

Kentucky Holdings I LLC  
Form 424B5  
May 20, 2013  
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Filed pursuant to Rule 424(b)(5)  
Registration No. 333-188696

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

Subject to Completion

Preliminary Prospectus Supplement dated May 20, 2013

PROSPECTUS SUPPLEMENT

(to Prospectus dated May 20, 2013)

**\$200,000,000**

## **Sabra Health Care Limited Partnership**

## **Sabra Capital Corporation**

**% Senior Notes due 2023**

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

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

The Issuers may redeem some or all of the Notes prior to , 2018 at a price equal to 100% of the principal amount, together with any accrued and unpaid interest to the redemption date, plus a make-whole premium. The Issuers may also redeem the Notes on or after , 2018 at the redemption prices specified under Description of Notes Optional Redemption, together with any accrued and unpaid interest to the

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redemption date. In addition, the Issuers may redeem up to 35% of the Notes prior to \_\_\_\_\_, 2016 with an amount equal to the net cash proceeds from specific kinds of equity offerings.

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

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

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

(1) Plus accrued interest, if any, from \_\_\_\_\_, 2013 if initial settlement occurs after that date.

(2) We have agreed to reimburse the underwriters for certain expenses in connection with this offering. See Underwriting.

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

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

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

*Joint Book-Running Managers*

**BofA Merrill Lynch**

**Barclays**

**RBC Capital Markets**

**Wells Fargo Securities**

*Co-Managers*

**Credit Agricole CIB**

**RBS**

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The date of this prospectus supplement is \_\_\_\_\_, 2013.

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

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

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

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

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

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

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

our dependence on Genesis HealthCare LLC ( Genesis ), the parent of Sun Healthcare Group, Inc. ( Sun ), until we are able to further diversify our portfolio;

our dependence on the operating success of our tenants;

changes in general economic conditions and volatility in financial and credit markets;

the dependence of our tenants on reimbursement from governmental and other third-party payors;

the significant amount of and our ability to service our indebtedness;

covenants in our debt agreements that may restrict our ability to make acquisitions, incur additional indebtedness and refinance indebtedness on favorable terms;

increases in market interest rates;

our ability to raise capital through equity financings;

the relatively illiquid nature of real estate investments;

competitive conditions in our industry;

the loss of key management personnel or other employees;

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

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

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

**Our Industry**

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

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

### **Portfolio of Healthcare Properties**

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

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

#### *Skilled Nursing/Post-Acute Facilities*

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

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

#### *Senior Housing*

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

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



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

*Acute Care Hospital*

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

**Geographic and Property Type Diversification**

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

**Geographic Concentration Property Type**

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

**Table of Contents****Distribution of Licensed Beds/Units <sup>(1)</sup>**

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