

# Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

## Part I Reporting Issuer

1 Issuer's name  SENTIO HEALTHCARE PROPERTIES, INC. FKA CORNERSTONE HEALTHCARE PLUS REIT, INC.		2 Issuer's employer identification number (EIN)  20-5721212	
3 Name of contact for additional information  SHARON KAISER	4 Telephone No. of contact  407-999-7679	5 Email address of contact  info@sentioinvestments.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  189 SOUTH ORANGE AVENUE, SUITE 1700		7 City, town, or post office, state, and Zip code of contact  ORLANDO, FLORIDA 32801	
8 Date of action  MARCH 14, 2014	9 Classification and description  COMMON STOCK		
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ During 2013, Sentio Healthcare Properties, Inc. paid total cash distributions of \$6,263,542 to its common shareholders quarterly. On January 23, 2014, the Company estimated that 9.25% of these distributions represent dividend distributions to the shareholders, 30.22% of these distributions represent capital gain distributions, and 60.53% of these distributions represent a return of capital to the shareholders.  
On March 14, 2014 the Company finalized the 2013 E&P and determined that 5.80% of these distributions represent dividend distributions to the shareholders, and 28.91% of these distributions represent capital gain distributions to the shareholders.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ For each cash distribution paid to common shareholders by the Company during 2013, 5.80% of the distributions represents a dividend distribution, and 28.91% of the distributions represents a capital gain distribution. Accordingly, each common shareholder should treat 65.29% of the distributions as a nontaxable dividend and reduce the tax basis of their stock accordingly. Any nontaxable distributions in excess of a shareholder's basis should be treated as a gain from the sale or exchange of property.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ On March 14, 2014, the Company completed its annual calculation of its Current Earnings & Profits for the year ended December 31, 2013. Based on this calculation the Company determined that 5.80% of its 2013 common distributions represent a dividend distribution, 28.91% of its 2013 common distributions represent a capital gain distribution, and 65.29% of its 2013 common distributions represent a return of capital to the shareholders.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code Section 316 defines a "dividend" generally as any distribution of property made by a corporation to its shareholders out of Earnings & Profits (as defined by Internal Revenue Code Section 312 and the regulations thereunder). Pursuant to Internal Revenue Code Section 301(c)(2), the portion of the distribution which is not a dividend shall be applied against and reduce the adjusted tax basis of the stock. Under Internal Revenue Code Section 301(c)(3), a distribution which is not a dividend, to the extent that it exceeds the shareholder's adjusted tax basis of the stock, shall be treated as gain from the sale of exchange or property.

18 Can any resulting loss be recognized? ▶ The Organizational action reported herein does not result in any losses.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The amount of nontaxable distributions on the dates mentioned above either (i) reduces the shareholder's adjusted tax basis in his/her stock or (ii) to the extent that it exceeds the shareholder's adjusted tax basis in his/her stock on the dates of the distributions, is treated as gain from sale or exchange of property in 2013.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶



Date ▶


4-19-14

Print your name ▶ SHARON KAISER

Title ▶

CFO

**Paid Preparer Use Only**

Print/Type preparer's name PAUL D. PRESCOTT	Preparer's signature 	Date 4/4/2014	Check <input type="checkbox"/> if self-employed	PTIN P01271621
Firm's name ▶ DELOITTE TAX LLP	Firm's address ▶ 695 TOWN CENTER DRIVE, STE. 1200, COSTA MESA, CA 92626		Firm's EIN ▶ 86-1065772	Phone no. 714-436-7100