider and vote upon a proposal to adopt an amendment to the certificate of incorporation of NHC to increase the maximum number of shares of undesignated preferred stock having a par value of \$.01 per share from 10,000,000 shares to 25,000,000 shares.
2. To consider and vote upon a proposal to approve the issuance of shares of NHC Series A convertible preferred stock pursuant to the merger agreement.
3. To approve the postponement or adjournment of the NHC special meeting for the solicitation of additional votes, if necessary.
4. To transact any other business as may properly come before the NHC special meeting or any adjournment or postponement of the NHC special meeting.

Only NHC stockholders of record at the close of business on , 2007, the record date for the NHC special meeting, may vote at the NHC special meeting and any adjournments or postponements of the NHC special meeting. A complete list of NHC stockholders of record entitled to vote at the NHC special meeting will be available for the 10 days before the NHC special meeting at our executive offices for inspection for proper purposes by NHC stockholders during ordinary business hours.

Your vote is very important. The NHC board of directors has approved the merger agreement and the merger and recommends that you vote FOR all of the proposals set forth above. Whether or not you plan to attend the NHC special meeting, please submit your proxy card with voting instructions. If you hold your stock in your name as a stockholder of record, please sign, date and return the enclosed proxy card as soon as possible. If you hold your stock in street name through a bank or a broker, please direct your bank or broker to vote your stock in the manner described in the instructions you have received from your bank or broker.

For more information about the merger and the other transactions contemplated by the merger agreement, please review the accompanying joint proxy statement/prospectus and the merger agreement attached to it as Annex A.

By order of the NHC board of directors

John K. Lines,
Secretary

Murfreesboro, Tennessee

, 2007

Table of Contents

NATIONAL HEALTH REALTY, INC.

**NOTICE OF SPECIAL
MEETING OF STOCKHOLDERS**

To Be Held On , 2007

To the stockholders of National Health Realty, Inc.:

NOTICE IS HEREBY GIVEN that the special meeting of stockholders of National Health Realty, Inc., a Maryland corporation (NHR), will be held at a.m., Central time, on , 2007, at 100 Vine Street, Suite 1402, Murfreesboro, Tennessee 37130 for the following purposes:

1. To consider and vote upon a proposal to approve the merger of NHR with and into Davis Acquisition Sub LLC, an indirect wholly-owned subsidiary of National HealthCare Corporation (NHC), in accordance with the terms of the Agreement and Plan of Merger, dated December 20, 2006, by and among Davis Acquisition Sub LLC (an indirect wholly-owned subsidiary of NHC), NHC/OP, L.P. (a direct and indirect wholly-owned subsidiary of NHC), NHC and NHR. Upon the effectiveness of the merger, the separate corporate existence of NHR will cease and Davis Acquisition Sub LLC will continue as the surviving company in the merger and will succeed to and assume all the rights and obligations of NHR in accordance with the Maryland General Corporation Law and the Delaware Limited Liability Company Act.
2. To approve the postponement or adjournment of the NHR special meeting for the solicitation of additional votes, if necessary.
3. To transact any other business as may properly come before the NHR special meeting or any adjournment or postponement of the NHR special meeting.

Only NHR stockholders of record at the close of business on , 2007, the record date for the NHR special meeting, are entitled to notice of and may vote at the NHR special meeting and any adjournments or postponements of the NHR special meeting. A complete list of NHR stockholders of record entitled to vote at the NHR special meeting will be available for the 10 days before the NHR special meeting at our executive offices for inspection for proper purposes by NHR stockholders during ordinary business hours.

Your vote is very important. The NHR board of directors, after giving consideration to the recommendation of the special committee to the board of directors, has approved the merger agreement and the merger and recommends that you vote FOR all of the proposals set forth above. Whether or not you plan to attend the NHR special meeting, please submit your proxy card with voting instructions. If you hold your stock in your name as a stockholder of record, please sign, date and return the enclosed proxy card as soon as possible. If you hold your stock in street name through a bank or a broker, please direct your bank or broker to vote your stock in the manner described in the instructions you have received from your bank or broker.

For more information about the merger and the other transactions contemplated by the merger agreement, please review the accompanying joint proxy statement/prospectus and the merger agreement attached to it as Annex A.

By order of the NHR board of directors

John K. Lines,
Secretary

Murfreesboro, Tennessee

, 2007

Table of Contents**TABLE OF CONTENTS**

	Page
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER</u>	1
<u>SUMMARY</u>	6
<u>NHC</u>	6
<u>NHR</u>	6
<u>The NHC Special Meeting</u>	6
<u>The NHR Special Meeting</u>	7
<u>The Merger Proposal</u>	7
<u>Recommendations of the Special Committees and the Boards of Directors</u>	8
<u>NHC's and NHR's Reasons for the Merger</u>	8
<u>Interests of NHC and NHR Management in the Merger</u>	9
<u>Anticipated Accounting Treatment of the Merger</u>	10
<u>Certain Material U.S. Federal Income Tax Consequences</u>	10
<u>Dividends and Distributions</u>	10
<u>Dissenters' Rights</u>	10
<u>Vote Required to Approve the NHC Proposal and the NHR Proposal</u>	11
<u>Voting Power and Voting by Management</u>	11
<u>Revoking Proxies</u>	11
<u>Conditions to the Merger</u>	12
<u>Termination of the Merger Agreement</u>	12
<u>Solicitation of Other Offers</u>	13
<u>Listing of NHC Series A Preferred Stock</u>	13
<u>RISK FACTORS</u>	14
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF NHC</u>	18
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF NHR</u>	19
<u>UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION</u>	20
<u>COMPARATIVE SHARE DATA</u>	25
<u>NHC RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS</u>	26
<u>NHR RATIO OF EARNINGS TO FIXED CHARGES</u>	27
<u>MARKET PRICE AND DIVIDEND INFORMATION</u>	28
<u>FORWARD-LOOKING STATEMENTS</u>	29
<u>THE NHC SPECIAL MEETING</u>	31
<u>THE NHR SPECIAL MEETING</u>	34
<u>SPECIAL FACTORS</u>	37
<u>General Description of the Merger</u>	37
<u>Background of the Merger</u>	37
<u>Recommendations of the NHC Special Committee and the NHC Board of Directors: Fairness of the Offer and the merger</u>	45
<u>NHC's Reasons for, and Advantages of, the Merger</u>	45
<u>Disadvantages to NHC of the Merger</u>	45
<u>Opinion of NHC's Financial Advisor Avondale Partners, LLC</u>	46
<u>Recommendations of the NHR Special Committee and the NHR Board of Directors: Fairness of the Offer and the Merger</u>	52
<u>NHR's Reasons for, and Advantages of, the Merger</u>	52

<u>Opinion of NHR's Financial Advisor 2nd Generation Capital, LLC</u>	53
<u>Alternatives to the Merger Considered by NHC and NHR</u>	61
<u>Effects of Completing the Merger</u>	61

Table of Contents

	Page
<u>Approval of the Merger</u>	61
<u>Interests of NHC and NHR Management in the Merger</u>	62
<u>Equity Compensation Plans</u>	62
<u>Listing of the Preferred Stock</u>	62
<u>Exchange Agent</u>	62
<u>Dividends and Distributions</u>	63
<u>Certain Material U.S. Federal Income Tax Consequences of the Merger</u>	63
<u>Anticipated Accounting Treatment</u>	63
<u>Dissenters' Rights</u>	63
<u>Resale of the Preferred Stock</u>	63
<u>Sources of Funds; Fees and Expenses</u>	64
<u>DESCRIPTION OF THE MERGER AGREEMENT</u>	65
<u>Structure of the Merger</u>	65
<u>Closing; Completion of the Merger</u>	65
<u>Merger Consideration</u>	65
<u>Exchange of NHR Stock Certificates</u>	66
<u>Treatment of NHR Stock Options</u>	66
<u>Board of Directors and Officers of NHC and the Surviving Person</u>	66
<u>Representations and Warranties of the Parties to the Merger Agreement</u>	66
<u>Conduct of Business Pending the Consummation of the Merger</u>	67
<u>Conditions to the Merger</u>	68
<u>No Solicitation by NHR</u>	68
<u>Termination of the Merger Agreement</u>	69
<u>Expenses</u>	70
<u>Amendment and Waiver of the Merger Agreement</u>	70
<u>Amendment and Waiver No. 1</u>	71
<u>Indemnification; Directors' and Officers' Insurance</u>	71
<u>THE VOTING AGREEMENT</u>	72
<u>INFORMATION ABOUT THE COMPANIES</u>	74
<u>NHC MANAGEMENT</u>	75
<u>NHR MANAGEMENT</u>	78
<u>DESCRIPTION OF NHC CAPITAL STOCK</u>	80
<u>COMPARISON OF STOCKHOLDER RIGHTS</u>	86
<u>CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES</u>	92
<u>NHC PROPOSAL 1: AMENDMENT TO THE CERTIFICATE OF INCORPORATION OF NHC</u>	100
<u>NHC PROPOSAL 2: ISSUANCE OF NHC SECURITIES</u>	101
<u>NHC PROPOSAL 3: GRANT OF AUTHORITY REGARDING POSTPONEMENT OR ADJOURNMENT OF THE NHC SPECIAL MEETING</u>	102
<u>NHR PROPOSAL 1: APPROVAL OF THE MERGER</u>	103
<u>NHR PROPOSAL 2: GRANT OF AUTHORITY REGARDING POSTPONEMENT OR ADJOURNMENT OF THE NHR SPECIAL MEETING</u>	104
<u>2007 NHR ANNUAL STOCKHOLDERS MEETING AND STOCKHOLDER PROPOSALS</u>	105
<u>LEGAL MATTERS</u>	105
<u>EXPERTS</u>	105
<u>OTHER MATTERS</u>	105
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	105

WHAT INFORMATION YOU SHOULD RELY ON

107

Ex-5.1 Opinion of Cahill, Gordon & Reindel LLP

EX-12.1 Ratio of Earnings To Fixed Charges and Preferred Stock Dividends

Ex-12.2 Computation of Ratio of Earnings to Fixed Charges

Ex-23.2 Consent of BDO Seidman, LLP

Ex-23.3 Consent of BDO Seidman, LLP

Ex-23.4 Consent of Avondale Partners, LLC

Ex-23.5 Consent of 2nd Generation Capital, LLC

ii

Table of Contents

List of Annexes

Annex A	Agreement and Plan of Merger, dated December 20, 2006, by and among Davis Acquisition Sub LLC, NHC/OP, L.P., NHC and NHR (including Amendment and Waiver No. 1)	A-1
Annex B	Voting Agreement, dated December 20, 2006, between NHC and certain stockholders of NHC, and NHR and certain stockholders of NHR	B-1
Annex C	Certificate of Designations of Series A Convertible Preferred Stock of NHC	C-1
Annex D	Fairness Opinion of Avondale Partners, LLC, dated as of December 20, 2006	D-1
Annex E	Fairness Opinion of 2nd Generation Capital, LLC, dated as of December 20, 2006	E-1
Annex F	Form of Amendment to the Certificate of Incorporation of NHC	F-1

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: When and where are the special stockholders meetings?

A1: The NHC special meeting will take place on _____, 2007, at _____ a.m. Central Time, at 100 Vine Street, Suite 1400, Murfreesboro, Tennessee 37130.

A2: The NHR special meeting will take place on _____, 2007, at _____ a.m. Central Time, at 100 Vine Street, Suite 1402, Murfreesboro, Tennessee 37130.

Q: What is happening at each special meeting?

A1: At the NHC special meeting, stockholders of NHC will be asked (1) to consider and vote upon a proposal to adopt an amendment to the certificate of incorporation of NHC to increase the maximum number of shares of undesignated preferred stock having a par value of \$.01 per share from 10,000,000 shares to 25,000,000 shares, (2) to consider and vote upon a proposal to approve the issuance of Series A convertible preferred stock, having a par value of \$.01 per share, pursuant to the merger agreement, (3) to approve the postponement or adjournment of the NHC special meeting for the solicitation of additional votes, if necessary, and (4) to transact any other business as may properly come before the NHC special meeting or any adjournment or postponement of the NHC special meeting.

A2: At the NHR special meeting, stockholders of NHR will be asked (1) to consider and vote upon the approval of the merger, (2) to approve the postponement or adjournment of the NHR special meeting for the solicitation of additional votes, if necessary, and (3) to transact any other business as may properly come before the NHR special meeting or any adjournment or postponement of the NHR special meeting.

Q: What will happen in the merger?

A: If the merger is approved and all other conditions to the merger have been satisfied or waived, NHR will merge with and into Davis Acquisition Sub LLC, upon the terms and subject to the conditions set forth in the merger agreement. Upon effectiveness of the merger, the separate corporate existence of NHR shall cease and Davis Acquisition Sub LLC shall continue as the surviving person in the merger and a wholly-owned subsidiary of NHC/OP, L.P., which is a wholly-owned subsidiary of NHC and shall succeed to and assume all the rights and obligations of NHR.

Q: Why are the parties proposing to merge?

A: The parties believe that the combined company will provide the present stockholders of each company with a more focused, flexible and efficient corporation whose purpose and activities are more closely aligned with those of its stockholders. See Special Factors NHC's Reasons for, and Advantages of, the Merger and Special Factors NHR's Reasons for, and Advantages of, the Merger.

Q: What will NHR stockholders receive in the merger?

A: Upon the effectiveness of the merger, each issued and outstanding share of common stock, par value \$0.01 per share, of NHR, other than any such shares directly owned by Davis Acquisition Sub LLC, NHC/OP, L.P. or NHC, will be converted into the right to receive cash and shares of the Preferred Stock, having the rights and

designations set forth in the Certificate of Designations, the form of which is attached to this proxy statement/prospectus as Annex C. In addition, immediately prior to the consummation of the merger, NHR will declare a special dividend payable to each holder of record of NHR common stock who shall receive the merger consideration at the effective time of the merger in an amount equal to the dividend that NHR would have declared and paid in the ordinary course of business in order to qualify as a real estate investment trust (REIT) for the taxable year commencing on January 1, 2007 and ending on the effective date of the merger if NHR had not entered into the merger agreement.

Q: Are stockholders able to exercise dissenters rights?

A1: The stockholders of NHC will not be entitled to exercise dissenters rights with respect to any matter to be voted upon at the NHC special meeting.

Table of Contents

A2: The stockholders of NHR will not be entitled to exercise dissenters' rights with respect to any matter to be voted upon at the NHR special meeting.

Q: When do you expect to complete the merger?

A: We expect to complete the merger in the second quarter of 2007.

Q: How will the combined company's business be different?

A: The merger will provide NHC with a larger asset and equity base that is anticipated to enhance NHC's future growth and prospects for long-term increases in stockholder value. Following the merger, NHC will no longer be required to make lease payments to NHR. Assuming the continuation of current operating trends, the elimination of such required lease payments will result in a substantial increase in the annual recurring free cash flow of NHC, even after providing for the dividends that NHC will be required to pay on the Preferred Stock. In addition, the merger will (i) reduce the expense and management time required to manage two public companies, (ii) eliminate the possibility that NHR could be acquired by a competitor of NHC, (iii) broaden NHC's access to debt financing sources and (iv) eliminate the financial uncertainty that resulted from the periodic negotiation and renegotiation of the leasing terms of the properties that NHR leased to NHC.

Q: How will the combined company be managed?

A: NHR is currently managed by a wholly-owned subsidiary of NHC pursuant to the Restated Advisory, Administrative Services and Facilities Agreement (the Management Agreement), which will be terminated upon the consummation of the merger. NHR does not have any officers or employees who are not also officers or employees of NHC. Following the merger, these officers and employees will be officers or employees of NHC only, and perform substantially the same functions as they did before the merger, except that they will not have the duties of managing NHR as a separate public company. The merger will not affect the composition of the current board of directors of NHC, except that, under certain circumstances, the holders of Preferred Stock will have the right to elect two directors to the NHC board of directors. The directors of NHR will resign following the merger.

Q: What will be the composition of the board of directors of NHC and NHR following the merger?

A: Immediately following the merger, NHC will have the same board of directors it has today. The certificate of designations governing the Preferred Stock will allow the holders of the Preferred Stock the right to elect two additional directors to the board of directors of NHC in limited circumstances. NHR, whose successor will be merged into Davis Acquisition Sub LLC, will cease to exist as a company. Davis Acquisition Sub LLC will continue to be managed by its sole managing member following the merger.

Q: What are the U.S. federal income tax consequences of the merger?

A: Assuming that the merger is completed as currently contemplated, it is expected that the receipt of cash and shares of the Preferred Stock by stockholders of NHR in exchange for their common stock of NHR pursuant to the merger should be a taxable transaction for U.S. federal income tax purposes. The specific tax consequences to stockholders of NHR of the merger will depend on their own particular situation.

YOU SHOULD READ CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES FOR A MORE COMPLETE DISCUSSION OF THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF

THE MERGER. TAX MATTERS ARE COMPLICATED AND THE TAX CONSEQUENCES OF THE MERGER TO YOU WILL DEPEND UPON THE FACTS OF YOUR PARTICULAR SITUATION. BECAUSE INDIVIDUAL CIRCUMSTANCES MAY DIFFER, WE URGE YOU TO CONSULT WITH YOUR TAX ADVISOR AS TO THE SPECIFIC TAX CONSEQUENCES OF THE MERGER TO YOU, INCLUDING THE APPLICABILITY OF U.S. FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX LAWS.

Q: How will NHC be treated for U.S. federal income tax purposes following the merger?

A: NHR is organized and has operated in a way intended to qualify it as a real estate investment trust (REIT) for U.S. federal income tax purposes. Generally, a REIT, with certain limited exceptions, is not taxed at the corporate level on its ordinary net income or capital gains distributed currently to its

Table of Contents

stockholders. This treatment substantially eliminates the double taxation (at the corporate and stockholder levels) that typically results from the use of corporate investment vehicles. NHC is not and will not be a REIT and will be taxable as a corporation for U.S. federal income tax purposes. Consequently, NHC will be subject to tax (including applicable alternative minimum tax) on its taxable income at regular corporate rates. Distributions to holders of stock in NHC will not be deductible by NHC, nor are distributions required to be made. Generally, if NHC makes a distribution to holders of its stock, all such dist