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# Section 1: 8-K (8-K ITEM 5.02 COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS)

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

## FORM 8-K

### CURRENT REPORT Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):  
February 22, 2019 (February 15, 2019)

**NATIONAL HEALTH INVESTORS, INC.**  
(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction  
of incorporation)

**001-10822**  
(Commission  
File Number)

**62-1470956**  
(IRS Employer  
Identification No.)

222 Robert Rose Drive, Murfreesboro, TN 37129  
(Address of principal executive offices)

(615) 890-9100  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name, former address and former fiscal year,  
if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 5.02. Departure of Directors or Certain Officers: Election of Directors: Appointment of Certain Officers: Compensatory Arrangements of Certain Officers.**

**(e) Compensatory Arrangements of Certain Officers**

**Incentive bonuses**

On February 15, 2019, the Compensation Committee approved the payment of incentive bonuses for 2018 results.

<b><u>Named Executive Officer</u></b>	<b><u>2018 Bonus</u></b>
Eric Mendelsohn	\$880,000
Roger Hopkins	\$345,000
Kristin S. Gaines	\$380,000
Kevin Pascoe	\$485,000
John Spaid	\$280,000

**Equity Grant**

On February 15, 2019, the Compensation Committee approved the following stock option grants for its named executive officers:

<b><u>Named Executive Officer</u></b>	<b><u>Option Grant</u></b>
Eric Mendelsohn	125,000
Roger Hopkins	50,000
Kristi Gaines	55,000
Kevin Pascoe	55,000
John Spaid	47,500

The exercise price for each of the options will be the closing price of NHI's common stock on February 21, 2019. All of the options granted will vest 1/3 on the date of grant and 1/3 on each of the first and second anniversary of the date of grant.

**2019 Base Salaries**

On February 15, 2019, the Compensation Committee approved 2019 base salaries for the named executive officers.

<b><u>Named Executive Officer</u></b>	<b><u>2019 Base Salary</u></b>
Eric Mendelsohn	\$375,000
Roger Hopkins	\$303,000
Kristin S. Gaines	\$180,250
Kevin Pascoe	\$211,150
John Spaid	\$173,150

In addition, Mr. Mendelsohn and the Company entered into an amended and restated employment agreement (the "Agreement") effective February 15, 2019. The Agreement has an initial term until December 31, 2019, automatically renews each year unless 90 days' notice of intention not to renew is given by either party. The Agreement is substantially the same as the prior agreement, but provides an initial base salary of \$350,000 and provides a Cash Performance Incentive Plan which is driven by the Company's normalized adjusted funds from

operation (“AFFO”) and recurring dividend growth as well as a discretionary bonus. The Agreement also provides that Mr. Mendelsohn is subject to a 24 month non-compete and non-solicitation period following termination of his employment. The Agreement further provides that if his employment is terminated due to a Without Cause Termination or Constructive Discharge (each as defined in the Agreement), the Company will pay Mr. Mendelsohn a monthly fee equal to his then current base salary divided by 12 for up to 24 months provided Mr. Mendelsohn has not accepted new employment. A copy of the Agreement is attached hereto as Exhibit 10.1 and incorporated herein by reference.

**Item 9.01.** Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit Index

<b>Number</b>	<b>Exhibit</b>
10.1	<a href="#"><u>Amended and Restated Employment Agreement dated as of February 15, 2019 by and between National Health Investors, Inc. and D. Eric Mendelsohn.</u></a>

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**NATIONAL HEALTH INVESTORS, INC.**

By: /s/Roger Hopkins  
Name: Roger Hopkins  
Title: Principal Accounting Officer

Date: February 22, 2019

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**Section 2: EX-10.1 (EXHIBIT 10.1 AMENDED AND RESTATED EMPLOYMENT AGREEMENT)**

Exhibit 10.1

Execution Version

**AMENDED AND RESTATED  
EMPLOYMENT AGREEMENT**

This Amended and Restated Employment Agreement (“Agreement”) made effective as of February 15, 2019 (the “Effective Date”) by and between **NATIONAL HEALTH INVESTORS, INC.**, a Maryland corporation (the “Company”), and **D. ERIC MENDELSON** (the “Executive”) and amends and restates that certain Employment Agreement, dated as of October 5, 2015 (the “Original Agreement”), by and between the parties hereto.

**WHEREAS**, Company desires to continue to employ and retain Executive on the terms and conditions contained in this Agreement; and

**WHEREAS**, Executive desires to remain an employee of the Company on the terms and conditions contained in the Agreement.

**NOW, THEREFORE**, in consideration of the compensation payable to Executive by the Company pursuant to this Agreement and the mutual promises, covenants, representations and warranties contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

**1. Employment.** The Company agrees to employ the Executive and the Executive agrees to be employed by the Company upon the terms and conditions provided in the Agreement.

**2. Position and Responsibilities.** During the Period of Employment (defined below), the Executive agrees to serve as the President and Chief Executive Officer of the Company and to be responsible for making new investments and for the typical management responsibilities expected of an officer holding such positions and such other responsibilities as may be assigned to Executive from time to time by the Board of Directors of the Company.

**3. Terms and Duties.**

A. Period of Employment. The period of Executive's employment under this Agreement will commence as of the date hereof and shall continue through December 31, 2019. Commencing on December 31, 2019 and each anniversary thereafter, the Period of Employment (as defined in the next sentence of the Agreement) shall automatically be extended for one (1) additional year unless, not later than ninety (90) days prior to such anniversary, either party hereto shall have notified the other party hereto in writing that such extension shall not take effect or unless otherwise terminated as provided herein. The period of Executive's employment with Company is referred to in this Agreement as the "Period of Employment."

B. Duties. During the Period of Employment, the Executive shall devote all of his business time, attention and skill to the business and affairs of the Company and its subsidiaries. Executive shall perform faithfully the duties that may be assigned to him from time to time by the Board of Directors.

#### **4. Compensation and Benefits**

A. Compensation. For all services rendered by the Executive in any capacity during the Period of Employment, the Executive shall be compensated as follows:

1. Base Salary. The Company shall pay the Executive an annual base salary (“Base Salary”) of Three Hundred Fifty Thousand Dollars (\$350,000.00) per annum during fiscal year 2018. Base Salary shall be payable according to the customary payroll practices of the Company but in no event less frequently than once each month. The Base Salary shall be reviewed annually and shall be subject to adjustment according to the policies and practices adopted by the Company from time to time.

2. Performance Compensation. The Company shall pay the Executive a bonus (“Performance Compensation”) based on the Cash Performance Incentive Plan described below in Sections 4A2(a) and 4A2(b) and may pay the Executive a Discretionary Bonus as described in Section 4A2(c). This Cash Performance Incentive Plan will be driven by the Company’s normalized AFFO and recurring dividend growth. Any payment made under the Cash Performance Incentive Plan and/or any Discretionary Bonus will be paid by the Company on or before March 15<sup>th</sup> following the end of the year for which such payment is being made, provided Executive remains employed by the Company on date the Cash Performance Incentive Plan is calculated.

(a) Operating AFFO Performance Bonus. The AFFO Bonus target for 2018 performance shall be Two Hundred Fifty Thousand (\$250,000) and shall be reviewed annually and shall be subject to adjustment according to the policies and practices adopted by the Company from time to time. Each year the Board of Directors shall set an AFFO Bonus based on achieving a percentage increase in Normalized AFFO over the prior year’s Normalized AFFO as established by the Board of Directors by March 15<sup>th</sup> of that year. For 2018, the percentage increase in normalized AFFO shall be 5%. The computation will be made after all bonuses and options have been expensed. In no event shall the Executive receive any AFFO Bonus if the per share AFFO does not meet or exceed the amount set by the Board of Directors for that year. FFO, as defined by the National Association of Real Estate Investment Trusts (“NAREIT”), is net income (computed in accordance with GAAP), excluding gains (or losses) from sales of real estate property and investment securities, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures, if any. Normalized FFO excludes from FFO certain items which, due to their infrequent or unpredictable nature, may create some difficulty in comparing FFO for the current period to similar prior periods, and may include, but are not limited to, impairment of non-real estate assets, gains and losses attributable to the acquisition and disposition of assets and liabilities, and recoveries of previous write-downs. Normalized AFFO is Normalized FFO excluding the effects of straight-line lease revenue, amortization of debt issuance costs and the non-cash amortization of the original issue discount of our unsecured convertible notes.

(b) Dividend Performance Bonus. The Dividend Bonus target for 2018 performance shall be Two Hundred Fifty Thousand (\$250,000) and shall be reviewed

annually and shall be subject to adjustment according to the performance of the Company and policies and practices adopted by the Company from time to time. Each year the Board of Directors shall set a Dividend Bonus based on achieving a percentage increase in the recurring dividend as set by the Board of Directors by March 15<sup>th</sup> of that year. In no event shall the Executive receive any Dividend Bonus if the per share recurring dividend does not meet or exceed the amount set by the Board of Directors for that year. "Recurring dividend" shall mean any dividend declared and paid by the Company that is equal to up to 85% of the Company's per share FFO for such year, but excluding (1) any gains derived from the sale of previously written-down assets, (2) any losses derived from the sale of previously written-down assets, (3) losses from the sale of investment securities, and (4) gains from the sale of investment securities.

(c) Discretionary Bonus. In addition to the AFFO Bonus and the Dividend Bonus, the Board of Directors may pay the Executive a Discretionary Bonus based on the performance of the Company. The Discretionary Bonus shall be reviewed annually and shall be subject to adjustment according to the policies and practices adopted by the Company from time to time. The Discretionary Bonus may be paid to the Executive in addition to the AFFO Bonus or the Dividend Bonus or in the event that either (or both) of the AFFO Bonus or the Dividend Bonus is not earned in a particular year.

B. Stock Options. Executive shall be entitled to receive an annual grant of an option to purchase shares of common stock of the Company. Each February the Board of Directors shall grant Executive an option at the discretion of the Board of Directors. Each such grant shall be made pursuant to the Company's 2012 Incentive Stock Option Plan, as such plan may be amended, or a subsequent stock option plan as may be adopted by the Company (the "Plan"). The option exercise price will be equal to the Fair Market Value of the Company's common stock on the date of grant and shall be vest as determined by the Board of Directors or as provided in the Plan. The terms of each such grant of stock options shall be set forth in a separate Stock Option Agreement between the Company and the Executive and shall be pursuant to the Plan.

C. Additional Benefits. The Executive will be entitled to participate in all compensation or employee benefit plans or programs and receive all benefits and perquisites for which any senior members of the management team are eligible as such benefits may be determined from time to time by the Company. The Executive will be eligible to participate to the extent permissible under the terms and provisions of such plans or programs in accordance with program provisions. The Executive will be entitled to an annual four week paid vacation to be taken at times chosen by Executive.

**5. Business Expenses**. The Company will reimburse the Executive for all reasonable travel and other expenses incurred by the Executive in connection with the performance of his duties and obligations under this Agreement, subject to the Company's record-keeping and other applicable policies as may be in effect from time to time.

**6. Death or Disability**. In the event Executive's employment is terminated as a result of death or disability of the Executive during the Period of Employment, the Company's obligation to make payments under this Agreement shall cease as of the date of death or disability, except

for the Executive's earned but unpaid Base Salary which will be paid on a prorated basis for that year. For purposes of this Agreement, disability shall mean the Executive's inability, due to physical or mental incapacity, to perform the essential functions of his job with reasonable accommodation for longer than three (3) consecutive months, or for 120 days out of any 365 day period. The payment of earned but unpaid Base Salary due under this Section 6 will be made within thirty (30) days after Executive is terminated on account of death or disability.

## **7. Effect of Termination of Employment.**

A. If the Executive's employment terminates during the term of this Agreement due to a Without Cause Termination or due to a Constructive Discharge, as each is defined later in this Agreement, including termination after the election by the Company not to extend this Agreement as provided in Section 3.A, and if Executive signs a valid general release of all claims against the Company in a form provided by the Company (the "Release"), subject to Sections 17.B and 17.C, the Company will pay the Executive a monthly amount equal to the Executive's then current annual base salary divided by 12 (the "Severance Payment") for 24 months from the date of termination (the "Severance Period") paid in accordance with the Company's customary payroll procedures, but no less frequently than monthly; provided, however, that if Executive accepts new employment (whether as an employee, contractor, consultant or otherwise) during the Severance Period, the obligation of the Company to make the Severance Payments shall terminate as of the date of the new employment. In addition, earned but unpaid Base Salary through the date of termination will be paid to the Executive in a lump sum at such time. Sections 8 through 10 shall survive expiration or termination of this Agreement.

B. Upon the termination of employment for any reason other than as expressly provided in Section 7.A above, including termination after the election by the Executive not to extend this Agreement as provided in Section 3.A, Executive will receive Base Salary prorated through the effective date of such termination, and earned but unpaid Base Salary through the date of termination will be paid in a lump sum at such time. Sections 8 through 10 shall survive expiration or termination of this Agreement. No other payments will be made or benefits provided by the Company. The payment made to Executive pursuant to this Section 7.B shall be made within sixty (60) day after termination of employment unless subject to Section 17.C.

C. Upon termination of the Executive's employment, the Period of Employment will cease as of the date of the termination.

D. For this Agreement, the following terms have the following meanings:

1. "Termination for Cause" means termination of the Executive's employment by the Company's Board of Directors acting in good faith by written notice to the Executive specifying the event relied upon for such termination which must be based on, (i) a willful refusal by Executive to follow a lawful order of the Board of Directors, subject, however, to Executive's right to receive written notice of the order not followed by Executive and the opportunity to promptly follow the order; (ii) Executive's willful engagement in conduct



materially injurious to the business interests of the Company or any of its subsidiaries and affiliates (as determined by the Board of Directors in its reasonable judgment); (iii) Executive's conviction (including a guilty plea or a plea of no contest) of theft, embezzlement, fraud, misappropriation, illegal use or possession of drugs or alcohol, or of any crime that discredits Company or is detrimental to the reputation or goodwill of Company as determined in good faith by Company; (iv) Executive's commission of any act of fraud or dishonesty by Executive, or commission of an immoral or unethical act that reflects negatively on Company as determined in good faith by Company; or (v) Executive's material breach of his duties, responsibilities and obligations under this Agreement (except due to Executive's incapacity as a result of physical or mental illness) that has not been corrected or remedied within 60 days after Executive's receipt of written notice from the Board of Directors specifying such breach; provided, however, (A) such cure period may be extended if Executive is working diligently to cure such breach and reasonably needs an extension to effect such cure, and (B) no such cure period will be provided if, in the Board of Directors' reasonable judgment, such breach cannot be sufficiently corrected or remedied so as to avoid any material detriment to the Company.

2. "Without Cause Termination" means termination of the Executive's employment by the Company (a) other than due to death, disability or Termination for Cause or (b) upon expiration of the Period of Employment as a result of the giving of notice by the Company of its intent not to extend the Period of Employment as provided in Section 3.A.

3. "Constructive Discharge" means termination of the Executive's employment by the Executive due to a material breach by the Company of this Agreement. Executive shall communicate any purported termination by Executive for Constructive Discharge by a written Notice of Termination for Constructive Discharge to the Company as provided herein. For the purposes of this Agreement, a Notice of Termination for Constructive Discharge shall mean a notice by Executive within sixty (60) days after the initial existence of the material breach by the Company specifying the existence of a material breach by the Company hereunder. Upon receipt of that notice, the Company shall have a period of sixty (60) days to remedy the condition or conditions specified in the Notice of Termination for Constructive Discharge; provided, however, such cure period may be extended by the Company for up to sixty (60) days by notice to Executive prior to the end of the initial sixty (60) day period if the Company is working diligently to cure such breach and reasonably needs an extension to affect such cure. The Notice of Termination for Constructive Discharge must specify a date of termination of not more than sixty (60) days after the last day of the Company's cure period (including any extension thereof). If the Company remedies the condition within the cure period (including any extension thereof), the Notice of Termination for Constructive Discharge shall become ineffective and the Company shall have no obligations under this Agreement as a result of it.

## **8. Other Duties of The Executive During and After The Period of Employment**

A. The Executive will, with reasonable notice during or after the Period of Employment, furnish information as may be in his possession and cooperate with the Company

as may reasonably be requested in connection with any claims or legal actions in which the Company is or may become a party.

B. The Executive recognizes and acknowledges that all confidential information pertaining to the affairs, business, clients, customers or other relationships of the Company, including, but not necessarily limited to, business plans, financial information, marketing plans, client or customer information, client or customer lists, vendor information, and contracts, is a unique and valuable asset of the Company (hereinafter collectively "Confidential Information"). Access to and knowledge of this Confidential Information is essential to the performance of the Executive's duties under this Agreement. The Executive will not, during the Period of Employment or after, except to the extent reasonably necessary in performance of the duties under this Agreement, use, reproduce, disclose, or make available the Company's Confidential Information for his own benefit or the benefit of any person or organization other than the Company, without the prior written consent of the Company, unless and to the extent that any Confidential Information (i) becomes generally known to and available for use by the public other than as a result of the Executive's improper acts or omissions to act or (ii) is required to be disclosed pursuant to any applicable law, regulatory action or court order; provided, however, that the Executive must give the Company prompt written notice of any such legal requirement, disclose no more information than is so required, and cooperate fully with all efforts by the Company to obtain a protective order or similar confidentiality treatment for such information.

All records, memoranda, etc. relating to the business of the Company whether made by the Executive or otherwise coming into his possession are confidential and will remain the property of the Company. Upon the termination of the Executive's employment with the Company, the Executive agrees to deliver to the Company, upon request, all memoranda, notes, plans, records, reports and other documents (including copies thereof and electronic media) relating to the business of the Company (including, without limitation, all Confidential Information) that the Executive may then possess or have under the Executive's control, other than such documents as are generally or publicly known (provided, that such documents are not known as a result of the Executive's breach or actions in violation of this Agreement); and at any time thereafter, if any such materials are brought to the Executive's attention or the Executive discovers them in the Executive's possession, the Executive shall deliver such materials to the Company immediately upon such notice or discovery. Executive also agrees to indemnify and hold Company harmless for any loss, claim or damages, including attorney's fees or costs, arising out of or related to the unauthorized disclosure or use of the Confidential Information by Executive.

C. During the Period of Employment and for a twenty-four (24) month period thereafter, (i) the Executive will not use his status with the Company to obtain loans, goods or services from another organization on terms that would not be available to him in the absence of his relationship to the Company and (ii) the Executive will not make any statements or perform any acts intended to advance the interest of any existing or prospective competitors of the Company in any way that will injure the interest of the Company. During the Period of Employment and for a twenty-four (24) month period following termination of the Period of Employment for any reason, the Executive, without prior express written approval by the Board of Directors will not directly or indirectly (i) own or hold any proprietary interest in, or be

employed by, operate, join, control or participate as a partner, director, principal, officer or agent of, act as a consultant to, or receive compensation from any business, entity or party engaged in the same or any similar business in the same geographic areas the Company does business; (ii) solicit any customer, client or business partner of the Company or any of its affiliates (other than on behalf of the Company) with respect to any business in which the Company is then engaged or, to the then existing knowledge of the Executive, proposes to engage; or (iii) induce or encourage any employee or independent contractor of the Company to leave the employ of the Company or discuss with any employee of the Company information or operation of any business intended to compete with the Company. For the purposes of the Agreement, proprietary interest means legal or equitable ownership, whether through stock holdings or otherwise, of a debt or equity interest (including options, warrants, rights and convertible interests) in a business firm or entity, or ownership of more than 5% of any class of equity interest in a publicly-held company. The Executive acknowledges that the covenants contained herein are reasonable as to geographic and temporal scope. For a twenty-four (24) month period after termination of the Period of Employment for any reason, the Executive will not directly or indirectly hire any employee of the Company or solicit or encourage any such employee to leave the employ of the Company.

D. The Executive acknowledges that his breach or threatened or attempted breach of any provision of Section 8 would cause irreparable harm to the Company not compensable in monetary damages and that the Company, or its successors or assigns, shall be entitled, in addition to all other applicable remedies, to a temporary and permanent injunction and a decree for specific performance of the terms of Section 8 without being required to prove damages or furnish any bond or other security. The terms of this Section shall not prevent either party from pursuing any other available remedies for any breach or threatened breach hereof, including but not limited to the recovery of damages from the other party.

E. Executive acknowledges that he has carefully read and considered the provisions of this Section 8 and, having done so, agrees that the restrictions set forth in this Section 8, including without limitation the geographic scope and the time period of restriction set forth above, are fair and reasonable and are reasonably required for the protection of the legitimate business and economic interests of the Company. If the period of time or other restrictions specified in this Section should be adjudged unreasonable at any proceeding, then the period of time or such other restrictions shall be reduced by the elimination or reduction of such portion thereof so that such restrictions may be enforced in a manner adjudged to be reasonable.

**9. Indemnification.** The Company will indemnify the Executive for his services as an executive officer of the Company to the fullest extent permitted by the laws of the state of incorporation in effect at that time, or certificate of incorporation and by-laws of the Company whichever affords the greater protection to the Executive.

**10. Withholding Taxes.** The Company may directly or indirectly withhold from any payments under this Agreement all federal, state, city or other taxes that shall be required pursuant to any law or governmental regulation.

**11. Effective Prior Agreements.** This Agreement contains the entire understanding between the Company and the Executive with respect to the subject matter and supersedes any prior employment or severance agreements between the Company and its affiliates, and the Executive.

**12. Consolidation, Merger or Sale of Assets.** Nothing in this Agreement shall preclude the Company from consolidating or merging into or with, or transferring all or substantially all of its assets to, another entity which assumes this Agreement and all obligations and undertakings of the Company hereunder. Upon such a consolidation, merger or sale of assets, the term “the Company” as used will mean the other entity and this Agreement shall continue in full force and effect.

**13. Modification.** This Agreement may not be modified or amended except in writing signed by the parties. No term or condition of this Agreement will be deemed to have been waived except in writing by the party charged with waiver. A waiver shall operate only as to the specific term or condition waived and will not constitute a waiver for the future or act on anything other than that which is specifically waived.

**14. Governing Law.** This Agreement has been executed and delivered in the State of Tennessee and its validity, interpretation, performance and enforcement shall be governed by the laws of that state applicable to contracts between residents of that State and executed in and to be performed in that State, without regard to the conflicts of law principles thereof. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the state and federal courts sitting in Rutherford County, Tennessee, for the adjudication of any dispute hereunder or in connection herewith and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper.

**15. Notices.** All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been made when delivered or mailed first-class postage prepaid by registered mail, return receipt requested, or if delivered by hand, overnight delivery service or confirmed facsimile transmission, to the following:

(a) If to the Company, at 222 Robert Rose Drive, Murfreesboro, Tennessee 37129, or at such other address as may have been furnished to the Executive by the Company in writing; or (b) If to the Executive, at 3615 Saratoga Drive, Nashville, Tennessee 37205, or such other address as may have been furnished to the Company by the Executive in writing.

**16. Binding Agreement.** This Agreement shall be binding on the parties' successors, heirs and assigns.

**17. Section 409A Savings Clause.**

A. Application of Section 409A. The intent of the parties is that payments and benefits under this Agreement comply with or otherwise be exempt from Code Section 409A and the regulations and guidance promulgated thereunder (collectively, “Code Section 409A”) and,

accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be either exempt from or in compliance therewith. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Executive by Code Section 409A or damages for failing to comply with Code Section 409A.

B. Timing of Payments. Notwithstanding the applicable provisions of this Agreement regarding the timing of payments, any payment due hereunder which is contingent upon receipt of the Release described in Section 7.A shall be made, if at all, in accordance with this Section 17.B, and only if Executive has delivered to the Company a properly executed Release for which all legally mandated revocation rights of the Executive have expired prior to the lapse of sixty (60) days following the Termination Date. If Section 17.C is not applicable to the payments, such payments shall begin within sixty (60) days following the Termination Date; provided, however, that if the sixty (60) day period for payment specified in this Section begins in one taxable year of Executive and ends in a second taxable year of Executive, the payments will begin in the second taxable year. Further, provided, that if Section 17.C is applicable, the payment shall begin on the day following the expiration of the Delay Period as provided in Section 17.C. If the Company does not receive a properly executed Release, for which all rights of revocation have lapsed, prior to the sixtieth (60<sup>th</sup>) day following the Termination Date, the Executive shall forfeit all rights to any payments under Section 7.A of this Agreement.

C. Delayed Payments. (i) Notwithstanding any other payment schedule provided herein to the contrary, if, and only if, Executive is deemed on the Termination Date to be a “specified employee” within the meaning of that term under Code Section 409A(a)(2)(B), then the terms of this Section 17.C shall apply as required by Code Section 409A. Any payment that is considered deferred compensation under Code Section 409A payable on account of a “separation from service” shall be made on the date which is the earlier of (y) the expiration of the six (6) month period measured from the date of such “separation from service” of Executive or (z) the date of Executive’s death (the “Delay Period”) to the extent required under Section 409A. Upon the expiration of the Delay Period, all payments delayed pursuant to the immediately preceding sentence (whether they otherwise would have been payable in a single sum or in installments in the absence of such delay) shall be paid to Executive in a lump sum by the Company, and all remaining payments due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein; and

(ii) To the extent that any benefits to be provided during the Delay Period are considered deferred compensation under Code Section 409A provided on account of a “separation from service,” and such benefits are not otherwise exempt from Code Section 409A, Executive shall pay the cost of such benefits during the Delay Period, and the Company shall reimburse Executive, to the extent that such costs otherwise would have been paid by the Company or to the extent that such benefits otherwise would have been provided by the Company at no cost to Executive, the Company’s share of the cost of such benefits upon expiration of the Delay Period, and any remaining benefits shall be reimbursed or provided by the Company in accordance with the procedures specified herein.

D. Separation from Service. For purposes of this Agreement, the phrase “termination of employment” or any similar term or phrase shall mean Executive’s “Separation from Service” as defined by the default provisions of Treas. Reg. § 1.409A-1(h).

E. Other Code Section 409A Provisions. Each payment in a series of payments hereunder shall be deemed to be a separate payment for purposes of Code Section 409A. Notwithstanding any other provision herein to the contrary, in no event shall any payment under this Agreement that constitutes “deferred compensation” for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A. To the extent that any right to reimbursement of expenses or payment of any benefit in-kind under this Agreement may constitute nonqualified deferred compensation (within the meaning of Code Section 409A), (i) any such expense reimbursement shall be made by the Company no later than the last day of the taxable year following the taxable year in which such expense was incurred by Executive; (ii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; and (iii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; provided, that the foregoing clause shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

NATIONAL HEALTH INVESTORS, INC.  
a Maryland corporation

By: /s/ Robert T. Webb  
Title: Chairman of Compensation Committee

EXECUTIVE:

/s/ D. Eric Mendelson  
D. Eric Mendelsohn