

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported):
December 24, 2012

CORNERSTONE CORE PROPERTIES
REIT, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or Other Jurisdiction of Incorporation)

000-52566
(Commission File Number)

73-1721791
(I.R.S. Employer Identification
Number)

1920 Main Street, Suite 400
Irvine, California 92614
(Address of principal executive offices)

(949) 852-1007
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

The information in this Report set forth under Items 2.01 and 2.03 related to the joint venture to acquire the Pacific Property (as defined below) and the related financing arrangement is incorporated by reference herein.

Item 2.01 Completion of Acquisition or Disposition of Assets**Joint Venture to Acquire Pacific Property*****General***

On December 21, 2012, we, through a wholly-owned subsidiary, funded a joint venture, Cornerstone Healthcare Partners, LLC (the “JV”), that acquired, through the exercise of an option that was assigned to us by Pacific Gardens Real Estate LLC (“Seller”), the Pacific Health & Rehabilitation skilled-nursing facility (“Pacific”) located in Tigard, Oregon for \$8.2 million in cash. Cornerstone Healthcare Real Estate Fund, Inc. (“CHREF”), an affiliate of our advisor, is our joint venture partner in the \$8.2 million transaction. Pacific, located at 14145 SW 105th Street, Tigard, Oregon has an operational capacity of 78 beds.

Pacific will be leased by the JV to Dakavia Management, the current operator, pursuant to a long-term triple-net lease. The lease term is fifteen years with a lessee option to renew for an additional five-year period. The lease rate for Pacific, calculated as the first year lease payment as a percentage of the purchase price, is 10.0%. The initial cash on cash yield, calculated by dividing the first year lease payment, less the asset management and property management fees paid to our advisor, by the equity contribution, is estimated to be 15.1% for Pacific.

In connection with the acquisition, we have paid to our advisor, Cornerstone Realty Advisors (the “Advisor”) certain fees in connection with the acquisition, management and leasing of Pacific. The acquisition fee paid to the Advisor totals \$0.1 million, or 1.4% of the pro-rata portion of the purchase price of the acquired property.

The Advisor will also perform leasing services for us with respect to Pacific and will receive a one-time leasing fee with respect to the leasing of Pacific equal to 2.5% of the rent payable by the tenant during the initial term of the lease, payable upon the effective date of the lease.

Parties and Structure

Capital Contributions. We invested approximately \$2.2 million to maintain a 95% equity interest in the JV. CHREF invested approximately \$0.1 million to maintain its 5% equity interest in the JV.

Management of the JV. As the manager of the JV, we generally have the authority to direct and control the business of the JV; however, under the terms of the operating agreement for the JV, certain major decisions regarding the business of the JV require the unanimous approval of us and CHREF. Such major decisions include, among others, (i) the sale or transfer of all or substantially all of the JV's assets, (ii) any merger or consolidation of the JV with any other entity, (iii) admission of new members, (iv) loans of JV funds, (v) incur or enter into any lease, conveyance, mortgage or other agreement or indebtedness on behalf of the JV which requires the personal guarantee of any member or any affiliate of any member and (vi) taking any action to cause the dissolution of the JV. The operating agreement contains terms, conditions, representations, warranties and indemnities that are customary and standard for joint ventures in the real estate industry. As the manager of the JV, we may be entitled to receive compensation for services as shall be determined by consent of all of the members.

Distributions to the JV Members. Distributions to the members of the JV are made first, in proportion to the remaining balance of capital contributions which were paid by each member and not returned to such member, until the cumulative amount of capital contributions paid by each member has been returned to such member; then, in proportion to the percentage interest in the JV held by the member.

Pacific Property

14145 SW 105th Street, located approximately ten miles southwest of Portland in Tigard, Oregon, is a 28,514 square foot, 78-bed skilled-nursing facility with a current occupancy of 88%. The facility was built in 1987 of wood frame and block.

The operator of Pacific has served in that capacity since 2005, and has over twenty years of experience operating skilled nursing facilities in the Pacific Northwest. As described above, upon the closing of the purchase, the existing operator will continue operating Pacific under a long-term, triple-net lease. Including Pacific, the operator manages four skilled-nursing facilities in Oregon.

In evaluating Pacific as a potential acquisition and determining the appropriate amount of consideration to be paid for the property, we considered a variety of factors including overall valuation of targeted net rental income, quality of and regulatory compliance of the operator, location, demographics, existing and planned competitive properties and price per bed and analyzed how the property compares to comparable properties in its market.

ITEM 2.03 Creation of a Direct Financial Obligation or an Obligation Under an Off Balance Sheet Arrangement of Registrant.

We acquired our interest in Pacific subject to a secured loan. On December 21, 2012, we amended the loan agreement with General Electric Capital Corporation ("GE Loan") entered into on September 13, 2012 for an additional loan in the amount of \$6.15 million secured by security interests in Pacific and our Sheridan Care Center, Fern Hill Care Center, Farmington Square, and Friendship Haven Healthcare and Rehabilitation Center properties. The GE Loan, which bears interest at LIBOR (London Interbank Offer Rate), with a floor of 50 basis points, plus a spread of 4.50%, matures on September 12, 2017, at which time all outstanding principal, accrued and unpaid interest and any other amounts due under the loan agreement will become due. The GE Loan is interest-only and may be voluntarily prepaid within the twelve-month lockout period provided the borrower pays a penalty equal to the sum of the LIBOR Breakage Amount, as defined in the loan agreement, and two percent of the outstanding balance of the loan. The loan may be prepaid with no penalty after the expiration of the twelve-month lockout period if refinanced with the United States Department of Housing and Urban Development. Interest payments on the GE Loan are due monthly. After the lockout period, principal and interest payments are due monthly based on 25-year amortization schedule.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

- 10.1 Assignment of option right agreement effective December 24, 2012 between Pacific Gardens Estates, LLC and CHP Tigard, LLC.
 - 10.2 Purchase and Sale agreement effective April 10, 2012 and assigned to Buyer on September 11, 2012 between CHP Portland LLC (Buyer) and Sheridan Care Center LLC, Sheridan Properties, LLC, Fernhill Estates LLC, Fernhill Properties LLC, and Pacific Gardens Estates LLC, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 10-Q filed on November 14, 2012.
 - 99.1 Press release dated December 31, 2012 titled "Cornerstone Core Properties REIT, Inc. Acquires Skilled Nursing Facility through Joint Venture."
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SIGNATURE

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

Dated: December 28, 2012

CORNERSTONE CORE PROPERTIES REIT, INC.

By: /s/ Timothy C. Collins
Timothy C. Collins
Chief Financial Officer

ASSIGNMENT OF OPTION RIGHT

THIS ASSIGNMENT OF OPTION RIGHT ("Agreement") is entered into this 24th day of December 2012, by and between the following parties:

ASSIGNOR: **Pacific Gardens Estates, LLC, an**
Oregon limited liability company
c/o Dover Management, Inc.
850 Promontory Place SE
PO Box 3548
Salem OR 97302

And

ASSIGNEE: **CHP Tigard, LLC,**
a Delaware limited liability company
1920 Main Street, Suite 400
Irvine CA 92614

RECITALS:

- A. Assignor, under a written Lease dated September 30, 2000 (the "Lease") leases from Tigard Investment Group, LLC ("Landlord") the skilled nursing facility and certain personal property therein located at 14145 S.W. 105th Street, Tigard, Oregon, as legally described in **Exhibit "A"** (said real and personal property referred to collectively as the "Property").
- B. Assignor entered into an Option Agreement dated April 1, 2010, attached as **Exhibit "B"** (the "Option Agreement") which provides Assignor with the option to purchase the Property (the "Option") for an option exercise price of \$3,060,000, if exercised between March 1, 2012 and February 28, 2013.
- C. Pursuant to that certain Purchase and Sale Agreement dated April 10, 2012, as amended (the "Sale Agreement"), Pacific agreed to sell to CHP, and CHP agreed to purchase, the Option.
- D. The parties wish complete this Assignment and memorialize their agreement in writing.

NOW, THEREFORE, in consideration of the mutual promises, representations and warranties of the parties, the parties enter into the following:

AGREEMENT:

1. **Incorporation of Recitals** . The above Recitals are incorporated herein by reference.
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2. **Purchase Price** . Assignee shall pay to Assignor the sum of \$5,140,000 (the “Purchase Price”) in consideration for this Assignment. At Closing, the following sums will be credited against the Purchase Price:

2.1.	Consideration adjustment to Purchase Price as credit to Assignee:	\$60,000
2.2.	Credit to Assignee for release of deposit funds:	\$248,000

At Closing, Assignee shall pay directly to Landlord the sum of \$3,060,000, as the Option purchase price less the \$100,000 initial deposit made by Assignee.

3. **Assignment** . Assignor hereby assigns and transfers unto Assignee all of Assignor’s right, title and interest in and to the Option Agreement upon payment of the Purchase Price.

4. **Representations and Warranties** . This Assignment is subject to the representations, warranties, disclaimers and other terms and conditions in the Sale Agreement.

5. **Counterparts** . This Agreement may be executed in counterparts, each of which shall be considered an original and all of which together shall constitute one and the same Agreement.

6. **Facsimile or Email Signatures** . The facsimile or email transmission of this signed Agreement shall be the same as delivery of an original. At the request of any party, the parties shall confirm the facsimile or email transmitted signatures by signing an original document.

7. **Representation of Counsel** . This Agreement was prepared by Garrett Hemann Robertson P.C. which represents Assignor only in this matter. Assignee is represented by DLA Piper LLP (US) in this matter. The parties acknowledge that they have had an opportunity to negotiate the terms of this Agreement and even though this Agreement was drafted by counsel for Assignor, it shall not be construed against any party.

(Signatures on Following Page)

IN WITNESS WHEREOF, the undersigned have executed the foregoing as of the date first set forth above.

ASSIGNOR:

Pacific Gardens Estates, LLC,
dba Pacific Health & Rehabilitation

By: /s/ Don R. Bybee
Don R. Bybee, Member/Manager

By: /s/ Kent Emry
Kent Emry, Member/Manager

ASSIGNEE:

CHP Tigard, LLC, a Delaware limited liability company

By **Cornerstone CORE Properties REIT, Inc.,**
a Maryland corporation, its Manager

By: /s/ Kent Eikanas
Kent Eikanas, President/
Chief Operating Officer

EXHIBIT "A"

A tract of land in the Northeast quarter of Section 10, Township 2 South, Range 1 West, Willamette Meridian, in the City of Tigard, Washington County, Oregon, being portions of those tracts of land described in Book 405 at Page 575 and Book 446 at Page 736 of the Washington County Records; said tract of land is described as follows:

Beginning at a 5/8 inch iron rod which bears North 89°54'02" West, 169.86 feet, and South 00° 39' West, 205.00 feet from the Northeast corner of Section 10, said iron rod being on the West line of that public right of way described in Book 677 at Page 251 of the said records; thence South 00° 39' West, 4.51 feet to a 5/8 inch iron rod; thence on a 50.00 foot radius curve to the left, 124.65 feet along the arc (the long chord bears South 19°13'55" West, 94.79 feet) to a 5/8 inch iron rod on the West line of that tract of land conveyed to Robert T. Cooper, et al, as recorded in Book 556, Page 17 of the said records; thence South 00°39' West, 306.95 feet along the West line of the said Cooper tract, to a 5/8 inch iron rod; thence North 73°46'12" West, 259.71 feet to a 5/8 inch iron rod; thence North 40°28'06" West, 90.33 feet to a 5/8 inch iron rod; thence North 63°39'08" West, 25.00 feet; thence North 33°54'34" East, 245.65 feet to a 5/8 inch iron rod; thence South 64°13'58" East, 25.02 feet to a 5/8 inch iron rod; thence North 51 °45'05" East, 90.14 feet to a 5/8 inch iron rod; thence South 89°53'18" East, 134.79 feet to the point of beginning.

Description)

(Legal

OPTION AGREEMENT

This OPTION AGREEMENT is made and entered into by and between TIGARD INVESTMENT GROUP, LLC (Optionor and Landlord referred to herein as "Landlord") and PACIFIC GARDENS ESTATES, LLC dba Pacific Health and Rehabilitation (Optionee and Tenant, referred to herein as "Tenant") and is dated April 1, 2010.

Reference is made to that certain written lease dated September 30, 2000 (the "Lease") for the skilled nursing facility and certain personal property therein located at 14145 S.W. 105th Street, Tigard, Oregon (said real and personal property referred to collectively as the "Property") of which Landlord is the landlord, and Tenant, by assignment and assumption dated March 1, 2008, is the present tenant bound by the Lease and in possession of the Property. The real property is more particularly described in Exhibit A attached hereto and incorporated herein by reference.

1 Option to Purchase. Provided that Tenant is not in material default under the Lease, Tenant shall have the option, exercisable between April 1, 2010 and September 1, 2013, to purchase the Property for the price and on the terms and conditions set forth as follows:

1.1 Exercise of Option. The option shall be exercised by delivering written notice from Tenant to Landlord on any date on or before September 1, 2013 at Landlord's place of business at the address hereinafter designated, affirmatively stating (a) that the Tenant exercises the option without condition or qualification; (b) that Tenant has opened an escrow with a national title and escrow company and deposited therein the sum of \$100,000.00 as a good faith deposit on account of the purchase price, accompanied by a receipt for such deposit; and (c) the date which Tenant designates for the close of escrow which date shall be no less than six (6) calendar months nor more than eight (8) months from the date of delivery of the notice. In all events, the closing date may not be later than the last day of February 2014. Tenant's exercise of Tenant's option to purchase the Property shall be irrevocable. If Tenant does not exercise the option in a manner required by this Section 1.1 on or before September 1, 2013, the option shall expire and shall be of no

further force or effect. Notwithstanding the foregoing, any purported exercise of Tenant's option to purchase the Property shall be null and void and of no force or effect whatsoever if Tenant is then in default under the Lease or if Tenant is in default under the Lease as of the scheduled close of escrow for Tenant's purchase of the Property. Tenant may close the escrow when ready within the window of 15 calendar days prior to the designated date for close of escrow through 15 calendar days following the designated date, provided that the actual close of escrow is no later than the last day of February 2014. Failure to close the escrow within that thirty (30) day window shall render the exercise of the option null and void, unless Landlord consents in writing to an alternative closing date outside of that window.

1.2 Purchase Price. If the actual closing date of the escrow is on or before the last day of February 2012, the purchase price for the Property shall be \$3,000,000.00. If the actual closing date of the escrow is between March 1, 2012 and the last day of February 2013, the purchase price for the Property shall be \$3,060,000.00. If the actual closing date of the escrow is between March 1, 2013 and the last day of February 2014, the purchase price for the Property shall be \$3,120,000.00.

1.3 Closing Costs. The Purchase Price shall be all cash to Landlord, and shall be net of any and all title insurance, escrow fees, recording fees, transfer taxes, survey costs, or other fees or costs, all of which shall be paid by Tenant, and none of which shall be paid by Landlord. Inasmuch as Tenant is in possession of the Property under a NNN lease, Tenant will pay or assume all taxes, assessments, casualty or liability insurance, utilities, and all other like expenses incurred in connection with the possession or operation of the Property.

1.4 Rent. The purchase price for the Property shall be in addition to any rent paid or owing by Tenant under the Lease. In no event shall any rent paid by Tenant under the Lease be credited or applied to the purchase price for the Property. Rent under the Lease shall be prorated as of close of escrow.

1.5 Title. Title to the Property shall be conveyed to Tenant free and clear of all liens and encumbrances except for real and personal property taxes not yet due and payable, any liens or encumbrances caused or permitted by Tenant during the

term of the Lease, any liens and encumbrances approved by Tenant, and any other liens or encumbrances which do not materially affect the value or use of the Demised Premises. Title to the real property shall be conveyed by Statutory Warranty Deed. Title to the personal property shall be conveyed by Bill of Sale.

1.6 Condition of the Property. Tenant is in possession of the Property, and has had the unlimited and unfettered opportunity to make a full and complete inspection of the Property. Landlord and Tenant mutually acknowledge that Tenant has knowledge of the condition of the Property superior to that of Landlord. Tenant is not relying upon Landlord to make any statement or representation as to the condition of the Property. In the event that Tenant exercises the option contained in this agreement, Tenant acknowledges that it is purchasing the Property in its "as is" condition, with all faults, based solely upon its own superior knowledge of the condition.

1.7 Restricted Use. Tenant acknowledges that the Property is subject to Land Use Laws and Regulations, and that before exercising the option, Tenant will have investigated those laws and regulations with the appropriate city or county planning departments. By exercising the option, Tenant accepts the laws and regulations governing use of the Property.

1.8 Good Faith Deposit. The \$100,000.00 good faith deposit which Tenant will have placed in escrow upon exercise of the option in accordance with Section 1.1 hereof shall remain the property of Tenant during the escrow period and may be deposited by the escrow company into an interest bearing account, the interest on which shall belong to Tenant. Upon close of the escrow the \$100,000.00 deposit shall be applied to the purchase price. In the event that Tenant fails to close the escrow within the thirty (30) day window specified, or by another date which Landlord has agreed to in writing, the \$100,000.00 deposit shall be deemed liquidated damages and paid to Landlord in lieu of actual damages suffered by Landlord from Tenant's default, and the option shall become null and void. Provided, however, if close of escrow is delayed due to the sole fault of Landlord, Tenant shall have the right to extend the closing date by the same period that Tenant was delayed due to the act of Landlord.

2. Cooperation With Exchange. Tenant shall reasonably cooperate with Landlord in effecting a tax-deferred exchange of the Property, including the execution of an exchange agreement and other documents and instruments as may be reasonably necessary, provided that the total monetary obligation of Tenant shall not exceed that specified herein, Tenant's tax or other liabilities shall not be increased, and the date for close of escrow shall not be delayed. Tenant understands that in all likelihood Landlord will have expended considerable efforts and expense to locate and contract for a target exchange property, and that Tenant's failure to cooperate in such an exchange or failure to close the escrow within the specified "window" will cause Landlord damages, which the parties have agreed to be liquidated at \$100,000.00 in Section 1.8.

3. Option Not Assignable. Tenant's option to purchase the Property is personal to Tenant and may not be assigned. Any purported assignment of the option shall cause the option automatically to terminate without notice. Notwithstanding that, the parties hereto understand that if Tenant exercises the option and otherwise performs the terms of the option including full payment of the purchase price, Tenant may designate in escrow to whom the Property will be transferred by the deed and bill of sale and Landlord will transfer the Property accordingly at close of the escrow.

4. Option Is Subordinate to Loan. The Property is encumbered with one loan secured by a Deed of Trust which has been assigned to and which is held by CFG Community Bank, 1422 Clarkview Road, Baltimore, Maryland 21093, with a present balance which exceeds \$1,600,000. Tenant understands that this Option Agreement is subordinate to that Deed of Trust, and will at all times remain subordinate to that Deed of Trust. Tenant agrees that upon any request by the holder of the Deed of Trust to confirm in writing that this Option Agreement is subordinate to the Deed of Trust, Tenant will execute and deliver such document to such holder of the Deed of Trust within ten (10) days of the date of such request.

5. Option Not to Be Recorded. Neither this Option Agreement nor a memorandum thereof shall be recorded in the official records of the county where the Property is located or elsewhere.

6. Attorney Fees. In the event of any action at law or in equity between the parties arising from or in connection with this Option Agreement, the prevailing party shall recover attorney fees and court costs incurred in that action in addition to any other relief, as may be assessed by the court.

7. Notices. All notices and requests to be given by this Option Agreement shall be in writing and shall be deemed to have been duly given or made when received, with confirmation of receipt or delivery by such carrier or courier: (a) by hand delivery (to the person or department if one is specified below); or (b) by Federal Express or other national overnight carrier for next-day delivery, and in each case addressed as follows:

If to Landlord:

Tigard Investment Group, LLC
c/o Eyring Realty, Inc.
1777 N. California Blvd, Ste 300
Walnut Creek, CA 94596
Telephone (925) 295-1340
Facsimile (925) 256-8600

If to Tenant:

Pacific Gardens Estates, LLC
c/o Dover Management, Inc.
850 Promontory Place S.E.
PO Box 3548
Salem, OR 97302
Telephone (503) 585-0200
Facsimile (503) 585-1268

8. Amendments. This agreement may not be amended verbally, but only by a further agreement in writing executed by both Landlord and Tenant.

9. Counterparts. This document may be executed in counterparts. Signatures of the parties transmitted electronically shall be deemed originals.

(For signatures of the parties see following page.)

IN WITNESS WHEREOF, Landlord and Tenant have executed this Agreement effective as of the date first hereinabove written.

Landlord:

Tigard Investment Group, LLC
By: Eyring Realty, Inc., Managing Member

By: Phillip M. Eyring
Phillip M. Eyring, President

Tenant:

Pacific Gardens Estates, LLC,
dba Pacific Health and Rehabilitation

By: Don R. Bybee
Don R. Bybee, Managing Member

EXHIBIT "A"

Legal Description of the Real Property

A tract of land in the Northeast quarter of Section 10, Township 2 South, Range 1 West, Willamette Meridian, Washington County, Oregon, being portions of those tracts of land described in Book 405 at Page 575 and Book 446 at Page 736 of the Washington County Records; said tract of land is described as follows:

Beginning at a 5/8 inch iron rod which bears North 89° 54' 02" West, 169.86 feet, and South 00° 39' West, 205.00 feet from the Northeast corner of Section 10, said iron rod being on the West line of that public right of way described in Book 677 at Page 251 of the said records; thence South 00° 39' West, 4.51 feet to a 5/8 inch iron rod; thence on a 50.00 foot radius curve to the left, 124.65 feet along the arc (the long chord bears South 19° 13' 55" West, 94.79 feet) to a 5/8 inch iron rod on the West line of that tract of land conveyed to Robert T. Cooper, et al, as recorded in Book 556, Page 17 of the said records; thence South 00° 39' West, 306.95 feet along the West line of the said Cooper tract, to a 5/8 inch iron rod; thence North 73° 46' 12" West, 259.71 feet to a 5/8 inch iron rod; thence North 40° 28' 06" West, 90.33 feet to a 5/8 inch iron rod; thence North 63° 39' 08" West, 25.00 feet; thence North 33° 54' 34" East, 245.65 feet to a 5/8 inch iron rod; thence South 64° 13' 58" East, 25.02 feet to a 5/8 inch iron rod; thence North 51° 45' 05" East, 90.14 feet to a 5/8 inch iron rod; thence South 89° 53' 18" East, 134.79 feet to the point of beginning.



NEWS RELEASE

FOR IMMEDIATE RELEASE

CONTACT
Shelly Taylor
(877) 805-3333
staylor@crefunds.com

Cornerstone Core Properties REIT, Inc. Acquires Skilled Nursing Facility through Joint Venture

Irvine, Calif., (December 31, 2012) – Cornerstone Core Properties REIT, Inc. (“Core REIT”) announced today that it funded on December 21, 2012, an investment in a joint venture that acquired a 78-bed skilled nursing facility in Tigard, Oregon in an \$8.2 million transaction.

The facility has been leased to the current operator, Dakavia Management, pursuant to a 15-year triple net lease. Dakavia Management has over twenty years of experience operating skilled nursing facilities in the Pacific Northwest and currently operates two additional facilities acquired by Core REIT in August 2012.

“It has been a real pleasure to work with Dakavia and we are glad to be adding another lease to the Dakavia Portfolio,” said Kent Eikanas, President and Chief Operating Officer of Cornerstone Core Properties REIT, Inc.

Through the joint venture entity, Cornerstone Healthcare Partners, LLC, Core REIT acquired a 95% interest in the facility while joint venture partner Cornerstone Healthcare Real Estate Fund, Inc. acquired the remaining 5% interest. Debt financing was provided by GE Capital, Healthcare Financial Services.

About Cornerstone Core Properties REIT, Inc.

Core REIT is a publicly registered non-traded REIT that invests in investment-grade real estate located throughout the United States. Since its commencement in 2006, Core REIT has acquired eighteen properties for a total purchase price of \$175.9 million. Since 2011, four of those properties have been disposed. The current portfolio includes nine multi-tenant industrial properties and five long-term triple net leased healthcare facilities.

For more information, please contact Shelly Taylor at (877) 805-3333.

This material does not constitute an offer to sell or a solicitation of an offer to buy Cornerstone Core Properties REIT, Inc.

This release may contain forward-looking statements relating to the business and financial outlook of Cornerstone Core Properties REIT, Inc. that are based on our current expectations, estimates, forecasts and projections and are not guarantees of future performance. Actual results may differ materially from those expressed in these forward-looking statements, and you should not place undue reliance on any such statements. A number of important factors could cause actual results to differ materially from any forward-looking statements contained in this release. Such factors include those described in the Risk Factors sections of the Cornerstone Core Properties REIT, Inc.’s annual report on Form 10-K for the year ended December 31, 2011, and quarterly reports for the periods ended March 31, 2012, and June 30, 2012. Forward-looking statements in this document speak only as of the date on which such statements were made, and we undertake no obligation to update any such statements that may become untrue because of subsequent events. We claim the safe harbor protection for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.
