

August 13, 2018

Dear Stockholder:

I am writing to you on behalf of the board of directors (the “Board”) of NorthStar Healthcare Income, Inc. (“NorthStar Healthcare”) about an unsolicited “mini” tender offer being made for your shares of NorthStar Healthcare’s common stock by MacKenzie Realty Capital, Inc. (“MacKenzie”), an unaffiliated third party, in what we believe is an opportunistic attempt to purchase your shares at a discounted price.

MacKenzie has notified NorthStar Healthcare that it has made an unsolicited tender offer to all of our stockholders (the “Offer”). You may have already received MacKenzie’s Offer materials. MacKenzie is offering to purchase up to an aggregate of 5,000,000 shares of NorthStar Healthcare’s common stock at a price of \$3.39 per share (the “Offer Price”).

The Board has carefully evaluated the terms of the Offer and has unanimously determined that the Offer is not in the best interests of NorthStar Healthcare’s stockholders. Although each stockholder has his or her individual liquidity needs and must evaluate the Offer accordingly, the Board does not recommend or endorse the Offer and recommends that NorthStar Healthcare’s stockholders not tender their shares.

If you wish to reject the Offer and retain your shares, no action is necessary. If you have already agreed to tender your shares pursuant to the Offer, you may withdraw your acceptance of the Offer by notifying MacKenzie at any time prior to the termination of the Offer, which does not initially expire until September 21, 2018.

In evaluating the terms of the Offer, the Board has: (1) consulted with members of NorthStar Healthcare’s management, CNI NSHC Advisors, LLC, NorthStar Healthcare’s advisor, and such legal and other advisors as deemed appropriate by the Board; (2) reviewed the terms and conditions of the Offer; (3) considered other information relating to NorthStar Healthcare’s business, financial condition and portfolio of assets; and (4) taken into account that MacKenzie is making the Offer for investment purposes with the intention of making a profit from any tendered shares.

The following are the material factors considered by the Board in evaluating the Offer:

1. The Offer Price is substantially below NorthStar Healthcare’s estimated net asset value per share of \$8.50 as of June 30, 2017 (the “Estimated Value”), which was determined by the Board on December 20, 2017. As disclosed in NorthStar Healthcare’s Current Report on Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on December 26, 2017 (the “December 2017 8-K”), the Estimated Value was based on the estimated value of NorthStar Healthcare’s assets less the estimated value of NorthStar Healthcare’s liabilities, divided by the number of shares of NorthStar Healthcare’s common stock outstanding, all as of June 30, 2017. The information used to generate the estimated value per share, including market information, investment- and property-level data and other information provided by third parties, was the most recent information practically available as of June 30, 2017. The estimated value of NorthStar Healthcare’s assets and liabilities is as of a specific date and is expected to fluctuate over time in response to, among other things, NorthStar Healthcare’s operating performance, changes in capitalization rates, rental and growth rates, changes in laws or regulations impacting the healthcare industry, demographic changes, the amount of distributions on NorthStar Healthcare’s common stock and other factors discussed in NorthStar Healthcare’s publicly available annual, quarterly and other reports.

NorthStar Healthcare expects to publish a new estimated net asset value per share, as of June 30, 2018, in the fourth quarter of 2018. There can be no assurance as to whether the new estimated net asset value per share will be higher or lower than the current Estimated Value.

Although the Board relies on estimated values of NorthStar Healthcare's assets and liabilities, the Estimated Value, or any subsequent estimated value of the shares, may bear no relationship to NorthStar Healthcare's book or asset value. In addition, the Estimated Value, or any subsequent estimated value of the shares, may not represent the price at which shares of NorthStar Healthcare's common stock would trade on a national securities exchange, the amount realized in a sale, merger or liquidation of NorthStar Healthcare or the amount a NorthStar Healthcare stockholder would realize in a private sale of shares. Please see the December 2017 8-K for more information about the determination of the Estimated Value.

2. MacKenzie states that the Offer is being made **“for investment purposes and with the intention of making a profit from the ownership of the [s]hares”** and admits that in establishing the purchase price of \$3.39 per share, it was **“motivated to establish the lowest price which might be acceptable”** to NorthStar Healthcare's stockholders. Moreover, MacKenzie acknowledges that it has **“not made an independent appraisal of the [s]hares or [NorthStar Healthcare's] properties”** and that MacKenzie is **“not qualified to appraise real estate.”**
3. MacKenzie further acknowledges that the Offer Price has not been the subject of any fairness opinion, and MacKenzie has made no representation regarding the fairness of the Offer Price.
4. MacKenzie has engaged an affiliated depository for the Offer. As a result, there is no independent third party holding funds for MacKenzie for payment of the Offer price that can independently verify that such funds are available for payment, and MacKenzie may have access to the shares tendered by stockholders before all conditions to the Offer have been satisfied and tendering stockholders have been paid.
5. There is no guarantee that the Offer can or will be completed as soon as MacKenzie contemplates in the Offer. The Offer does not initially expire until September 21, 2018, and this date may be extended by MacKenzie, subject to compliance with applicable securities laws, in its sole discretion.
6. MacKenzie expressly reserves the right to amend the terms of the Offer, including by decreasing the Offer Price or by changing the number of shares being sought or the type of consideration, at any time before the Offer expires. Please note that if MacKenzie decreases the Offer Price and you already tendered your shares, you would have to withdraw your tender prior to the expiration date of the Offer in order to avoid selling your shares at the lower price.

In summary, we believe the Offer represents an attempt by MacKenzie to acquire NorthStar Healthcare shares at a low price in order to profit upon a potential future liquidity event and, as a result, deprive the stockholders tendering their shares of the potential opportunity to realize the full long-term value of their shares. As provided by MacKenzie in the Offer, stockholders who tender their shares will assign their right to receive distributions that are paid after the Offer expires. Stockholders who tender their shares pursuant to the Offer would thus give up their rights to any distributions after September 21, 2018 (or such other date to which the Offer may be extended).

The Board acknowledges that each stockholder must evaluate whether to tender his or her shares in the Offer and that, because there is no trading market for the shares, an individual stockholder may determine to tender based on, among other considerations, such stockholder's liquidity needs. In making a decision whether or not to tender his or her shares, each stockholder should keep in mind that NorthStar Healthcare's share repurchase program enables stockholders to sell their shares in only very limited circumstances and, except for shares repurchased in connection with a stockholder's death or qualifying disability, the price paid for shares repurchased under the share repurchase program will be 90% of NorthStar Healthcare's most recently published estimated net asset value per share. NorthStar Healthcare currently limits repurchases to the lesser of (1) 5% of the weighted average number of shares of common stock outstanding during the prior calendar year, less the number of shares repurchased to date during the current calendar year, and (2) repurchases that can be funded from the net proceeds received by NorthStar Healthcare during the relevant quarter pursuant to

NorthStar Healthcare's distribution reinvestment plan. As of August 9, 2018, NorthStar Healthcare had a total of \$64.1 million in unfulfilled repurchase requests. Further, the Board has the right to amend, suspend or terminate NorthStar Healthcare's share repurchase program at any time. In addition, the Board makes no assurances regarding the timing of providing liquidity to stockholders or the value of the shares that may be realizable in connection with a liquidity event. The Board has reduced the amount of distributions payable to stockholders as a result of, among other factors, NorthStar Healthcare's operating performance and capital needs, and makes no assurances regarding the payment of any future distributions.

The Board understands that you must make your own independent decision whether to tender or refrain from tendering your shares. We strongly urge you to carefully consider all aspects of the Offer in light of your own circumstances, including (i) your investment objectives, (ii) your financial circumstances, including your tolerance for risk and need for immediate liquidity that cannot be satisfied by other means, (iii) other financial opportunities available to you, (iv) your own tax position and tax consequences and (v) other factors you determine are relevant to your decision. You should carefully review all of the Offer documents sent to you by MacKenzie, as well as NorthStar Healthcare's publicly available annual, quarterly and other reports, and consult with your own financial, tax and other advisors in evaluating the Offer before deciding whether to tender your shares of NorthStar Healthcare's common stock.

PLEASE CONSULT WITH YOUR TAX ADVISOR ABOUT THE IMPACT OF A SALE OF YOUR SHARES AND ITS IMPACT ON YOUR PERSONAL SITUATION.

Finally, the SEC has cautioned investors about mini-tender offers, which are offers to purchase less than 5% of a company's outstanding shares, thereby avoiding the filing, disclosure and procedure requirements adopted by the SEC for the protection of investors. Additional information about mini-tender offers is available on the SEC's website at: www.sec.gov/fast-answers/answersminitenhtm.html.

Should you have any questions or need further information about your options, please feel free to contact NorthStar Healthcare at 590 Madison Avenue, 34th Floor, New York, New York 10022, Attn: Investor Relations (telephone: 877-940-8777).

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert C. Gatenio', written in a cursive style.

Robert C. Gatenio
Executive Chairman