Kentucky Holdings I LLC
Form 424B5
May 20, 2013
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Registration No. 333-188696

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated May 20, 2013

PROSPECTUS SUPPLEMENT

(to Prospectus dated May 20, 2013)

$200,000,000

Sabra Health Care Limited Partnership

Sabra Capital Corporation

% Senior Notes due 2023

Sabra Health Care Limited Partnership (the Operating Partnership) and Sabra Capital Corporation (together with the Operating Partnership, the Issuers) are offering $200,000,000 aggregate principal amount of % Senior Notes due 2023 (the Notes). The Issuers are wholly owned subsidiaries of Sabra Health Care REIT, Inc. (Sabra), which operates as a self-administered, self-managed realty company that owns and invests in real estate serving the healthcare industry through Sabra Health Care Limited Partnership and other indirect subsidiaries. Sabra Capital Corporation is a wholly owned subsidiary of Sabra Health Care Limited Partnership and does not and will not have any substantial operations, assets or revenues.

The Notes will bear interest at a rate of % per annum. Interest on the Notes will be payable semi-annually in arrears on and of each year, commencing on , 2013. Interest will accrue from , 2013. The Notes will mature on , 2023. The Notes will be unconditionally guaranteed on a senior unsecured basis by the guarantors listed on Annex A to this prospectus supplement.

The Issuers may redeem some or all of the Notes prior to , 2018 at a price equal to 100% of the principal amount, together with any accrued and unpaid interest to the redemption date, plus a make-whole premium. The Issuers may also redeem the Notes on or after , 2018 at the redemption prices specified under Description of Notes Optional Redemption, together with any accrued and unpaid interest to the redemption date. In addition, the Issuers may redeem up to 35% of the Notes prior to , 2016 with an amount equal to the net cash proceeds from specific kinds of equity offerings.

The Notes and the guarantees are part of the Issuers and the guarantors respective senior unsecured obligations, ranking equal in right of payment with all of such entities existing and future senior unsecured indebtedness and ranking senior in right of payment to all of such entities existing and future subordinated indebtedness. However, the Notes and the guarantees will be effectively subordinated to all of such entities secured borrowings to the extent of the assets securing those obligations and structurally subordinated to the indebtedness and other obligations of Sabra s subsidiaries (other than the Issuers and the guarantors).

Investing in the Notes involves risks. See Risk Factors beginning on page S-14 of this prospectus supplement.

	Per Note	Total
Public offering price(1)	%	$
Underwriting discount(2)	%	$
Proceeds, before expenses, to the Issuers(1)	%	$

(1) Plus accrued interest, if any, from , 2013 if initial settlement occurs after that date.
(2) We have agreed to reimburse the underwriters for certain expenses in connection with this offering. See Underwriting.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We do not intend to apply for listing of the Notes on any securities exchange or any automated dealer system.

The underwriters expect to deliver the Notes to purchasers on or about , 2013 only in book-entry form through the facilities of The Depository Trust Company.

Joint Book-Running Managers

BofA Merrill Lynch

Barclays

RBC Capital Markets

Wells Fargo Securities

Co-Managers

Credit Agricole CIB

RBS

The date of this prospectus supplement is , 2013.

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This document consists of two parts. The first part is this prospectus supplement, which relates to the potential offer and sale of the Notes and also supplements and updates information contained in the accompanying prospectus and the documents incorporated by reference into the prospectus. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to any potential sale of Notes. To the extent there is a conflict between the information contained in this prospectus

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supplement and the information contained in the accompanying prospectus or any document incorporated by reference herein that was filed with the Securities and Exchange Commission (the SEC) before the date of this prospectus supplement you should rely on the information in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus that we have authorized. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not, and the underwriters are not, making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus, or the information we have previously filed with the SEC and incorporated by reference, is accurate as of any date other than the date specified in such documents. Our business, financial condition, results of operations and prospects may have changed since such dates.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus supplement, the accompanying prospectus and the documents incorporated herein and therein by reference contain forward-looking information as that term is defined by the Private Securities Litigation Reform Act of 1995. Any statements that do not relate to historical or current facts or matters are forward-looking statements.

Examples of forward-looking statements include all statements regarding our expected future financial position, results of operations, cash flows, liquidity, financing plans, business strategy, budgets, the expected amounts and timing of dividends and other distributions, projected expenses and capital expenditures, competitive position, growth opportunities, potential acquisitions, plans and objectives for future operations, and compliance with and changes in governmental regulations. You can identify some of the forward-looking statements by the use of forward-looking words such as anticipate, believe, plan, estimate, expect, intend, should, may and other similar expressions, althou forward-looking statements contain these identifying words.

Our actual results may differ materially from those projected or contemplated by our forward-looking statements as a result of various factors, including among others, the following:

- our dependence on Genesis HealthCare LLC (Genesis), the parent of Sun Healthcare Group, Inc. (Sun), until we are able to further diversify our portfolio;
- our dependence on the operating success of our tenants;
- changes in general economic conditions and volatility in financial and credit markets;
- the dependence of our tenants on reimbursement from governmental and other third-party payors;
- the significant amount of and our ability to service our indebtedness;
- covenants in our debt agreements that may restrict our ability to make acquisitions, incur additional indebtedness and refinance indebtedness on favorable terms;
- increases in market interest rates;
- our ability to raise capital through equity financings;
- the relatively illiquid nature of real estate investments;
- competitive conditions in our industry;
- the loss of key management personnel or other employees;

- the impact of litigation and rising insurance costs on the business of our tenants;
- uninsured or underinsured losses affecting our properties and the possibility of environmental compliance costs and liabilities;
- our ability to maintain our status as a real estate investment trust (REIT); and
- compliance with REIT requirements and certain tax matters related to our status as a REIT.

We urge you to carefully consider these risks and review the additional disclosures we make concerning risks and other factors that may materially affect the outcome of our forward-looking statements and our future business and operating results, including those made under Risk Factors beginning on page S-14 of this prospectus supplement, on page 6 of the accompanying prospectus, and beginning on page 11 of our Annual Report on Form 10-K for the year ended December 31, 2012, as such risk factors may be amended, supplemented or superseded from time to time by other reports we file with the SEC, including subsequent Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. We caution you that any forward-looking statements made in this prospectus supplement, the accompanying prospectus and the documents incorporated herein and therein by reference are not guarantees of future performance, events or results, and you should not place undue reliance on these forward-looking statements, which speak only as of their respective dates.

We do not intend, and we undertake no obligation, to update any forward-looking information to reflect future events or circumstances or to reflect the occurrence of unanticipated events, unless required by law to do so.

INDUSTRY AND MARKET DATA

This prospectus supplement includes information with respect to market share and industry conditions from third-party sources or based upon our estimates using such sources when available. While we believe that such information and estimates are reasonable and reliable, we have not independently verified any of the data from third-party sources. Similarly, our internal research is based upon our understanding of industry conditions, and such information has not been verified by any independent sources.

TENANT INFORMATION

This prospectus supplement and the documents incorporated by reference include information regarding Genesis. Genesis is not subject to SEC reporting requirements. The information related to Genesis provided in this prospectus supplement and the documents incorporated by reference have been provided by Genesis and we have not independently verified this information. We have no reason to believe that such information is inaccurate in any material respect. We are providing this data for informational purposes only.

SUMMARY

This summary only highlights the more detailed information appearing elsewhere in this prospectus supplement or incorporated by reference in this prospectus supplement. It may not contain all of the information that is important to you. You should carefully read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement before deciding whether to invest in the Notes.

As used in this prospectus supplement, unless otherwise specified or the context otherwise requires, the terms Company, Sabra, we, our, and us refer to Sabra Health Care REIT, Inc. and its subsidiaries on a consolidated basis.

Our Company

We operate as a self-administered, self-managed REIT that, through our subsidiaries, owns and invests in real estate serving the healthcare industry. We primarily generate revenues by leasing properties to tenants and operators throughout the United States.

As of March 31, 2013, our investment portfolio consisted of 119 real estate properties held for investment (consisting of (i) 96 skilled nursing/post-acute facilities, (ii) 22 senior housing facilities, and (iii) one acute care hospital), three mortgage loan investments and two preferred equity investments. As of March 31, 2013, our real estate properties had a total of 12,382 licensed beds, or units, spread across 27 states. As of March 31, 2013, all of our real estate properties were leased under triple-net operating leases with expirations ranging from eight to 22 years.

We expect to continue to grow our portfolio primarily through the acquisition of senior housing and memory care facilities and with a secondary focus on acquiring skilled nursing facilities. We have and will continue to opportunistically originate financing secured directly or indirectly by healthcare facilities. We also expect to continue to work with operators to identify strategic development opportunities. These opportunities may involve replacing or renovating facilities in our portfolio that may have become less competitive and new development opportunities that present attractive risk-adjusted returns. In addition to pursuing acquisitions with triple-net leases, we expect to continue to pursue other forms of investment, including investments in senior housing through RIDEA-compliant structures, mezzanine and secured debt investments, and joint ventures for senior housing, memory care and skilled nursing assets.

As we acquire additional properties and expand our portfolio, we expect to further diversify by tenant, asset class and geography within the healthcare sector. We employ a disciplined, opportunistic approach in our healthcare real estate investment strategy by investing in assets that provide attractive opportunities for dividend growth and appreciation of asset values, while maintaining balance sheet strength and liquidity, thereby creating long-term stockholder value.

Our Industry

We operate as a REIT that holds investments in income-producing healthcare facilities, principally long-term care facilities, located in the United States. We invest primarily in the United States nursing home industry and other senior housing segments such as assisted living and independent living facilities. According to the American Health Care Association, as of March 2013, the nursing home industry was comprised of approximately 15,700 facilities with approximately 1.7 million Medicare certified beds in the United States. The nursing home industry is highly fragmented.

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The primary growth drivers for the long-term care industry are expected to be the aging of the population and increased life expectancies. According to the United States Census Bureau, the number of Americans aged 65 or older is projected to increase from approximately 40.3 million in 2010 to approximately 56.0 million by 2020, representing a compounded annual growth rate of 3.3%. In addition to positive demographic trends, we expect demand for services provided by skilled nursing facilities to continue increasing due to the impact of cost containment measures adopted by the federal government that encourage patient treatment in more cost-effective settings, such as skilled nursing facilities. As a result, high acuity patients that previously would have been treated in long-term acute care hospitals and inpatient rehabilitation facilities are increasingly being treated in skilled nursing facilities. According to the Centers for Medicare & Medicaid Services, nursing home expenditures are projected to grow from approximately $155 billion in 2012 to approximately $255 billion in 2021, representing a compounded annual growth rate of 5.7%. We believe that these trends will support an increasing demand for long-term care services, which in turn will support an increasing demand for our properties.

Portfolio of Healthcare Properties

We have a geographically diverse portfolio of healthcare properties in the United States that offer a range of services including skilled nursing, assisted and independent living, mental health and acute care. Of our 119 properties held for investment as of March 31, 2013, we owned fee title to 113 properties and title under long-term ground leases for six properties.

Our portfolio consisted of the following types of healthcare facilities as of March 31, 2013:

Skilled Nursing/Post-Acute Facilities

Skilled nursing facilities. Skilled nursing facilities provide services that include daily nursing, therapeutic rehabilitation, social services, housekeeping, nutrition and administrative services for individuals requiring certain assistance for activities in daily living. A typical skilled nursing facility includes mostly one and two bed units, each equipped with a private or shared bathroom and community dining facilities.

Mental health facilities. Mental health facilities provide a range of inpatient and outpatient behavioral health services for adults and children through specialized treatment programs.

Senior Housing

Assisted living facilities. Assisted living facilities provide services that include minimal assistance for activities in daily living and permit residents to maintain some of their privacy and independence as they do not require constant supervision and assistance. Services bundled within one regular monthly fee usually include three meals per day in a central dining room, daily housekeeping, laundry, medical reminders and 24-hour availability of assistance with the activities of daily living, such as eating, dressing and bathing. Professional nursing and healthcare services are usually available at the facility on call or at regularly scheduled times. Assisted living facilities typically are comprised of one and two bedroom suites equipped with private bathrooms and efficiency kitchens.

Independent living facilities. Independent living facilities are age-restricted multi-family properties with central dining facilities that provide services that include security, housekeeping, nutrition and limited laundry services. Our independent living facilities are designed specifically for independent seniors who are able to live on their own, but desire the security and conveniences of community living. Independent living facilities typically offer several services covered under a regular monthly fee.

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Continuing care retirement community. Continuing care retirement communities, or CCRCs, provide, as a continuum of care, the services described above for independent living facilities, assisted living facilities and skilled nursing facilities in an integrated campus, under long-term contracts with the residents.

Acute Care Hospital

Acute care hospitals provide inpatient medical care and other related services for surgery, acute medical conditions or injuries (usually for a short-term illness or condition).

Geographic and Property Type Diversification

The following tables display the distribution of our licensed beds/units and the geographic concentration of our real estate investments by property type, investment and rental income as of or for the three months ended March 31, 2013 (dollars in thousands):

Geographic Concentration Property Type

State	Skilled Nursing/Post-Acute	Senior Housing	Acute Care Hospital	Total	% of Total
New Hampshire	14	2		16	13.4%
Kentucky	13	2		15	12.6
Connecticut	12	1		13	10.9
Michigan		10		10	8.4
Ohio	8			8	6.7
Texas	6	1	1	8	6.7
Florida	5			5	4.2
Oklahoma	3	1		4	3.4
Delaware	4			4	3.4
Montana	4			4	3.4
Other (17 states)	27	5		32	26.9
Total	96	22	1	119	100.0%

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Distribution of Licensed Beds/Units (1)

State	Total Number of Properties	Bed Type: Skilled Nursing/Post-Acute	Senior Housing	Acute Care Hospital	Total	% of Total
Connecticut	13	1,770	49		1,819	14.7%
New Hampshire	16	1,470	203		1,673	13.5
Kentucky	15	1,020	128		1,148	9.3
Ohio	8	897			897	7.2
Texas	8	720	34	70	824	6.7
Florida	5	660			660	5.3
Michigan	10		571		571	4.6
Montana	4	538			538	4.3
Delaware	4	500			500	4.0
Colorado	3	362	48		410	3.3
Other (17 states)	33	2,889	453		3,342	27.1
Total	119	10,826	1,486	70	12,382	100.0%
% of Total beds/units		87.4%	12.0%	0.6%	100.0%	

(1) Licensed Beds refer to the number of beds for which a license has been issued, which may vary in some instances from licensed beds available for use, which is used in the computation of occupancy percentage. Available beds aggregated 11,917 as of March 31, 2013.

Geographic Concentration Investment

State	Total Number of Properties	Skilled Nursing/Post-Acute	Senior Housing	Acute Care Hospital	Total	% of Total
Connecticut	13	$ 143,992	$ 7,999	$	$ 151,991	15.9%
Texas	8	65,795	1,396	61,640	128,831	13.5
Delaware	4	95,780			95,780	10.0
New Hampshire	16	76,992	12,792		89,784	9.4
Michigan	10		73,968		73,968	7.7
Kentucky	15	59,350	10,489		69,839	7.3
Colorado	3	28,852	15,702		44,554	4.7
Montana	4	42,729			42,729	4.5
Ohio	8	42,612			42,612	4.5
Florida	5	30,748			30,748	3.2
Other (17 states)	33	159,660	25,864		185,524	19.3
Total	119	$ 746,510	$ 148,210	$ 61,640	$ 956,360	100.0%
% of Total Properties		78.1%	15.5%	6.4%	100.0%	

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Geographic Concentration Rental Income

State	Total Number of Properties	Skilled Nursing/Post-Acute	Senior Housing	Acute Care Hospital	Total	% of Total
New Hampshire	16	$ 3,464	$ 391	$	$ 3,855	12.2%
Connecticut	13	3,772	83		3,855	12.2
Texas	8	1,877	25	1,648	3,550	11.3
Kentucky	15	2,805	142		2,947	9.4
Delaware	4	2,645			2,645	8.4
Florida	5	2,204			2,204	7.0
Michigan	10		1,730		1,730	5.5
Montana	4	1,482			1,482	4.7
Ohio	8	1,471			1,471	4.7
Colorado	3	941	367		1,308	4.2
Other (17 states)	33	5,493	935		6,428	20.4
Total	119	$ 26,154	$ 3,673	$ 1,648	$ 31,475	100.0%
% of Total Properties		83.1%	11.7%	5.2%	100.0%	

Skilled Mix and Occupancy Trends

The following tables set forth the skilled mix and occupancy percentage for our properties for the periods indicated.

	Skilled Mix (1) (2)						
	Three Months Ended March 31,		Twelve Months Ended March 31,		Year Ended December 31,		
	2013	**2012**	**2013**	**2012**	**2012**	**2011**	**2010**
Skilled Nursing	36.5%	38.6%	37.5%	41.3%	38.0%	41.5%	39.5%

	Occupancy Percentage (2)						
	Three Months Ended March 31,		Twelve Months Ended March 31,		Year Ended December 31,		
	2013	**2012**	**2013**	**2012**	**2012**	**2011**	**2010**
Skilled Nursing/Post-Acute	88.5%	88.7%	89.0%	89.1%	89.1%	89.3%	89.0%
Senior Housing	84.8	83.7	84.3	82.7	84.6	82.8	84.4
Acute Care Hospital	64.5	69.1	65.7	72.1	66.9	72.9	N/A
Weighted Average	87.9%	88.2%	88.3%	88.5%	88.4%	88.8%	88.6%

(1) Skilled mix is defined as the total Medicare and non-Medicaid managed care patient revenue at skilled nursing facilities divided by the total revenues at skilled nursing facilities for any given period.

(2) Skilled mix and occupancy percentage for facilities with new tenants/operators are only included in periods subsequent to our acquisition of the facilities and exclude the impact of strategic disposition candidates. All facility financial performance data are presented one quarter in arrears.

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Significant Tenant Overview

As of March 31, 2013, 83 of our 119 real estate properties held for investment were operated by subsidiaries of Genesis, the parent company of Sun. These properties are leased to subsidiaries of Genesis pursuant to triple-net leases that are guaranteed by Genesis. Genesis is a privately held healthcare services company, serving principally the senior population through its various subsidiaries. As of March 31, 2013, Genesis and its subsidiaries operated or managed 378 skilled nursing centers, 36 assisted or independent living centers and eight mental health centers across 28 states. Genesis also provides rehabilitation therapy services to approximately 1,500 affiliated and non-affiliated centers in 44 states.

Our lease agreements with subsidiaries of Genesis provide for an initial term of between 10 and 15 years with no purchase options. At the sole option of Genesis, these lease agreements may be extended for up to two five-year renewal terms beyond the initial term and, if elected, the renewal will be effective for all of the leased property then subject to the applicable lease agreement. Amounts due under these lease agreements are fixed (except for an annual rent escalator described below), and there is no contingent rental income based upon the revenues, net income or other measures which may be derived by subsidiaries of Genesis from our properties. Under our original lease agreements with subsidiaries of Sun, the annual rent escalator was equal to the product of (a) the lesser of the percentage change in the Consumer Price Index (but not less than zero) or 2.5%, and (b) the prior year s rent. Effective December 1, 2012 with the acquisition of Sun by Genesis, these lease agreements were amended to fix the annual rent escalators at 2.5%.

Because we currently lease the majority of our properties to Genesis and Genesis is a significant source of our rental revenues, Genesis s financial condition and ability and willingness to satisfy its obligations under its lease agreements with us and its willingness to renew those leases upon expiration of the initial base terms thereof will significantly impact our revenues and our ability to service our indebtedness and to make distributions to our stockholders. There can be no assurance that Genesis will have sufficient assets, income and access to financing to enable it to satisfy its obligations under its lease agreements with us, and any inability or unwillingness on its part to do so would have a material adverse effect on our business, financial condition, results of operations and liquidity, on our ability to service our indebtedness and other obligations and on our ability to make distributions to our stockholders, as required for us to qualify, and maintain our status, as a REIT. We also cannot assure you that Genesis will elect to renew its lease agreements with us upon expiration of the initial base terms or any renewal terms thereof or, if such leases are not renewed, that we can reposition the affected properties on the same or better terms.

Competitive Strengths

We believe the following competitive strengths will contribute significantly to our success:

Geographically Diverse and Stable Property Portfolio

Our portfolio of 119 properties held for investment as of March 31, 2013, comprising 12,382 licensed beds, is broadly diversified by location across 27 states. The properties in any one state did not account for more than 15% of our total licensed beds as of March 31, 2013, and the properties in any one state did not account for more than 13% of our total rental revenue during the three months ended March 31, 2013 . Our geographic diversification will limit the effect of a decline in any one regional market on our overall performance. The annual weighted average occupancy percentages of our properties remained stable at between 87.9% and 91.2% over the last five years.

Long-Term, Triple-Net Lease Structure

All of our real estate properties are leased under triple-net operating leases with expirations ranging from eight to 22 years, pursuant to which the tenants are responsible for all facility maintenance, insurance

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required in connection with the leased properties and the business conducted on the leased properties, taxes levied on or with respect to the leased properties and all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties. As of March 31, 2013, the leases had a weighted-average remaining term of 11 years. We retain substantially all of the risks and benefits of ownership of the real estate assets leased to tenants. As of March 31, 2013, the lease agreements with subsidiaries of Genesis are guaranteed by Genesis, and as a result, we did not require a security deposit from any of Genesis s subsidiaries. For our properties that are leased to tenants other than Genesis s subsidiaries, we have in certain instances obtained security deposits.

Strong Relationships with Operators

The members of our management team have developed an extensive network of relationships with qualified local, regional and national operators of skilled nursing and senior housing facilities across the United States. This extensive network has been built by our management team through over 20 years of operating experience, involvement in industry trade organizations and the development of banking relationships and investor relations within the skilled nursing and senior housing industries. We work collaboratively with our operators to help them achieve their growth and business objectives. We believe these strong relationships with operators help us to source investment opportunities.

Ability to Identify Talented Operators

As a result of our management team s operating experience, network of relationships and industry insight, we have been able and expect to continue to be able to identify qualified local, regional and national operators. We seek operators who possess local market knowledge, demonstrate hands-on management, have proven track records and emphasize patient care. We believe our management team s experience gives us a key competitive advantage in objectively evaluating an operator s financial position, emphasis on care and operating efficiency.

Significant Experience in Proactive Asset Management

The members of our management team have significant experience developing systems to collect and evaluate data relating to the underlying operational and financial success of healthcare companies and healthcare-related real estate assets. We are able to utilize this experience and expertise to provide our operators, when requested, with significant assistance in the areas of marketing, development, facility expansion and strategic planning. We actively monitor the operating results of our tenants and, when requested, will work closely with our operators to identify and capitalize on opportunities to improve the operations of our facilities and the overall financial and operating strength of our operators.

Experienced Management Team

Our management team has extensive healthcare and real estate experience. Richard K. Matros, Chairman, President and Chief Executive Officer of Sabra, has more than 20 years of experience in the acquisition, development and disposition of skilled nursing facilities and other healthcare facilities, including nine years at Old Sun (as defined below). Harold W. Andrews, Jr., Executive Vice President, Chief Financial Officer and Secretary of Sabra, is a finance professional with more than 10 years of experience in both the provision of healthcare services and healthcare real estate. Talya Nevo-Hacohen, Executive Vice President, Chief Investment Officer and Treasurer of Sabra, is a real estate finance executive with more than 20 years of experience in real estate finance, acquisition and development, including three years of experience managing and implementing the capital markets strategy of an S&P 500 healthcare REIT. Through years of public company experience, our management team also has extensive experience accessing both debt and equity capital markets to fund growth and maintain a flexible capital structure.

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Flexible UPREIT Structure

We operate through an umbrella partnership, commonly referred to as an UPREIT structure, in which substantially all of our properties and assets are held by the Operating Partnership, in which we and our wholly owned subsidiaries are currently the only partners, or by subsidiaries of the Operating Partnership. Conducting business through the Operating Partnership allows us flexibility in the manner in which we acquire properties. In particular, an UPREIT structure enables us to acquire additional properties from sellers in exchange for limited partnership units, which may provide property owners the opportunity to defer the tax consequences that would otherwise arise from a sale of their real properties and other assets to us. As a result, this structure allows us to acquire assets more efficiently and may allow us to acquire assets that the owner would otherwise be unwilling to sell because of tax considerations.

We were incorporated on May 10, 2010 as a wholly owned subsidiary of Sun Healthcare Group, Inc. (Old Sun), a provider of nursing, rehabilitative and related specialty healthcare services principally to the senior population in the United States. Pursuant to a restructuring plan by Old Sun, Old Sun restructured its business by separating its real estate assets and its operating assets into two separate publicly traded companies, Sabra and SHG Services, Inc. (which was then renamed Sun Healthcare Group, Inc. and which we refer to in this prospectus supplement as Sun). In order to effect the restructuring, Old Sun distributed to its stockholders on a pro rata basis all of the outstanding shares of common stock of Sun (the Separation), together with an additional cash distribution. Immediately following the Separation, Old Sun merged with and into Sabra, with Sabra surviving the merger and Old Sun stockholders receiving shares of Sabra common stock in exchange for their shares of Old Sun common stock (the REIT Conversion Merger). The Separation and REIT Conversion Merger were completed on November 15, 2010.

Following the restructuring of Old Sun s business and the completion of the Separation and REIT Conversion Merger, we began operating as a self-administered, self-managed REIT that, directly or indirectly, owns and invests in real estate serving the healthcare industry. We elected to be treated as a REIT with the filing of our U.S. federal income tax return for the taxable year beginning January 1, 2011. We believe that we have been organized and have operated, and we intend to continue to operate, in a manner to qualify as a REIT.

We operate through an umbrella partnership (commonly referred to as an UPREIT) structure in which substantially all of our properties and assets are held by the Operating Partnership, in which we and our wholly owned subsidiaries are currently the only partners, or by subsidiaries of the Operating Partnership. Our principal executive offices are located at 18500 Von Karman Avenue, Suite 550, Irvine, California 92612 and our telephone number is (888) 393-8248. Our website is *www.sabrahealth.com*. **None of the information contained on our website or on websites linked to our website is part of this prospectus supplement or the accompanying prospectus.**

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THE OFFERING

The summary below describes the principal terms of the Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus supplement contains a more detailed description of the terms and conditions of the Notes.

Issuers	Sabra Health Care Limited Partnership and Sabra Capital Corporation.
Securities Offered	$200,000,000 aggregate principal amount of % Senior Notes due 2023.
Maturity	, 2023.
Interest Rate	Interest will accrue at a rate of % per annum, beginning on , 2013.
Interest Payment Dates	Each and after the date of the issuance of the Notes, beginning on , 2013.
Ranking	The Notes and the guarantees thereof will be our and the guarantors senior unsecured obligations and will rank: senior to all existing and future subordinated indebtedness; equal with all existing and future senior unsecured indebtedness, including the 2018 Notes (as defined below); and effectively junior to all secured indebtedness to the extent of the value of the collateral securing such debt, including our $230.0 million revolving credit facility and our mortgage indebtedness, and structurally junior to the indebtedness and other obligations of Sabra s subsidiaries (other than the Issuers and the guarantors).
Guarantees	The Notes will be guaranteed by Sabra and certain of its existing direct and indirect subsidiaries and subject to certain exceptions, future subsidiaries of the Issuers. In each instance, the Notes will be fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by the applicable guarantors. If we do not make payments required by the Notes, the guarantors must make them. The subsidiary guarantees may be released under certain circumstances.
Use of Proceeds	We expect to use a portion of the net proceeds of this offering to redeem up to $113.75 million of the 8.125% Senior Notes due 2018 (the 2018 Notes) of Sabra Health Care Limited Partnership and Sabra Capital Corporation, of which we are a guarantor. The 2018 Notes permit us to redeem up to 35% of the outstanding 2018 Notes with an amount

equal to the net cash proceeds of certain equity offerings, including the March 2013 offering of our Series A Cumulative Redeemable Preferred Stock.

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