SBSM 3 Holdings LLC

Footnotes and Explanations

December 31, 2023

SCHEDULE 1 TABLE 1 LINE 1.6

Name of Realty Company filing is SBSM 3 Holdings LLC. Currently listed in the software as ‘Somerset Ridge SNF Operations BHC LLC’ which is incorrectly populating as the name of the Nursing Home.

\*Mass CHIA is aware and instructed to note in footnotes to avoid data loss of changing name in software.

SBSM 3 Holdings LLC has 100% ownership of MA Somerset Prop Holdings, LLC, which is the realty company for Somerset Ridge SNF Operations BHC, LLC. SBSM 3 Holdings LLC has 100% ownership of MA SB Prop Holdings, LLC which is the realty company for Sarah Brayton SNF Operations BHC, LLC.

The Realty Companies for Sarah Brayton SNF Operations BHC, LLC and Somerset Ridge SNF Operations BHC, LLC report financial results on a consolidated balance sheet and income statement. Rent and other fixed costs are allocated 57.55% to Sarah Brayton SNF Operations BHC, LLC and 42.45% to Somerset Ridge SNF Operations BHC, LLC based on bed size.

SCHEDULE 1 TABLE 1 LINE 1.12

The Realty Company’s phone number is +1 (508) 679-2240 which is incorrectly populating as blank in the software.

\*Mass CHIA is aware and instructed to note in footnotes to avoid data loss of pushing the change through the software.

SCHEDULE 1, TABLE 3, LINE 3.16

Bonadio & Co., LLP assists in cost report preparation.

**SCHEDULE 2, TABLE 2, LINES 2.5 & 2.11**

**SCHEDULE 5, TABLE 1**

The below diagnostic states that Long-Term Interest: Nursing Facilities (Schedule 2, Line 2.5, Column 2) must equal Schedule 5 (L100, C19), which it does. The edit actually forces it to equal Schedule 5 (L100, C21). Due to the system diagnostic not referencing the correct Schedule 5 Column Number, we were forced to move amortization of mortgage acquisition costs out of Other Fixed Assets, and into Long-Term Interest: Nursing Facilities on Schedule 2.

$944,471 Interest Expense (Schedule 5 L100 / C19)

$120,520 Amortization of Mortgage Acquisition Costs (Schedule 5 L100 / C11)

$1,064,991 Total (Schedule 5 L100 / C21)

A close-up of a table

Description automatically generated

NOTE: Because of this error in the Schedule 5 diagnostic Line/Column on the REA-CR, Schedule 3 (Table 4, Lines 4.3 & 4.13 Col 2) on the SNF-CR, will not match because we kept the interest and amortization broken out separately on Schedule 3 Lines 4.3 & 4.13 and not combined on interest Line 4.3.

SCHEDULE 5 TABLE 1 LINE 1.1 COLUMN 2

This note is a bridge loan as opposed to a standard mortgage, of which the realty has the option to sign an extension to extend out the maturity of the loan.