

# **NATIONAL HEALTH REALTY, INC.**

**CUSIP NO. 635905-10-2**

The dividends paid by National Health Realty, Inc. which are reportable for tax purposes to recipients for 2006 should be characterized as follows for Form 1099-DIV:

Record Date	3/31/2006	6/30/2006	9/29/2006	12/29/2006	Total
Payment Date	4/14/2006	7/14/2006	10/16/2006	1/16/2007	
Gross Dividends	.332500	.332500	.332500	.432500	1.43000
Box 1a-Total Ordinary Dividends	.278825	.278825	.278825	.378825	1.21530
Box 3-Nondividend Distributions	.053675	.053675	.053675	.053675	.214700

The dividend of record on 12/29/06, which was paid on January 16, 2007, should be treated for tax purposes as paid in 2006, as provided in Code Sec. 857(b)(8).