Sabra Midland LLC
Form 424B5
January 09, 2014
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-188696

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered**	**Maximum Offering Price Per Unit**	**Maximum Aggregate Offering Price**	**Amount of Registration Fee**
5.5% Senior Notes due 2021(1)	$350,000,000	100%	$350,000,000	$45,080(2)
Guarantees of 5.5% Senior Notes due 2021	(3)	(3)	(3)	(3)

(1) The 5.5% Senior Notes due 2021 will be the obligations of Sabra Health Care Limited Partnership and Sabra Capital Corporation.
(2) The filing fee of $45,080 is calculated in accordance with Rules 457(o) and 457(r) of the Securities Act of 1933, as amended, or the Act. In accordance with Rules 456(b) and 457(r) of the Act, the registrants initially deferred payment of all of the registration fees for Registration Statement No. 333-188696 filed by the registrants on May 20, 2013.
(3) Each of the guarantors listed on Annex A to this prospectus supplement will guarantee on a full and unconditional basis the obligations of Sabra Health Care Limited Partnership and Sabra Capital Corporation under the 5.5% Senior Notes due 2021. No separate consideration will be received for the guarantees. Pursuant to Rule 457(n) under the Act, no separate fee is payable with respect to the guarantees being registered hereby.

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PROSPECTUS SUPPLEMENT

(to Prospectus dated May 20, 2013)

$350,000,000

Sabra Health Care Limited Partnership

Sabra Capital Corporation

5.5% Senior Notes due 2021

Sabra Health Care Limited Partnership (the Operating Partnership) and Sabra Capital Corporation (together with the Operating Partnership, the Issuers) are offering $350,000,000 aggregate principal amount of 5.5% Senior Notes due 2021 (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 5.5% per annum. Interest on the Notes will be payable semi-annually in arrears on February 1 and August 1 of each year, commencing on August 1, 2014. Interest will accrue from January 23, 2014. The Notes will mature on February 1, 2021. 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 February 1, 2017 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 February 1, 2017 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 February 1, 2017 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)	100.000%	$ 350,000,000
Underwriting discount (2)	2.000%	$ 7,000,000
Proceeds, before expenses, to the Issuers (1)	98.000%	$ 343,000,000

(1) Plus accrued interest, if any, from January 23, 2014 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 January 23, 2014 only in book-entry form through the facilities of The Depository Trust Company.

Joint Book-Running Managers

BofA Merrill Lynch

Barclays

Citigroup

RBS

Co-Managers

Credit Agricole CIB **Raymond James** **Stifel**

The date of this prospectus supplement is January 8, 2014.

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PROSPECTUS SUPPLEMENT

PROSPECTUS

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.

We expect that delivery of the Notes will be made to investors on or about January 23, 2014, which will be the tenth business day following the date of this prospectus supplement (such settlement being referred to as T+10). Under Rule 15c6-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act), trades in the secondary market are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes prior to the delivery of the Notes hereunder will be required, by virtue of the fact that the Notes initially settle in T+10, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes prior to their date of delivery hereunder should consult their advisors.

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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 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

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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.

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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 September 30, 2013, our investment portfolio consisted of 120 real estate properties held for investment (consisting of (i) 96 skilled nursing/post-acute facilities, (ii) 23 senior housing facilities, and (iii) one acute care hospital), six debt investments (consisting of (i) two mortgage loans, (ii) one mezzanine loan, (iii) two pre-development loans, and (iv) one construction mortgage loan) and two preferred equity investments. As of September 30, 2013, our real estate properties had a total of 12,414 licensed beds, or units, spread across 27 states. As of September 30, 2013, all of our real estate properties were leased under triple-net operating leases with expirations ranging from seven to 21 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 acquire other types of healthcare real estate (including acute care hospitals) and 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 December 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 $151 billion in 2012 to approximately $264 billion in 2022, 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 120 properties held for investment as of September 30, 2013, we owned fee title to 114 properties and title under long-term ground leases for six properties.

Our portfolio consisted of the following types of healthcare facilities as of September 30, 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 and outpatient 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 nine months ended September 30, 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	13.3%
Kentucky	13	2		15	12.5
Connecticut	12	1		13	10.8
Michigan		10		10	8.3
Ohio	8			8	6.7
Texas	6	1	1	8	6.7
Florida	5			5	4.2
Oklahoma	3	1		4	3.3
Delaware	4			4	3.3
Montana	4			4	3.3
Other (17 states)	27	6		33	27.6
Total	96	23	1	120	100.0%

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	9.2
Ohio	8	897			897	7.2
Texas	8	720	34	70	824	6.6
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)	34	2,889	485		3,374	27.3

Total	120	10,826	1,518	70	12,414	100.0%
% of Total beds/units		87.2%	12.2%	0.6%	100.0%	

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(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 11,990 as of September 30, 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	15.8%
Texas	8	65,795	1,396	61,640	128,831	13.4
Delaware	4	95,780			95,780	9.9
New Hampshire	16	76,992	12,792		89,784	9.3
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	4.6
Montana	4	42,729			42,729	4.4
Ohio	8	42,612			42,612	4.4
Florida	5	30,748			30,748	3.2
Other (17 states)	34	160,047	31,926		191,973	20.0
Total	120	$ 746,897	$ 154,272	$ 61,640	$ 962,809	100.0%
% of Total Properties		77.6%	16.0%	6.4%	100.0%	

Geographic Concentration Rental Income

State	Total Number of Properties	Skilled Nursing/Post-Acute	Senior Housing	Acute Care Hospital	Total	% of Total
New Hampshire	16	$ 10,394	$ 1,173	$	$ 11,567	12.2%
Connecticut	13	11,318	249		11,567	12.2
Texas	8	5,631	74	4,945	10,650	11.2
Kentucky	15	8,545	433		8,978	9.5
Delaware	4	7,934			7,934	8.4
Florida	5	6,613			6,613	7.0
Michigan	10		5,190		5,190	5.5
Montana	4	4,449			4,449	4.7
Ohio	8	4,413			4,413	4.7
Colorado	3	2,822	1,100		3,922	4.1
Other (17 states)	34	16,437	2,972		19,409	20.5
Total	120	$ 78,556	$ 11,191	$ 4,945	$ 94,692	100.0%
% of Total Properties		83.0%	11.8%	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 September 30,		Twelve Months Ended September 30,		Year Ended December 31,		
	2013	2012	2013	2012	2012	2011	2010
Skilled Nursing	36.4%	37.3%	36.8%	38.7%	38.0%	41.4%	39.5%

	Occupancy Percentage (2)						
	Three Months Ended September 30,		Twelve Months Ended September 30,		Year Ended December 31,		
	2013	2012	2013	2012	2012	2011	2010
Skilled Nursing/Post-Acute	88.0%	89.5%	88.5%	89.3%	89.1%	89.3%	89.0%
Senior Housing	87.9	83.6	87.3	83.5	86.1	82.8	84.4
Acute Care Hospital	69.8	65.4	68.1	67.3	66.9	72.9	N/A
Weighted Average	87.9%	89.0%	88.3%	88.8%	88.6%	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.

Significant Tenant Overview

As of September 30, 2013, 81 of our 120 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 September 30, 2013, Genesis and its subsidiaries operated or managed 374 skilled nursing centers, 33 assisted or independent living centers and six 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

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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 contribute significantly to our success:

Geographically Diverse and Stable Property Portfolio

Our portfolio of 120 properties held for investment as of September 30, 2013, comprising 12,414 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 September 30, 2013, and the properties in any one state did not account for more than 13% of our total rental revenue during the nine months ended September 30, 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 seven to 21 years, pursuant to which the tenants are responsible for all facility maintenance, insurance 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 September 30, 2013, the leases had a weighted-average remaining term of 10 years. We retain substantially all of the risks and benefits of ownership of the real estate assets leased to tenants. As of September 30, 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.

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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.

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.

Recent Developments

Tender Offer

Concurrently with this offering, the Issuers announced a fixed price tender offer for any and all of the $211.3 million outstanding principal amount of our 8.125% Senior Notes due 2018 (the 2018 Notes), and a related solicitation of consents to amend the indenture for the 2018 notes (the Tender Offer and Consent Solicitation). The Issuers have offered to purchase the 2018 Notes for cash equal to $1,068.37 per $1,000 principal amount of the 2018 Notes tendered, together with accrued and unpaid interest up to, but not including, the purchase date, plus a consent fee of $30.00 per $1,000 principal amount of 2018 Notes tendered before 5:00 p.m., New York City time, on January 22, 2014, unless extended by us. The Tender Offer and Consent Solicitation is being made on the terms and subject to the conditions set forth in an Offer to Purchase and Consent Solicitation Statement dated January 8, 2014. The Tender Offer and Consent Solicitation is conditioned upon our having obtained financing with terms and conditions satisfactory to us that provides sufficient net proceeds for the Issuers to purchase the 2018 Notes tendered in, and pay for the consent fee and all

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related fees and expenses incurred in connection with, the Tender Offer and Consent Solicitation. In addition, the Tender Offer and Consent Solicitation is conditioned upon the receipt of consents from holders of a majority of the outstanding aggregate principal amount of the 2018 Notes to shorten to three business days the minimum notice period for optional redemptions and to eliminate substantially all of the restrictive covenants and certain events of default and other provisions in the indenture governing the 2018 Notes. If fully subscribed, the Issuers expect that the Tender Offer and Consent Solicitation will cost approximately $232.0 million (including the consent fee but excluding accrued and unpaid interest of approximately $3.9 million), which would be funded with the net proceeds from this offering, as described in Use of Proceeds. The Issuers cannot assure you that the Tender Offer and Consent Solicitation, which is expected to expire February 5, 2014, will be subscribed for in any amount. In the event that less than all of the 2018 Notes are tendered in the Tender Offer and Consent Solicitation or the Issuers do not consummate the Tender Offer and Consent Solicitation, the Issuers currently intend (but are not obligated) to use the net proceeds from this offering to redeem any and all 2018 Notes that remain outstanding. The Issuers expect to record a one-time pre-tax charge of approximately $21.6 million, or $0.56 per share, against reported earnings in the first quarter of 2014, reflecting the estimated loss on early extinguishment of debt related to the tender offer (the Estimated Charge). The Estimated Charge assumes current market pricing and that all of the 2018 Notes are tendered. The final pre-tax charge will vary to the extent that the pricing and amount of 2018 Notes tendered differ from Issuers original assumptions.

This prospectus supplement is not an offer to purchase or a solicitation of an offer to sell the 2018 Notes. The Tender Offer and Consent Solicitation is being made only by and pursuant to the terms of the Offer to Purchase and Consent Solicitation Statement dated January 8, 2014 and related Letter of Transmittal, as each may be amended or supplemented from time to time.

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.

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	$350,000,000 aggregate principal amount of 5.5% Senior Notes due 2021.
Maturity	February 1, 2021.
Interest Rate	Interest will accrue at a rate of 5.5% per annum, beginning on January 23, 2014.
Interest Payment Dates	Each February 1 and August 1 after the date of the issuance of the Notes, beginning on August 1, 2014.
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 2023 Notes (as defined below) and any 2018 Notes that remain outstanding after the consummation of the Tender Offer and Consent Solicitation; and
	effectively junior to all secured indebtedness to the extent of the value of the collateral securing such debt, including our $375.0 million Revolving Credit Facility (as defined below) and our mortgage indebtedness, and structurally junior to the indebtedness and other obligations of Sabra s subsidiaries (other than the Issuers and the guarantors).
	As of September 30, 2013, on a pro forma as adjusted basis after giving effect to (i) the issuance and sale of the Notes, (ii) the borrowing of an aggregate principal amount of $131.0 million under the Revolving Credit Facility as described further under Capitalization (which we drew down subsequent to September 30, 2013 to fund a portion of investments) and (iii) the application of the estimated net proceeds from this offering as set forth under Use of Proceeds to (a) fund our pending Tender Offer and Consent Solicitation and assuming that all of our existing 2018 Notes are tendered for repurchase and (b) pay down $105.5 million of the $131.0 million outstanding under the Revolving Credit Facility, we would have had total consolidated indebtedness of $717.8 million, of which $167.8 million would have been secured indebtedness. For further discussion, see Description of Other Indebtedness.

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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 intend to use a portion of the net proceeds from this offering to fund our pending Tender Offer and Consent Solicitation. In the event that all of the 2018 Notes are not tendered in the tender offer or we do not consummate the tender offer, we currently intend (but are not obligated) to use the net proceeds from this offering to redeem any and all 2018 Notes that remain outstanding. We intend to apply the remainder of the net proceeds of this offering to repay borrowings outstanding under our Revolving Credit Facility. See Use of Proceeds.
Optional Redemption	We may redeem some or all of the Notes at any time prior to February 1, 2017 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. See Description of Notes Optional Redemption. We may also redeem some or all of the Notes at any time on or after February 1, 2017 at the redemption prices specified under Description of Notes Optional Redemption, together with any accrued and unpaid interest to the redemption date.
Optional Redemption After Equity Offering	At any time prior to February 1, 2017, we may also use an amount equal to all or a portion of the proceeds from specific kinds of equity offerings to redeem up to 35% of the original aggregate principal amount of the Notes at a redemption price equal to 105.5% of the aggregate principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to the redemption date. See Description of Notes Optional Redemption.
Change of Control Offer	If a change in control of our company occurs, we must give holders the opportunity to sell their Notes to us at 101% of their principal amount plus accrued and unpaid interest, if any.
	We, however, may not be able to pay the required price for our Notes presented to us at the time of a change of control event because we may have insufficient funds.
Restrictive Covenants	The indenture governing the Notes contains covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:
	incur or guarantee unsecured indebtedness;
	incur or guarantee secured indebtedness;

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- pay dividends or distributions on, or redeem or repurchase, our capital stock;
- make certain investments;
- create liens on our assets;
- enter into transactions with affiliates;
- merge or consolidate or sell all or substantially all of our assets; and
- create restrictions on the ability of our restricted subsidiaries to pay dividends or other amounts to us.

In addition, we will be required to maintain Total Unencumbered Assets (as defined in Description of Notes) of at least 150% of our unsecured indebtedness. These covenants are subject to a number of important limitations and exceptions. See Description of Notes Covenants.

DTC Eligibility	The Notes will be issued in book-entry form and will be represented by permanent stock certificates deposited with, or on behalf of, The Depository Trust Company (DTC) and registered in the name of a nominee of DTC. See Book-Entry, Delivery and Form.
Risk Factors	See Risk Factors and the other information included or incorporated by reference in this prospectus supplement for a discussion of the factors you should carefully consider before deciding to invest in the Notes.
Governing Law	The indenture governing the Notes and the Notes provide that they will be governed by, and construed in accordance with, the laws of the State of New York.

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SUMMARY CONDENSED CONSOLIDATED FINANCIAL AND OTHER DATA

The following table sets forth summary condensed consolidated financial and other data for each of the periods indicated. You should read the following summary condensed consolidated financial and other data in conjunction with our consolidated financial statements and related notes and with Management s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2012 and in our Quarterly Reports on Form 10-Q for the three months ended March 31, 2013, June 30, 3013, and September 30, 2013, each of which is incorporated by reference into this prospectus supplement. The financial data as of and for the nine months ended September 30, 2012 and September 30, 2013 are derived from our unaudited consolidated financial statements and are not necessarily indicative of results for any future period. The unaudited condensed consolidated financial statements reflect, in the opinion of management, all adjustments necessary for the fair presentation of the financial condition and results of operations for such periods.

The summary condensed consolidated financial and other data for the twelve months ended September 30, 2013 was derived by adding the financial data from our unaudited condensed consolidated financial statements for the nine months ended September 30, 2013 to the financial and other data from our audited condensed consolidated financial statements for the year ended December 31, 2012 and then deducting the financial data from our unaudited condensed consolidated financial statements for the nine months ended September 30, 2012.

	Twelve Months Ended September 30, 2013 (unaudited)	Nine Months Ended September 30, 2013 (unaudited)	Nine Months Ended September 30, 2012 (unaudited)	Year Ended December 31, 2012	Year Ended December 31, 2011
			(dollars in thousands)		
Operating Data:					
Revenues	$ 125,511	$ 97,223	$ 74,882	$ 103,170	$ 84,225
Expenses:					
Depreciation and amortization	32,633	24,726	22,356	30,263	26,591
Interest	39,538	29,884	24,681	34,335	30,319
General and administrative	15,712	11,196	11,588	16,104	14,473
Impairment	2,481			2,481	
Total Expenses	90,364	65,806	58,625	83,183	71,383
Other income/(expense)	(10,472)	(10,701)	(703)	(474)	
Net income	24,675	20,716	15,554	19,513	12,842
Preferred stock dividends	(5,406)	(5,406)			
Net income attributable to common stockholders	$ 19,269	$ 15,310	$ 15,554	$ 19,513	$ 12,842
Balance Sheet Data (at period end):					
Cash and cash equivalents	$ 96,641	$ 96,641	$ 30,477	$ 17,101	$ 42,250
Real estate investments, net of accumulated depreciation	809,271	809,271	733,054	827,135	653,377
Loans receivable and other investments, net	46,123	46,123	22,092	12,017	
Total assets	1,027,250	1,027,250	843,011	916,882	749,650
Total debt (1)	556,779	556,779	487,886	575,488	382,898
Net debt (2)	460,138	460,138	457,409	558,387	340,648
Total stockholders equity	423,190	423,190	311,319	305,488	326,573
Other Financial Data (unaudited):					
FFO (3)	$ 54,383	$ 40,036	$ 37,910	$ 52,257	$ 39,433
AFFO (3)	54,223	38,464	44,528	60,287	47,142

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(1) Total debt does not include $0.5 million of mortgage premium as of September 30, 2012, and December 31, 2011.
(2) Net debt consists of total debt, less cash and cash equivalents.
(3) We believe that net income as defined by U.S. generally accepted accounting principles (GAAP) is the most appropriate earnings measure. We also believe that funds from operations (FFO), as defined in accordance with the definition used by the National Association of Real Estate Investment Trusts (NAREIT), and adjusted funds from operations (AFFO) (and related per share amounts) are important non-GAAP supplemental measures of operating performance for a REIT. We consider FFO and AFFO to be useful measures for reviewing comparative operating and financial performance because, by excluding gains or losses from real estate dispositions, impairment charges, and real estate depreciation and amortization, and for AFFO, by excluding non-cash revenues (including, but not limited to, straight-line rental income adjustments and non-cash interest income adjustments), non-cash expenses (including, but not limited to, stock-based compensation expense, amortization of deferred financing costs, amortization of debt discounts and premiums and loss on extinguishment of debt) and acquisition pursuit costs, FFO and AFFO can help investors compare our operating performance between periods or as compared to other companies. See further discussion of FFO and AFFO in Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Funds from Operations and Adjusted Funds from Operations included in our Annual Report on Form 10-K for the year ended December 31, 2012 and in our Quarterly Reports on Form 10-Q for the three months ended March 31, 2013, June 30, 2013 and September 30, 2013, each of which is incorporated by reference into this prospectus supplement.

The following table reconciles our calculations of FFO and AFFO for the twelve months ended September 30, 2013, for the nine months ended September 30, 2013 and 2012, and for the years ended December 31, 2012 and 2011, to net income, the most directly comparable GAAP financial measure, for the same periods (in thousands):

	Twelve Months Ended	Nine Months Ended September 30,		Year ended December 31,	
	September 30, 2013	**2013**	**2012**	**2012**	**2011**
Net income, attributable to common stockholders	$ 19,269	$ 15,310	$ 15,554	$ 19,513	$ 12,842
Depreciation and amortization	32,633	24,726	22,356	30,263	26,591
Impairment	2,481			2,481	
FFO	54,383	40,036	37,910	52,257	39,433
Acquisition pursuit costs	1,122	707	1,239	1,654	3,218
Stock-based compensation expense	7,739	5,209	5,749	8,279	4,600
Straight-line rental income adjustments	(12,872)	(10,836)	(2,857)	(4,893)	(2,092)
Amortization of deferred financing costs	3,163	2,395	1,917	2,685	1,998
Amortization of debt premiums	(731)	(535)	(151)	(347)	(15)
Change in fair value of contingent consideration	600	600			
Non-cash portion of loss on extinguishment of debt	784	859	703	628	
Non-cash interest income adjustments	35	29	18	24	
AFFO (1)	$ 54,223	$ 38,464	$ 44,528	$ 60,287	$ 47,142

(1) AFFO does not include adjustments to FFO for amortization of acquired above/below market lease intangibles as such item is not applicable for the periods presented.

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RISK FACTORS

An investment in the Notes involves certain risks. You should carefully consider, among other factors, the matters described below, those in the accompanying prospectus on page 6, and those under the heading Risk Factors 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, as well as the other information contained in and incorporated by reference in this prospectus supplement and the accompanying prospectus, before you make a decision to invest in our securities. See Incorporation of Certain Information by Reference.

Risks Relating to the Notes

We have substantial indebtedness and have the ability to incur significant additional indebtedness and other liabilities.

Assuming that we had completed this offering on September 30, 2013, and after giving pro forma effect to the (i) the borrowing of an aggregate principal amount of $131.0 million under the Revolving Credit Facility as described further under Capitalization (which we drew down subsequent to September 30, 2013 to fund a portion of investments), (ii) the issuance and sale of the Notes and (iii) the application of the net proceeds therefrom as set forth under Use of Proceeds to (a) fund our pending Tender Offer and Consent Solicitation and assuming that all of our existing 2018 Notes are tendered for repurchase and (b) pay down $105.5 million of the $131.0 million outstanding under the Revolving Credit Facility, we would have had on that date $350.0 million of indebtedness with respect to the Notes, $200.0 million of indebtedness with respect to our 2023 Notes, $25.5 million outstanding under the Revolving Credit Facility (with $261.0 million available for borrowing thereunder) and aggregate mortgage indebtedness to third parties of $142.2 million on certain of our properties. Our high level of indebtedness may have the following important consequences to us:

- It may become more difficult for us to satisfy our obligations (including ongoing interest payments and, where applicable, scheduled amortization payments) with respect to the Notes and our other debt;

- It may limit our ability to obtain additional financing to fund future acquisitions, working capital, capital expenditures or other general corporate requirements;

- It may increase our cost of borrowing;

- It may increase interest rates and therefore interest expense with respect to any indebtedness under our Revolving Credit Facility or other variable rate borrowings;

- We may need to dedicate a substantial portion of our cash flow from operations to the payment of debt service, thereby limiting our ability to invest in our business;

- It may limit our ability to adjust rapidly to changing market conditions and we may be vulnerable in the event of a downturn in general economic conditions or in the real estate and/or healthcare sectors;

- It may place us at a competitive disadvantage against less leveraged competitors; and

- It may require us to sell assets and properties at an inopportune time.

In addition, the indenture governing the Notes permits us to incur substantial additional debt, including secured debt (to which the Notes will be effectively subordinated). If we incur additional debt, the related risks described above could intensify. Furthermore, the indenture governing the

Notes does not impose any limitation on our ability to incur liabilities that are not considered indebtedness under the indenture governing the Notes.

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We may be unable to service our indebtedness, including the Notes.

Our ability to make scheduled payments on and to refinance our indebtedness, including the Notes, depends on and is subject to our future financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors beyond our control, including the availability of financing in the international banking and capital markets. Our business may fail to generate sufficient cash flow from operations or future borrowings may be unavailable to us under our Revolving Credit Facility or from other sources in an amount sufficient to enable us to service our debt, including the Notes, to refinance our debt or to fund our other liquidity needs. If we are unable to meet our debt obligations or to fund our other liquidity needs, we will need to restructure or refinance all or a portion of our debt, including the Notes. We may be unable to refinance any of our debt, including any amounts outstanding under our Revolving Credit Facility, on commercially reasonable terms or at all. In particular, our Revolving Credit Facility will mature prior to the maturity of the Notes. If we were unable to make payments or refinance our debt or obtain new financing under these circumstances, we would have to consider other options, such as asset sales, equity issuances and/or negotiations with our lenders to restructure the applicable debt. Our Revolving Credit Facility and the indenture governing the Notes restrict, and market or business conditions may limit, our ability to take some or all of these actions. Any restructuring or refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants that could further restrict our business operations.

The Notes and the guarantees will be unsecured and will be effectively subordinated to our secured indebtedness to the extent of the value of the collateral securing such indebtedness.

The Notes and the guarantees will be the Issuers and the guarantors unsecured obligations. The indenture governing the Notes generally permits us to incur secured indebtedness so long as we maintain a specified ratio of unencumbered assets to unsecured debt. The Notes and the guarantees will be effectively subordinated to all of our existing and future secured debt and that of the guarantors to the extent of the value of the assets securing such obligations, including our Revolving Credit Facility. The Notes and the guarantees are unsecured and will rank equally with all other existing and future senior unsecured indebtedness of the Issuers, including the 2023 Notes and any 2018 Notes that remain outstanding after the consummation of the Tender Offer and Consent Solicitation. Any outstanding obligations under our Revolving Credit Facility are secured by pledges of equity by our wholly owned subsidiaries that own certain of our real estate assets. We had no amounts outstanding and $286.5 million available for borrowing under our Revolving Credit Facility as of September 30, 2013. Subsequent to September 30, 2013, we borrowed $131.0 million under our Revolving Credit Facility to fund a portion of the investments discussed in Note 12, Subsequent Events in the Notes to Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the three months ended September 30, 2013. Because the Notes will be unsecured obligations, your right of repayment may be compromised in the following situations:

- We enter into bankruptcy, liquidation, reorganization or other winding-up;
- There is a default in payment under any of our secured debt; or
- There is an acceleration of any of our secured debt.

If any of these events occurs, our secured lenders could foreclose on our assets in which they have been granted a security interest, in each case to your exclusion, even if an event of default exists under the indenture at such time. As a result, upon the occurrence of any of these events, it is possible that there would be no assets remaining from which your claims could be satisfied or, if any assets remained, they might be insufficient to fully satisfy your claims. In addition, you may not be fully repaid if we or the subsidiary guarantors become insolvent or otherwise fail to make payment on the Notes.

The Notes will be structurally subordinated to all liabilities of our non-guarantor subsidiaries.

The Notes will be structurally subordinated to the indebtedness and other liabilities of our subsidiaries that are not guaranteeing the Notes or in the future do not guarantee the Notes. These non-guarantor subsidiaries

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are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due pursuant to the Notes, or to make any funds available therefor, whether by dividends, loans, distributions or other payments. Any right that we or the subsidiary guarantors have to receive any assets of any of the non-guarantor subsidiaries upon the bankruptcy, liquidation or reorganization of those subsidiaries, and the consequent rights of holders of Notes to realize proceeds from the sale of any of those subsidiaries assets, will be effectively subordinated to the claims of those subsidiaries creditors, including creditors (including mortgage holders) and holders of preferred equity interests of those subsidiaries. Accordingly, in the event of a bankruptcy, liquidation or reorganization of any of our non-guarantor subsidiaries, these non-guarantor subsidiaries will pay the holders of their debts, holders of preferred equity interests and their trade creditors before distributing any of their assets to us. Our net revenues on an annualized basis attributable to the properties held by the Real Property Non-Guarantor Subsidiaries, as described further under Description of Notes Guaranties and Subsidiary Guarantors, were $29.3 million for the nine months ended September 30, 2013, and, as of September 30, 2013, these properties accounted for 20% of Sabra s total real estate investments, net of accumulated depreciation, and had aggregate mortgage indebtedness to third parties of $142.2 million.

We rely on our subsidiaries for our operating funds, and our non-guarantor subsidiaries have no obligation to supply us with any funds.

We conduct our operations through subsidiaries and depend on our subsidiaries for the funds necessary to operate and repay our debt obligations. We will depend on the transfer of funds from our subsidiaries to make the payments due under the Notes. Under certain circumstances, one or more of our subsidiaries may be released from its, or may not be required to provide a, guarantee of the Notes, and in such circumstances, will not be required to fund any of our obligations with respect to the Notes. Each of our subsidiaries will be a distinct legal entity and will have no obligation, contingent or otherwise, to transfer funds to us. In addition, our ability to make payments under the Notes, and the ability of our subsidiaries to transfer funds to us, could be restricted by the terms of subsequent financings.

Covenants in our debt agreements restrict our and our restricted subsidiaries activities and could adversely affect our business.

Our debt agreements, including the indentures governing the Notes, the 2018 Notes and the 2023 Notes, and our Revolving Credit Facility, contain various covenants that limit our ability and the ability of our restricted subsidiaries to engage in various transactions including:

- Incurring additional secured and unsecured debt;
- Paying dividends or making other distributions on, redeeming or repurchasing capital stock;
- Making investments or other restricted payments;
- Entering into transactions with affiliates;
- Issuing stock of or interests in restricted subsidiaries;
- Engaging in non-healthcare related business activities;
- Creating restrictions on the ability of our restricted subsidiaries to pay dividends or other amounts to us;
- Selling assets; or
- Effecting a consolidation or merger or selling substantially all of our assets.

These covenants limit our operational flexibility and could prevent us from taking advantage of business opportunities as they arise, growing our business or competing effectively. In addition, our Revolving Credit Facility requires us to maintain specified financial covenants, which include a maximum leverage ratio, a minimum fixed charge coverage ratio and a minimum tangible net worth ratio, as well as satisfy other financial

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condition tests. The indentures governing the Notes, the 2018 Notes and the 2023 Notes require us to maintain Total Unencumbered Assets (as defined in Description of Notes) of at least 150% of our unsecured indebtedness. Our ability to meet these requirements may be affected by events beyond our control, and we may not meet these requirements.

A breach of any of the covenants or other provisions in our debt agreements could result in an event of default, which if not cured or waived, could result in such debt becoming immediately due and payable. This, in turn, could cause our other debt to become due and payable as a result of cross-acceleration provisions contained in the agreements governing such other debt. We may be unable to maintain compliance with these covenants and, if we fail to do so, we may be unable to obtain waivers from the lenders and/or amend the covenants. In the event that some or all of our debt is accelerated and becomes immediately due and payable, we may not have the funds to repay, or the ability to refinance, such debt.

Federal and state statutes allow courts, under specific circumstances, to void guarantees and require holders of Notes to return payments received from subsidiary guarantors.

Under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee of the Notes could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that subsidiary guarantor if, among other things, the subsidiary guarantor, at the time it incurred the debt evidenced by its guarantee:

- Received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee; and
  - was insolvent or rendered insolvent by reason of such incurrence;
  - was engaged in a business or transaction for which the subsidiary guarantor s remaining assets constituted unreasonably small capital; or
  - intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

In addition, any payment by that subsidiary guarantor pursuant to its guarantee could be voided and required to be returned to the subsidiary guarantor, or to a fund for the benefit of our creditors or the creditors of the subsidiary guarantor.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a subsidiary guarantor would be considered insolvent if:

- The sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;
- The present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- It could not pay its debts as they become due.

On the basis of historical financial information, recent operating history and other factors, we believe that each subsidiary guarantor, after giving effect to its guarantee of the Notes, will not be insolvent, will have a fair market value of its assets greater than the total amount of its liabilities (including contingent liabilities), will have a present fair salable value of its assets greater than the amount that will be required to pay its probable liabilities on its debts as they become absolute and matured, will be able to realize upon its assets and pay its debts and other liabilities, including contingent liabilities, as they mature, and will not have unreasonably small

capital. We cannot assure you, however, as to what standard a court would apply in making these determinations or that a court would agree with our conclusions in this regard. In addition, each guarantee will contain a provision intended to limit the subsidiary guarantor s liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer. This provision may not be effective to protect the guarantees from being voided under fraudulent transfer laws, or may eliminate the subsidiary guarantor s obligations or reduce the subsidiary guarantor s obligations to an amount that effectively makes the guarantee worthless.

We may not have the funds necessary to finance the repurchase of the Notes in connection with a change of control offer required by the indenture governing the Notes.

Upon the occurrence of specific kinds of change of control events, the indenture governing the Notes will require us to make an offer to repurchase all outstanding Notes at 101% of the principal amount thereof, plus accrued and unpaid interest (and additional interest, if any) to the date of repurchase. However, it is possible that we will not have sufficient funds, or the ability to raise sufficient funds, at the time of the change of control to make the required repurchase of the Notes. Our outstanding 2018 Notes and 2023 Notes have the same requirement. Any failure to make an offer to purchase, or to repay holders tendering notes, upon a Change of Control (as defined in the applicable indenture) will result in an event of default under the indentures governing the Notes, the 2018 Notes and 2023 Notes. In addition, restrictions under our Revolving Credit Facility, or other future debt, may not allow us to repurchase the Notes upon a change of control. If we could not refinance such senior debt or otherwise obtain a waiver from the holders of such debt, we would be prohibited from repurchasing the Notes, which would constitute an event of default under the indenture governing the Notes, which in turn would constitute a default under our Revolving Credit Facility. In addition, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a Change of Control under the indenture governing the Notes although these types of transactions could affect our capital structure or credit ratings and the holders of the Notes. See Description of Notes Repurchase of Notes upon a Change of Control.

Courts interpreting change of control provisions under New York law (which will be the governing law of the indenture governing the Notes) have not provided clear and consistent meanings of such change of control provisions which leads to subjective judicial interpretation. In addition, a court case in Delaware has questioned whether an indenture change of control provision, similar to the one that will be contained in the indenture governing the Notes, related to a change of control as a result of a change in the composition of a board of directors could be unenforceable on public policy grounds. Accordingly, the ability of a holder of Notes to require us to repurchase Notes as a result of a change in the composition of our board of directors is uncertain. Another court may not enforce the change of control provisions in the indenture governing the Notes as written for the benefit of the holders, and the change of control provisions could be impacted if we become a debtor in a bankruptcy case.

An active trading market may not develop for the Notes, which may hinder your ability to liquidate your investment.

The Notes will be a new issue of securities for which there is no established public market. We do not intend to list the Notes on any national securities exchange or seek the admission of the Notes for quotation through any automated inter-dealer quotation system. As a result, an active trading market for the Notes may not develop or be sustained. The underwriters have advised us that they presently intend to make a market in the Notes after this offering is completed. The underwriters are not obligated, however, to make a market in the Notes, and any such market making may be discontinued at any time at the sole discretion of the underwriters. If an active trading market for the Notes fails to develop or be sustained, the trading price of the Notes could be adversely affected.

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Even if an active trading market for the Notes were to develop, the Notes could trade at prices that may be lower than the initial offering price. The liquidity of the trading market for the Notes and the trading price quoted for the Notes may be adversely affected by many factors, some of which are beyond our control, including:

- Prevailing interest rates;
- Demand for high yield debt securities generally;
- General economic conditions;
- Our financial condition, performance and future prospects;
- Our credit rating; and
- Prospects for companies in our industry generally.

Historically, the market of non-investment grade debt like the Notes has been subject to disruptions that have caused substantial market price fluctuations in the price of securities that are similar to the Notes. Therefore, even if a trading market for the Notes develops, it may be subject to disruptions and price volatility.

Risks Associated With Sabra s Status As A REIT

The 90% distribution requirement will decrease our liquidity and may limit our ability to engage in otherwise beneficial transactions.

To comply with the 90% distribution requirement applicable to REITs and to avoid the nondeductible excise tax, Sabra must make distributions to its stockholders. The indenture governing the Notes permits us to declare or pay any dividend or make any distribution that is necessary to maintain our REIT status if the aggregate principal amount of all outstanding Indebtedness of the Parent and its Restricted Subsidiaries on a consolidated basis at such time is less than 60% of Adjusted Total Assets (as each term is defined in the indenture governing the Notes) and to make additional distributions if we pass certain other financial tests.

Sabra is required under the Internal Revenue Code of 1986, as amended (the Code), to distribute at least 90% of its taxable income, determined without regard to the dividends-paid deduction and excluding any net capital gain, and the Operating Partnership is required to make distributions to Sabra to allow it to satisfy these REIT distribution requirements. However, distributions may limit Sabra s ability to rely upon rental payments from its properties or subsequently acquired properties to finance investments, acquisitions or new developments.

Although Sabra anticipates that it generally will have sufficient cash or liquid assets to enable Sabra to satisfy the REIT distribution requirement, it is possible that, from time to time, Sabra may not have sufficient cash or other liquid assets to meet the 90% distribution requirement. This may be due to the timing differences between the actual receipt of income and actual payment of deductible expenses, on the one hand, and the inclusion of that income and deduction of those expenses in arriving at our taxable income, on the other hand. In addition, non-deductible expenses such as principal amortization or repayments or capital expenditures in excess of non-cash deductions also may cause Sabra to fail to have sufficient cash or liquid assets to enable Sabra to satisfy the 90% distribution requirement.

In the event that such an insufficiency or such timing differences occur, in order to meet the 90% distribution requirement and maintain Sabra s status as a REIT, Sabra may have to sell assets at unfavorable prices, borrow at unfavorable terms, make taxable stock dividends, or pursue other strategies. This may require Sabra to raise additional capital to meet its obligations. The terms of our Revolving Credit Facility and the terms of the indenture governing the Notes may restrict our ability to engage in some of these transactions.

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USE OF PROCEEDS

The net proceeds to us from this offering (after deducting the underwriters discounts and commissions and our offering expenses, including certain structuring fees) are estimated to be approximately $341.4 million. We expect to use a portion of the net proceeds from this offering to fund our pending Tender Offer and Consent Solicitation and the redemption of any and all of the 2018 Notes not acquired in the tender offer. Assuming that all of our existing 2018 Notes are tendered for repurchase, we will use $232.0 million of the net proceeds for such purpose (including the related consent solicitation fee but excluding accrued and unpaid interest of approximately $3.9 million). The 2018 Notes, which were issued in October 2010 and July 2012, bear interest at 8.125% per annum, and mature on November 1, 2018.

In the event that less than all of the 2018 Notes are tendered in the tender offer or our tender offer is not consummated, we currently intend (but are not obligated) to use a portion of the net proceeds from this offering to redeem any and all 2018 Notes that remain outstanding. We intend to apply the remainder of the net proceeds from this offering to repay borrowings outstanding under our Revolving Credit Facility. We had no amounts outstanding and $286.5 million available for borrowing under our Revolving Credit Facility as of September 30, 2013. Subsequent to September 30, 2013, we borrowed $131.0 million under our Revolving Credit Facility to fund a portion of investments as described further under Capitalization. The outstanding borrowings under the Revolving Credit Facility bear interest at a rate equal to an applicable percentage plus, at the Borrowers option, either (a) LIBOR or (b) a base rate determined as the greater of (i) the federal funds rate plus 0.5%, (ii) the prime rate, and (iii) one-month LIBOR plus 1.0%. Following repayment of the outstanding borrowings under the Revolving Credit Facility, we expect to have $25.5 million of borrowings outstanding under the Revolving Credit Facility and availability for future borrowings of $261.0 million. All borrowings under the Revolving Credit Facility mature on July 29, 2016.

Any underwriter or its affiliates which holds positions may receive a portion of the proceeds of this offering in the pending Tender Offer and Consent Solicitation or the redemption of any of the 2018 Notes not acquired in the tender offer. In addition, affiliates of certain of the underwriters are lenders under the Revolving Credit Facility and may receive a portion of the proceeds of this offering pursuant to the repayment of a portion of borrowings outstanding thereunder. See Underwriting Other Relationships in this prospectus supplement.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of September 30, 2013:

- on an actual basis;
- on a pro forma basis to give effect to the use of cash and $131.0 million borrowed under our Revolving Credit Facility after September 30, 2013 to fund a portion of the investments discussed in Note 12, Subsequent Events in the Notes to Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the three months ended September 30, 2013 as though such amount was borrowed on September 30, 2013; and
- on a pro forma as adjusted basis to give further effect to the issuance and sale of $350.0 million aggregate principal amount of Notes in this offering and the use of the net proceeds from such sale, assuming all of the outstanding 2018 Notes are purchased by the Issuers in the Tender Offer and Consent Solicitation or otherwise redeemed with the net proceeds of this offering, after deducting the underwriting discounts and commissions and our estimated offering expenses totaling approximately $8.6 million. See Use of Proceeds.

You should read this table together with Use of Proceeds and Description of Other Indebtedness included elsewhere in this prospectus supplement, as well as our consolidated financial statements and notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2012 and in our Quarterly Reports on Form 10-Q for the three months ended March 31, 2013, June 30, 2013 and September 30, 2013, which are incorporated by reference into this prospectus supplement.

	As of September 30, 2013		
	Actual	Pro Forma (in thousands)	Pro Forma As Adjusted
Cash and cash equivalents	$ 96,641	$ 3,000	$ 3,000
Long term debt, including amounts due within one year:			
Senior secured revolving credit facility (1)	$	$ 131,000	$ 25.534
Mortgage indebtedness	142,241	142,241	142,241
Senior notes (8.125% due 2018) (2)	211,250	211,250	
Senior notes (5.375% due 2023)	200,000	200,000	200,000
Notes offered hereby			350,000
Total debt	553,491	684,491	717,775
Total stockholders equity	423,190	423,190	423,190
Total capitalization	$ 976,681	$ 1,107,681	$ 1,140,965

(1) Our Revolving Credit Facility provides for up to a $375.0 million senior secured revolving credit facility (up to $30.0 million of which may be utilized for letters of credit) and includes an accordion feature that allows the borrowers (the Operating Partnership and certain of its subsidiaries) to increase the borrowing availability under the senior secured revolving credit facility by up to an additional $225.0 million, subject to certain terms and conditions. As of September 30, 2013, no amounts were outstanding under our Revolving Credit Facility. As of September 30, 2013, on a pro forma as adjusted basis assuming that all of our existing 2018

Notes are tendered for repurchase and that a portion of the outstanding borrowings under our Revolving Credit Facility are repaid, we would have $261.0 million of availability under our Revolving Credit Facility.

(2) Outstanding principal balance for the 2018 Notes does not include premium of $3.3 million as of September 30, 2013.

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DESCRIPTION OF OTHER INDEBTEDNESS

2018 Notes

On October 27, 2010, the Issuers issued $225.0 million aggregate principal amount of 8.125% senior, unsecured notes (referred to in this prospectus supplement as the 2018 Notes). On July 26, 2012, the Issuers issued an additional $100.0 million aggregate principal amount of 2018 Notes, which are treated as a single class with the previous issuance of 2018 Notes. On June 24, 2013, pursuant to the terms of the indenture governing the 2018 Notes, the Issuers redeemed $113.8 million in aggregate principal amount of the outstanding 2018 Notes, representing 35% of the aggregate principal amount of the 2018 Notes outstanding.

The obligations under the 2018 Notes are fully and unconditionally guaranteed, jointly and severally, on an unsecured basis, by Sabra and certain of Sabra s other existing and, subject to certain exceptions, future material subsidiaries; provided, however, that such guarantees are subject to release under certain customary circumstances. See Note 10. Summarized Condensed Consolidating Information in the Notes to Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the nine months ended September 30, 2013 for additional information concerning the circumstances pursuant to which the guarantors will be automatically and unconditionally released from their obligations under the guarantees.

The 2018 Notes are redeemable at the option of the Issuers, in whole or in part, at any time, and from time to time, on or after November 1, 2014, at the redemption prices set forth in the indenture governing the 2018 Notes, plus accrued and unpaid interest to the applicable redemption date. In addition, prior to November 1, 2014, the Issuers may redeem all or a portion of the 2018 Notes at a redemption price equal to 100% of the principal amount of the Senior Notes redeemed, plus a make-whole premium, plus accrued and unpaid interest to the applicable redemption date.

The indenture governing the 2018 Notes contains restrictive covenants that, among other things, restrict the ability of Sabra, the Issuers and their restricted subsidiaries to: (i) incur or guarantee additional indebtedness; (ii) incur or guarantee secured indebtedness; (iii) pay dividends or distributions on, or redeem or repurchase, their capital stock; (iv) make certain investments or other restricted payments; (v) sell assets; (vi) create liens on their assets; (vii) enter into transactions with affiliates; (viii) merge or consolidate or sell all or substantially all of their assets; and (ix) create restrictions on the ability of Sabra s restricted subsidiaries to pay dividends or other amounts to Sabra. The indenture governing the 2018 Notes also provides for customary events of default, including, but not limited to, the failure to make payments of interest or premium, if any, on, or principal of, the 2018 Notes, the failure to comply with certain covenants and agreements specified in the indenture for a period of time after notice has been provided, the acceleration of other indebtedness resulting from the failure to pay principal on such other indebtedness prior to its maturity, and certain events of insolvency. If any event of default occurs, the principal of, premium, if any, and accrued interest on all the then outstanding 2018 Notes may become due and payable immediately. As of September 30, 2013, we were in compliance with all applicable financial covenants under the 2018 Notes.

2023 Notes

On May 23, 2013, the Issuers issued $200.0 million aggregate principal amount of 5.375% senior unsecured notes due 2023 (referred to in this prospectus supplement as the 2023 Notes). The 2023 Notes accrue interest at a rate of 5.375% per annum payable semiannually on June 1 and December 1 of each year.

The obligations under the 2023 Notes are fully and unconditionally guaranteed, jointly and severally, on an unsecured basis, by Sabra and certain of Sabra s other existing and, subject to certain exceptions, future material subsidiaries; provided, however, that such guarantees are subject to release under certain customary circumstances. See Note 10. Summarized Condensed Consolidating Information in the Notes to Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the nine months ended September 30, 2013, for additional information concerning the circumstances pursuant to which the guarantors will be automatically and unconditionally released from their obligations under the guarantees.

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The 2023 Notes are redeemable at the option of the Issuers, in whole or in part, at any time, and from time to time, on or after June 1, 2018, at the redemption prices set forth in the indenture governing the 2023 Notes, plus accrued and unpaid interest to the applicable redemption date. In addition, prior to June 1, 2018, the Issuers may redeem all or a portion of the 2023 Notes at a redemption price equal to 100% of the principal amount of the 2023 Notes redeemed, plus a make-whole premium, plus accrued and unpaid interest to the applicable redemption date. At any time, or from time to time, on or prior to June 1, 2016, the Issuers may redeem up to 35% of the principal amount of the 2023 Notes, using the proceeds of specific kinds of equity offerings, at a redemption price of 105.375% of the principal amount to be redeemed, plus accrued and unpaid interest, if any, to the applicable redemption date. Assuming the 2023 Notes are not redeemed, the 2023 Notes mature on June 1, 2023.

The indenture governing the 2023 Notes contains restrictive covenants that, among other things, restrict the ability of Sabra, the Issuers and their restricted subsidiaries to: (i) incur or guarantee additional indebtedness; (ii) incur or guarantee secured indebtedness; (iii) pay dividends or distributions on, or redeem or repurchase, their capital stock; (iv) make certain investments; (v) create liens on their assets; (vi) enter into transactions with affiliates; (vii) merge or consolidate or sell all or substantially all of their assets; and (viii) create restrictions on the ability of Sabra s restricted subsidiaries to pay dividends or other amounts to Sabra. The indenture governing the 2023 Notes also provides for customary events of default, including, but not limited to, the failure to make payments of interest or premium, if any, on, or principal of, the 2023 Notes, the failure to comply with certain covenants and agreements specified in the indenture for a period of time after notice has been provided, the acceleration of other indebtedness resulting from the failure to pay principal on such other indebtedness prior to its maturity, and certain events of insolvency. If any event of default occurs, the principal of, premium, if any, and accrued interest on all the then outstanding 2023 Notes may become due and payable immediately. As of September 30, 2013, we were in compliance with all applicable financial covenants under the 2023 Notes.

Revolving Credit Facility

On July 29, 2013, the Operating Partnership entered into an amended and restated secured revolving credit facility (the Revolving Credit Facility). The Revolving Credit Facility provides for a borrowing capacity of $375.0 million and includes an accordion feature that allows the Operating Partnership to increase the borrowing availability by up to $225.0 million, subject to terms and conditions set forth in the credit agreement governing the Revolving Credit Facility. The Revolving Credit Facility is secured by pledges of equity by Sabra s wholly-owned subsidiaries that own certain of Sabra s real estate assets. Borrowing availability under the Revolving Credit Facility is subject to a borrowing base calculation based on, among other factors, the mortgageability cash flow (as such term is defined in the credit agreement governing the Revolving Credit Facility). The Revolving Credit Facility has a maturity date of July 29, 2016, and includes a one year extension option. As of September 30, 2013, there were no amounts outstanding under the Revolving Credit Facility and $286.5 million was available for borrowing. Subsequent to September 30, 2013, we borrowed $131.0 million on the Revolving Credit Facility to fund a portion of the investments discussed in Note 12, Subsequent Events in the Notes to Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the three months ended September 30, 2013.

Borrowings under the Revolving Credit Facility bear interest on the outstanding principal amount at a rate equal to an applicable percentage plus, at the Operating Partnership s option, either (a) LIBOR or (b) a base rate determined as the greater of (i) the federal funds rate plus 0.5%, (ii) the prime rate, and (iii) one-month LIBOR plus 1.0% (referred to as the Base Rate). The applicable percentage for borrowings will vary based on the Consolidated Leverage Ratio, as defined in the credit agreement governing the Revolving Credit Facility, and will range from 2.50% to 3.50% per annum for LIBOR based borrowings and 1.50% to 2.50% per annum for borrowings at the Base Rate. As of September 30, 2013, the interest rate on the Revolving Credit Facility was 3.18%. In addition, the Operating Partnership is required to pay a facility fee to the lenders equal to between 0.35% and 0.50% per annum based on the amount of unused borrowings under the Revolving Credit Facility. During the nine months ended September 30, 2013, Sabra incurred $0.8 million in interest expense on amounts outstanding under the secured revolving facility that was refinanced by the Revolving Credit Facility. Sabra did not incur any interest expense during the three months ended September 30, 2013. During the three and nine months ended September 30, 2013, Sabra incurred $0.4 million and $0.9 million, respectively, of unused facility fees.

The Revolving Credit Facility contains customary covenants that include restrictions or limitations on the ability to make acquisitions and other investments, pay dividends, incur additional indebtedness, engage in non-healthcare related business activities, enter into transactions with affiliates and sell or otherwise transfer certain assets as well as customary events of default. The Revolving Credit Facility also requires us, through the Operating Partnership, to comply with specified financial covenants, which include a maximum leverage ratio, a minimum fixed charge coverage ratio and a minimum tangible net worth requirement. As of September 30, 2013, we were in compliance with all applicable financial covenants under the Revolving Credit Facility.

Mortgage Indebtedness

As of September 30, 2013, of our 120 properties, 24 were subject to mortgage indebtedness to third parties that totaled approximately $142.2 million. As of September 30, 2013 and December 31, 2012, our mortgage notes payable consisted of the following (dollars in thousands):

Interest Rate Type	Book Value as of September 30, 2013	Book Value as of December 31, 2012	Weighted Average Interest Rate at September 30, 2013	Maturity Date
Fixed Rate	$ 85,247	$ 94,373	4.01%	August 2015 June 2047
Variable Rate (1)	56,994	57,949	5.00%	August 2015
	$ 142,241	$ 152,322	4.41%	

(1) Contractual interest rates under variable rate mortgages are equal to the 90-day LIBOR plus 4.0% (subject to a 1.0% LIBOR floor).

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DESCRIPTION OF NOTES

The following is a summary of the material provisions of the indenture governing the notes offered hereby (the Notes), dated as of May 23, 2013, as supplemented by a third supplemental indenture to be dated as of January 23, 2014 (the indenture), among Parent (as defined below), the Issuers, the subsidiary guarantors and Wells Fargo Bank, National Association, as trustee. It does not restate that agreement, and we urge you to read the indenture in its entirety, which is available upon request to Sabra at the address indicated under Where You Can Find More Information elsewhere in this prospectus supplement, because it, and not this description, defines your rights as a noteholder.

You can find the definitions of certain capitalized terms used in this description under the subheading Certain Definitions. The term Operating Partnership as used in this section refers only to Sabra Health Care Limited Partnership and not any of its subsidiaries, and the term Issuers as used in this section refers only to Sabra Health Care Limited Partnership and Sabra Capital Corporation and not to any of their subsidiaries and the term Parent as used in this section refers only to Sabra Health Care REIT, Inc. and not to any of its subsidiaries.

General

The Notes will be issued in an aggregate principal amount of $350 million. The Notes are unsecured senior obligations of the Issuers and will mature on February 1, 2021. The Notes offered hereby will initially bear interest at a rate of 5.5% per annum, payable semiannually to holders of record at the close of business on the January 15 or the July 15 immediately preceding the interest payment date on February 1 and August 1 of each year, commencing August 1, 2014.

Principal of, premium, if any, and interest on the Notes will be payable, and the Notes may be exchanged or transferred, in accordance with the terms of the indenture.

Interest on the Notes will accrue from the date of original issuance. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Notes will be issued only in fully registered form, without coupons, in denominations of $2,000 of principal amount and any integral multiple of $1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of Notes, but the Issuers are entitled to require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection with a registration of transfer.

Subject to the covenants described below under Covenants and applicable law, the Issuers are entitled to issue additional notes under the indenture. The Notes and any additional notes subsequently issued under the indenture will be treated as a single class for all purposes under the indenture, including waivers, amendments, redemptions and offers to purchase. Additional notes will not necessarily be fungible with the Notes for U.S. federal income tax purposes.

Guaranties and Subsidiary Guarantors

The Notes will be guaranteed by Sabra and by certain of its existing and, subject to certain exceptions, future subsidiaries of the Issuers, other than the subsidiaries of Sabra that hold properties subject to mortgages whose terms prohibit such subsidiaries from entering into guarantees of other indebtedness, including the Notes and our Revolving Credit Facility (such subsidiaries, the Real Property Non-Guarantor Subsidiaries). The subsidiaries that will guarantee the Notes are referred to herein as the Subsidiary Guarantors. The Real Property Non-Guarantor Subsidiaries became wholly owned subsidiaries of the Operating Partnership following the Separation and REIT Conversion Merger and hold 24 properties that are subject to mortgages whose terms prohibit such subsidiaries from entering into guarantees of other indebtedness. Sabra s net revenues on an annualized basis attributable to the properties held by the Real Property Non-Guarantor Subsidiaries were $29.3 million for the nine months ended September 30, 2013, and, as of September 30, 2013, these properties accounted for 20% of Sabra s total real estate investments, net of accumulated depreciation, and had aggregate mortgage indebtedness to third parties of approximately $142.2 million.

The Notes will be guaranteed on an unsecured senior basis by Sabra and the Subsidiary Guarantors. The guarantees will be unconditional regardless of the enforceability of the Notes and the indenture. The Notes will not be guaranteed by the Real Property Non-Guarantor Subsidiaries, any Unrestricted Subsidiaries we may create in the future or any future Restricted Subsidiaries that do not otherwise guarantee (or become a co-borrower in respect of) the Indebtedness of the Issuers or a Subsidiary Guarantor. As of the date of this prospectus supplement, there are no Unrestricted Subsidiaries.

Subject to certain exceptions, each future Restricted Subsidiary that subsequently guarantees Indebtedness of the Issuers or a Subsidiary Guarantor that ranks equally with or subordinate in right of payment to the Notes (or the applicable Subsidiary Guaranty) will be required to execute a Subsidiary Guaranty. See Covenants Future Guaranties by Restricted Subsidiaries.

Pursuant to the indenture, (A) a Subsidiary Guarantor may consolidate with, merge with or into, or transfer all or substantially all its assets to any other Person to the extent described below under Covenants Consolidation, Merger and Sale of Assets and (B) the Capital Stock of a Subsidiary Guarantor may be sold or otherwise disposed of to another Person to the extent described below under Covenants Limitation on Asset Sales ; provided, however, that, in the case of a consolidation, merger or transfer of all or substantially all the assets of such Subsidiary Guarantor, if such other Person is not the Parent, the Issuers or a Subsidiary Guarantor, such Subsidiary Guarantor s obligations under its Subsidiary Guaranty must be expressly assumed by such other Person, except that such assumption will not be required in the case of:

(1) the sale or other disposition (including by way of consolidation or merger) of a Subsidiary Guarantor, including the sale or disposition of Capital Stock of a Subsidiary Guarantor, following which such Subsidiary Guarantor is no longer a Subsidiary of the Parent; or

(2) the sale or disposition of all or substantially all the assets of a Subsidiary Guarantor;

in each case other than to the Parent or a Subsidiary of the Parent and as permitted by the indenture and if in connection therewith the Parent provides a certificate to the trustee to the effect that the Parent will comply with its obligations described below under Covenants Limitation on Asset Sales in respect of such disposition. Upon any sale or disposition described in clause (1) or (2) above, the obligor on the related Subsidiary Guaranty will be released from its obligations thereunder. Notwithstanding any of the foregoing, for the avoidance of doubt, the lease of all or substantially all of the assets of the Parent or its Subsidiaries shall not be subject to this paragraph.

The Subsidiary Guaranty of a Subsidiary Guarantor also will be released under specified circumstances, including in connection with a disposition of a Subsidiary Guarantor s Capital Stock if various conditions are satisfied. See Covenants Future Guaranties by Restricted Subsidiaries.

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Optional Redemption

Optional Redemption. Except as described below, the Issuers are not entitled to redeem any Notes prior to February 1, 2017. The Notes will be redeemable at the option of the Issuers, in whole or in part, at any time, and from time to time, on and after February 1, 2017, upon not less than 30 days nor more than 60 days notice, at the following redemption prices (expressed as percentages of the principal amount thereof) if redeemed during the 12-month period commencing February 1 of the years indicated below, in each case together with accrued and unpaid interest thereon to the redemption date:

Year	**Redemption Price**
2017	104.125%
2018	102.750%
2019	101.375%
2020	100.000%

Prior to February 1, 2017, the Issuers will be entitled, at their option, to redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium as of, and accrued and unpaid interest to, the redemption date (subject to the right of holders on the relevant record date to receive interest due on the relevant interest payment date). Notice of such redemption must be mailed by first-class mail to each holder s registered address or as otherwise provided in accordance with the procedures of DTC, not less than 30 nor more than 60 days prior to the redemption date.

Applicable Premium means with respect to a Note at any redemption date, the greater of (1) 1.00% of the principal amount of such Note and (2) the excess of (A) the present value at such redemption date of (i) the redemption price of such Note on February 1, 2017 (such redemption price being described in the first paragraph in this Optional Redemption section exclusive of any accrued interest) plus (ii) all required remaining scheduled interest payments due on such Note through February 1, 2017 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate, over (B) the principal amount of such Note on such redemption date.

Adjusted Treasury Rate means, with respect to any redemption date, (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after February 1, 2017, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated by the Issuers on the third Business Day immediately preceding the redemption date, in each case, plus 0.50%.

Comparable Treasury Issue means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the Notes from the redemption date to February 1, 2017, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to February 1, 2017.

Comparable Treasury Price means, with respect to any redemption date, if clause (2) of the Adjusted Treasury Rate definition is applicable, the average of three, or such lesser number as is obtained by the Issuers, Reference Treasury Dealer Quotations for such redemption date.

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Quotation Agent means the Reference Treasury Dealer selected by the Issuers.

Reference Treasury Dealer means Merrill Lynch, Pierce, Fenner & Smith Incorporated and its successors and assigns, Barclays Capital Inc. and its successors and assigns, Citigroup Global Markets Inc. and its successors and assigns, and RBS Securities Inc. and its successors and assigns.

Reference Treasury Dealer Quotations means with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuers, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day immediately preceding such redemption date.

Optional Redemption upon Equity Offerings. At any time, or from time to time, on or prior to February 1, 2017, the Issuers are entitled, at their option, to use an amount equal to all or a portion of the Net Cash Proceeds of one or more Equity Offerings to redeem up to 35% of the principal amount of the Notes (together with any additional notes) issued under the indenture at a redemption price of 105.5% of the principal amount thereof plus accrued and unpaid interest thereon, if any, to the date of redemption; *provided, however*, that:

(1) at least 65% of the principal amount of Notes originally issued under the indenture remains outstanding immediately after such redemption; and

(2) the Issuers make such redemption not more than 120 days after the consummation of any such Equity Offering.

The Issuers or their Affiliates are entitled to acquire Notes by means other than a redemption from time to time, including through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise, so long as such acquisition does not otherwise violate the terms of the indenture, upon such terms and at such prices as the Issuers or their Affiliates may determine, which may be more or less than the consideration for which the Notes offered hereby are being sold and may be less than any redemption price then in effect and could be for cash or other consideration.

Selection and Notice of Redemption for Optional Redemptions

In the event that the Issuers elect to redeem less than all of the Notes, selection of the Notes for redemption will be made by the trustee either:

(1) in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are then listed; or

(2) on a pro rata basis, by lot or by such method as the trustee will deem fair and appropriate.

No Notes of a principal amount of $2,000 or less will be redeemed in part. If a partial redemption is made in an amount equal to all or a portion of the proceeds of an Equity Offering, the trustee will select the Notes on a pro rata basis to the extent practicable, by lot or such other method as the trustee in its sole discretion shall deem to be fair and appropriate, unless another method is required by law or applicable exchange or depositary requirements (subject to DTC procedures). Notice of redemption will be mailed by first-class mail or as otherwise provided in accordance with the procedures of DTC at least 30 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the indenture. Notices of redemption may be given prior to the completion of an Equity Offering, and any redemption or notice may, at the Issuers discretion, be subject to the completion of an Equity Offering. Unless the Issuers default in the payment of the redemption price, on and after the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption.

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Sinking Fund

There will be no sinking fund payments for the Notes.

Ranking

The Notes are senior unsecured obligations of the Issuers, and rank equally in right of payment with other existing and future unsecured senior Indebtedness of the Issuers, including $200.0 million of the 2023 Notes and any 2018 Notes that remain outstanding after the consummation of the Tender Offer and Consent Solicitation. The Notes are effectively junior to all of the Issuers and the Issuers consolidated Subsidiaries secured Indebtedness to the extent of the value of the collateral securing such debt, including our $375.0 million revolving credit facility and our mortgage indebtedness, and structurally subordinated to all Indebtedness of any non-guarantor Subsidiaries. As of September 30, 2013, on a pro forma as adjusted basis after giving effect to (i) the issuance and sale of the Notes, (ii) the borrowing of an aggregate principal amount of $131.0 million under the Revolving Credit Facility as described further under Capitalization (which we drew down subsequent to September 30, 2013 to fund a portion of investments) and (iii) the application of the estimated net proceeds from this offering as set forth under Use of Proceeds to (a) fund our pending Tender Offer and Consent Solicitation and assuming all of our existing 2018 Notes are tendered for repurchase and (b) pay down $105.5 million of the $131.0 million of borrowings outstanding under the Revolving Credit Facility, we would have had:

(i) approximately $717.8 million of total consolidated indebtedness outstanding;

(ii) approximately $167.8 million of secured indebtedness outstanding; and

(iii) $261.0 million in borrowings available under our Revolving Credit Facility given the borrowing base requirements of the facility (all of which would be effectively senior to the Notes to the extent of the value of the underlying assets).

The guarantees of each Guarantor will be unsecured senior obligations of such Guarantor and will rank equally in right of payment with all existing and future unsecured senior Indebtedness of such Guarantor. The guarantees of our Guarantors will be effectively subordinated to all of the Secured Indebtedness of such Guarantor, to the extent of the value of the underlying assets. See Guaranties and Subsidiary Guarantors for a description of which entities will guarantee the Notes.

Suspension of Covenants

During a Suspension Period, the Parent and its Restricted Subsidiaries will not be subject to the following corresponding provisions of the indenture:

Covenants Limitation on Indebtedness ;

Covenants Maintenance of Total Unencumbered Assets ;

Covenants Limitation on Restricted Payments ;

Covenants Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries ;

Covenants Future Guaranties by Restricted Subsidiaries ;

Covenants Limitation on Transactions with Affiliates ; and

Covenants Limitation on Asset Sales.

All other provisions of the indenture will apply at all times during any Suspension Period so long as any Notes remain outstanding thereunder.

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Suspension Period means any period:

(1) beginning on the date that:

(A) the Notes have Investment Grade Status;

(B) no Default or Event of Default has occurred and is continuing; and

(C) the Issuers have delivered an officer s certificate to the trustee certifying that the conditions set forth in clauses (A) and (B) above are satisfied; and

(2) ending on the date (the Reversion Date) that the Notes cease to have Investment Grade Status.

On each Reversion Date, all Indebtedness, liens thereon and dividend blockages incurred during the Suspension Period prior to such Reversion Date will be deemed to have been outstanding on the Closing Date.

For purposes of calculating the amount available to be made as Restricted Payments under clause (C) of the first paragraph of the Limitation on Restricted Payments covenant, calculations under that clause will be made with reference to the Transaction Date, as set forth in that clause. Accordingly, (x) Restricted Payments made during the Suspension Period not otherwise permitted pursuant to any of clauses (1) through (13) under the third paragraph under the Limitation on Restricted Payments covenant will reduce the amount available to be made as Restricted Payments under clause (C) of the first paragraph of such covenant; provided, however, that the amount available to be made as a Restricted Payment on the Transaction Date shall not be reduced to below zero solely as a result of such Restricted Payments, but may be reduced to below zero as a result of negative cumulative Adjusted Consolidated Net Income or Funds from Operations during the Suspension Period, as applicable, for the purpose of the first or second bullet under clause (C) of the first paragraph of such covenant, and (y) the items specified in the six bullets under clause (C) of the first paragraph of such covenant that occur during the Suspension Period will increase the amount available to be made as Restricted Payment under clause (C) of the first paragraph of such covenant. Any Restricted Payment made during the Suspension Period that are of the type described in the third paragraph of the Limitation on Restricted Payments covenant (other than the Restricted Payment referred to in clause (2) of the such third paragraph or an exchange of Capital Stock for Capital Stock or Indebtedness referred to in clause (3) or (4) of such third paragraph), and the Net Cash Proceeds from any issuance of Capital Stock referred to in clauses (3) and (4) of the third paragraph of the Limitation on Restricted Payments covenant shall be included in calculating the amounts permitted to be incurred under such clause (C) on each Reversion Date. For purposes of the Limitation on Asset Sales covenant, on each Reversion Date, the unutilized Excess Proceeds will be reset to zero. No Default or Event of Default will be deemed to have occurred on the Reversion Date (or thereafter) under any Suspended Covenant solely as a result of any actions taken by the Parent, the Issuers or any Restricted Subsidiaries thereof, or events occurring, during the Suspension Period. For purposes of the Maintenance of Total Unencumbered Assets covenant, if the Issuers and their Restricted Subsidiaries are not in compliance with such covenant as of a Reversion Date, no Default or Event of Default will be deemed to have occurred for up to 120 days following the Reversion Date, provided that neither the Issuers nor any of their Restricted Subsidiaries shall incur any Secured Indebtedness until such time that the requirements of such covenant have been.

Covenants

The indenture contains, among others, the following covenants:

Limitation on Indebtedness

(1) The Parent will not Incur any Indebtedness (including Acquired Indebtedness) other than the guarantees issued on the Closing Date, other Indebtedness existing on the Closing Date, and guarantees of Indebtedness of the Issuers or any other Restricted Subsidiary of the Parent provided such Indebtedness is

permitted by and made in accordance with this covenant. The Parent will not permit any of its Restricted Subsidiaries (including the Issuers) to Incur any Indebtedness (including Acquired Indebtedness) if, immediately after giving effect to the Incurrence of such additional Indebtedness and the receipt and application of the proceeds therefrom, the aggregate principal amount of all outstanding Indebtedness of the Parent and its Restricted Subsidiaries on a consolidated basis is greater than 60% of Parent s Adjusted Total Assets.

(2) The Issuers will not, and will not permit any of their Restricted Subsidiaries to, Incur any Secured Indebtedness (including Acquired Indebtedness) if, immediately after giving effect to the Incurrence of such additional Secured Indebtedness and the receipt and application of the proceeds therefrom, the aggregate principal amount of all outstanding Secured Indebtedness of the Issuers and their Restricted Subsidiaries on a consolidated basis is greater than 40% of Parent s Adjusted Total Assets.

(3) The Parent will not permit any of its Restricted Subsidiaries (including the Issuers) to Incur any Indebtedness (including Acquired Indebtedness); provided, however, that the Issuers or any of the Subsidiary Guarantors may Incur Indebtedness (including Acquired Indebtedness) if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, the Interest Coverage Ratio of the Issuers and their Restricted Subsidiaries on a consolidated basis would be at least 2.0 to 1.0.

(4) Notwithstanding paragraphs (1), (2) or (3) above, the Parent or any of its Restricted Subsidiaries (except as specified below) may Incur each and all of the following:

(A) Indebtedness of the Parent, the Issuers or any of Subsidiary Guarantors outstanding under any Credit Facility at any time in an aggregate principal amount not to exceed the greater of $525 million and 30% of Parent s Adjusted Total Assets;

(B) Indebtedness of the Issuers or any of their Restricted Subsidiaries owed to:

the Issuers evidenced by an unsubordinated promissory note, or

any Restricted Subsidiary;

provided, however, that any event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary of the Issuers or any subsequent transfer of such Indebtedness (other than to the Issuers or any other Restricted Subsidiary of the Issuers) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (B);

(C) Indebtedness of the Issuers or any of their Restricted Subsidiaries under Currency Agreements and Interest Rate Agreements; provided that such agreements (i) are designed solely to protect the Issuers or any of their Restricted Subsidiaries against fluctuations in foreign currency exchange rates or interest rates (whether fluctuations of fixed to floating rate interest or floating to fixed rate interest) and (ii) do not increase the Indebtedness of the obligor outstanding at any time other than as a result of fluctuations in foreign currency exchange rates or interest rates or by reason of fees, indemnities and compensation payable thereunder;

(D) Indebtedness of the Issuers or any of the Subsidiary Guarantors, to the extent the net proceeds thereof are promptly:

used to purchase Notes tendered in an Offer to Purchase made as a result of a Change in Control, or

used to redeem all the Notes as described above under Optional Redemption,

deposited to defease the Notes as described below under Defeasance, or deposited to discharge the obligations under the Notes and indenture as described below under Satisfaction and Discharge ;

(E)(i) Guarantees of Indebtedness of the Issuers or any of the Subsidiary Guarantors by the Parent, (ii) Guarantees of Indebtedness of the Issuers by any of their Restricted Subsidiaries provided the guarantee of such Indebtedness is permitted by and made in accordance with the Future Guaranties by Restricted Subsidiaries covenant described below, and (iii) any Guarantees by a Subsidiary Guarantor of any Indebtedness of any other Subsidiary Guarantor;

(F) Existing Indebtedness;

(G) Indebtedness represented by the Notes and the Guaranties issued on the Closing Date;

(H) Indebtedness consisting of obligations to pay insurance premiums incurred in the ordinary course of business;

(I) Indebtedness in respect of any bankers acceptance, bank guarantees, letter of credit, warehouse receipt or similar facilities, and reinvestment obligations related thereto, entered into in the ordinary course of business;