
**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):
January 30, 2013

NorthStar Healthcare Income, Inc.
(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

333-170802
(Commission File Number)

27-3663988
(IRS Employer
Identification No.)

399 Park Avenue, 18th Floor, New York, New York 10022
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(212) 547-2600**

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 obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- 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 240.14a-12)
 - 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Effective January 30, 2013, Albert Tylis resigned as Chairman of the Board of Directors (the “Board”) of NorthStar Healthcare Income, Inc. (the “Company”) and as a member of the Board.

Effective January 30, 2013, David T. Hamamoto was appointed Chairman of the Board. Except as otherwise disclosed in filings with the Securities and Exchange Commission, there are no understandings or arrangements between Mr. Hamamoto and any other person pursuant to which he was appointed Chairman of the Board and there are no transactions regarding Mr. Hamamoto that are required to be disclosed pursuant to Item 404(a) of Regulation S-K.

SIGNATURES

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.

NORTHSTAR HEALTHCARE INCOME, INC.

Date: January 31, 2013

By: /s/ Ronald J. Lieberman
Ronald J. Lieberman
Executive Vice President, General Counsel and Secretary

**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):
February 4, 2013

NorthStar Healthcare Income, Inc.
(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

No. 333-170802
(Commission File Number)

No. 27-3663988
(IRS Employer
Identification No.)

399 Park Avenue, 18th Floor
New York, New York
(Address of Principal Executive offices)

10022
(Zip Code)

(212) 547-2600
(Registrant's telephone number, including area code)

N/A
(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 obligation of the registrant under any of the following provisions (see General Instructions A.2.):

- 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 240.14a-12)
 - 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.

Second Amended and Restated Distribution Support Agreement

On February 4, 2013, NorthStar Healthcare Income, Inc. (the “Company”) entered into a Second Amended and Restated Distribution Support Agreement (the “Distribution Support Agreement”) by and between the Company and the NorthStar Realty Finance Corp. (the “Sponsor”), pursuant to which the Sponsor’s maximum commitment to purchase shares under the agreement has been modified to include any purchases made by the Sponsor and its subsidiaries to satisfy the Minimum Offering Amount (as defined below in Item 7.01).

Amended and Restated Long Term Incentive Plan

On February 4, 2013, the Company adopted an Amended and Restated Long Term Incentive Plan (the “Incentive Plan”), which, among other things, lowers the maximum number of shares of the Company’s common stock that may be issued upon the exercise or grant of awards made under the Incentive Plan from 10% to 5% of the shares outstanding as of the grant date. In addition the Company adopted an Amended and Restated Independent Directors Compensation Plan, a sub-plan of the Incentive Plan (the “Independent Directors Plan”) to address the changes made to the Incentive Plan.

The foregoing summaries of the Distribution Support Agreement, the Incentive Plan and the Independent Directors Plan do not purport to be complete descriptions thereof and are qualified in their entirety by reference to the copies of the Distribution Support Agreement and the Incentive Plan which are filed as exhibits 10.1, 10.2 and 10.3 to this Current Report on Form 8-K.

Item 7.01. Regulation FD Disclosure

Modification of Minimum Offering Requirement For Continuous Public Offering

On February 4, 2013, the board of directors of the Company determined that it was advisable and in the best interests of the Company to modify the minimum offering requirement in the Company’s continuous public offering (the “Offering”) of up to \$1,100,000,000 in shares of its common stock (the “Shares”) such that the minimum offering amount of \$2,000,000 (the “Minimum Offering Amount”) may be raised from any combination of proceeds from the sale of shares in the Offering, including shares purchased by the Sponsor or one of its affiliates, but excluding the \$200,000 in shares purchased by an affiliate of the Sponsor in connection with the Company’s initial capitalization. The Sponsor has informed us that it or one of its affiliates intends to purchase \$2,000,000 in shares of our common stock in this offering at \$9.00 per share (reflecting that no selling commissions or dealer manager fees will be paid).

Additionally, in connection with the purchase of Shares in the Offering by the Sponsor or one of its affiliates, the Sponsor has informed us that neither the Sponsor nor its affiliate intends to sell any Shares acquired that enable the Company to satisfy the Minimum Offering Amount to any person or entity, other than to a subsidiary, parent company or company under common control with the Sponsor, for so long as the Company is externally managed and advised by NorthStar Healthcare Income Advisor, LLC, or another affiliate of the Sponsor.

Safe Harbor Statement

Certain items in this Current Report on Form 8-K may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which can be identified by words like “anticipate,” “believe,” “plan,” “hope,” “goal,” “expect,” “future,” “intend,” “will,” “could” and “should” and similar expressions. These statements are based on the Company’s current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ

materially from those described in the forward looking statements; the Company can give no assurance that its expectations will be attained. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements will not materialize or will vary significantly from actual results. Variations of assumptions and results may be material. Factors that could cause actual results to differ materially from the Company's expectations include, but are not limited to, the ability of the Sponsor or one of its affiliates to complete the purchase of \$2,000,000 in Shares in the Offering, the Sponsor's ability to perform under the terms of the Distribution Support Agreement, the Company's ability to effect its business plan following the release of funds from escrow, changes in economic conditions generally and the real estate and debt markets specifically, availability of capital, ability to achieve targeted returns, generally accepted accounting principles and policies and rules applicable to REITs. Factors that could cause actual results to differ materially from those in the forward-looking statements are specified in the Company's Registration Statement on Form S-11 (File No. 333-170802) and its other filings with the Securities and Exchange Commission. Such forward-looking statements speak only as of the date of this Current Report on Form 8-K. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are furnished as part of this Current Report on Form 8-K:

| Exhibit Number | Description |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10.1 | Second Amended and Restated Distribution Support Agreement, dated as of February 4, 2013, by and between NorthStar Realty Finance Corp and NorthStar Healthcare Income, Inc. |
| 10.2 | NorthStar Healthcare Income, Inc. Amended and Restated Long Term Incentive Plan |
| 10.3 | NorthStar Healthcare Income, Inc. Amended and Restated Independent Directors Compensation Plan |

SIGNATURE

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

NorthStar Healthcare Income, Inc.

Date: February 4, 2013

By: /s/ Ronald J. Lieberman
Ronald J. Lieberman
Executive Vice President, General Counsel and Secretary

NORTHSTAR HEALTHCARE INCOME, INC.

SECOND AMENDED AND RESTATED DISTRIBUTION SUPPORT AGREEMENT

SECOND AMENDED AND RESTATED DISTRIBUTION SUPPORT AGREEMENT (the "Agreement") dated February 4, 2013 by and between NorthStar Realty Finance Corp. ("NRFC") and NorthStar Healthcare Income, Inc. (the "Company").

WHEREAS, the Company has registered for public sale (the "Offering") a maximum of \$1,100,000,000 in shares of its common stock, \$0.01 par value per share (the "Shares"), of which amount: (a) up to \$1,000,000,000 in Shares are being offered to the public pursuant to the Company's primary offering; and (b) up to \$100,000,000 in Shares are being offered to stockholders of the Company (the "Stockholders") pursuant to the Company's distribution reinvestment plan;

WHEREAS, the net proceeds of the Offering will be invested in a diversified portfolio of assets in the healthcare property sector, including a combination of debt and equity investments;

WHEREAS, to ensure that the Company has a sufficient amount of funds to pay cash distributions to Stockholders during the Offering, the Company and NRFC entered into a Distribution Support Agreement dated July 24, 2012 (the "Original Agreement"), pursuant to which NRFC agreed to purchase up to an aggregate of \$10,000,000 in Shares in accordance with the terms set forth therein;

WHEREAS, the Company and NRFC entered into an Amended and Restated Distribution Support Agreement dated July 31, 2012 (the "First Amended and Restated Agreement"), which amended and restated the Original Agreement; and

WHEREAS, the Company and NRFC desire to enter into this Agreement, which amends and restates the First Amended and Restated Agreement to provide that NRFC's maximum aggregate Share purchase commitment of \$10,000,000 under this Agreement shall include any contributions made by NRFC and its subsidiaries to the Company to satisfy the minimum Offering amount of \$2,000,000.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions. The following terms, when used herein, shall have the following meanings:

"Affiliate" means with respect to any Person: (i) any Person directly or indirectly controlling, controlled by, or under common control with such other Person; (ii) any Person directly or indirectly owning, controlling, or holding with the power to vote 10% or more of the outstanding voting securities of such other Person; (iii) any legal entity for which such Person acts as an executive officer, director, trustee, or general partner; (iv) any Person 10% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held, with power to vote, by such other Person; and (v) any executive officer, director, trustee, or general partner of such other Person.

"Agreement" has the meaning set forth in the recitals.

"Business Day" means any day other a Saturday, a Sunday or a day on which banks are required or permitted to close in New York, New York.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto. Reference to any provision of the Code shall mean such provision as in effect from time to time, as the same may be amended, and any successor provision thereto, as interpreted by any applicable regulations as in effect from time to time.

“Company” has the meaning set forth in the recitals.

“Distribution Shortfall” means, with respect to any calendar quarter during the Term, the amount by which Quarterly Distributions exceed AFFO for such quarter or, in the event AFFO is negative, the amount of the Quarterly Distributions for such quarter.

“Invested Capital” means the amount calculated by multiplying the total number of Shares purchased by Stockholders by the Issue Price, reduced by: (i) any amounts paid by the Company to repurchase Shares pursuant to the Company’s plan for redemption of Shares; and (ii) the aggregate amount of net sale proceeds distributed to Stockholders as a result of the sale of one or more of the Company’s investments.

“Issue Date” has the meaning set forth in Section 3(b) hereof.

“Issue Price” means the gross price per Share the original purchasers of Shares paid to the Company for the Shares (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to the Shares).

“MFFO” means the Company’s modified funds from operations as disclosed in the Company’s Periodic Report filed with respect to the applicable period.

“NRFC” has the meaning set forth in the recitals.

“NorthStar Healthcare Income Advisor” means NorthStar Healthcare Income Advisor, LLC.

“Offering” has the meaning set forth in the recitals.

“Periodic Report” means the Company’s quarterly report on Form 10-Q or annual report on Form 10-K, as applicable.

“Person” means an individual, corporation, partnership, estate, trust (including a trust qualified under Section 401(a) or 501 (c) (17) of the Internal Revenue Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity, or any government or any agency or political subdivision thereof, and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

“Prospectus” means the prospectus for the Offering, as amended or supplemented, filed with the SEC at or after the effective date of the Company’s registration statement on Form S-11 (including financial statements, exhibits and all other documents related thereto filed as a part thereof or incorporated therein), pursuant to the Securities Act of 1933, as amended, and the applicable rules and regulations of the SEC promulgated thereunder.

“Purchase Price” means, as of any given date, the per share price payable in the Offering, net of the per share selling commissions and dealer manager fees specified in the Prospectus.

“Quarterly Distributions” means the aggregate amount of cash distributions paid to Stockholders during a calendar quarter.

“SEC” means the United States Securities and Exchange Commission.

“Shares” has the meaning set forth in the recitals.

“Stockholders” has the meaning set forth in the recitals.

“Stockholders’ 6.75% Return” means, as of any date, an aggregate amount equal to a 6.75% cumulative, non-compounded, annual return on Invested Capital (calculated like simple interest on a daily basis based on a 365 day year). For purposes of calculating the Stockholders’ 6.75% Return, Invested Capital shall be determined for each day during the period for which the Stockholders’ 6.75% Return is being calculated.

“Threshold Amount” means an amount equal to the Stockholders’ 6.75% Return, prorated for such quarter.

“Term” has the meaning set forth in Section 4 hereof.

2. Share Purchase Commitment. In the event of a Distribution Shortfall for any calendar quarter during the Term, NRFC shall purchase Shares from the Company in an amount equal to the Distribution Shortfall; *provided, however*, that NRFC shall not be obligated to purchase Shares for any quarter in which MFFO for such quarter exceeds the Threshold Amount and *further provided*, that NRFC’s obligation to purchase Shares pursuant to this Agreement shall be limited to an aggregate of \$10,000,000 in purchase amount (including any contributions made by NRFC and its subsidiaries to the Company to satisfy the minimum Offering amount of \$2,000,000). Any Shares purchased by NRFC pursuant to this Section 2 shall be purchased pursuant to the Offering and at the Purchase Price in effect as of the date of purchase of the Shares.

3. Procedure for Purchase of Shares.

- (a) In the event of a Distribution Shortfall, the Company shall deliver to NRFC a written notice within ten (10) Business Days following the Company’s filing with the SEC of its Periodic Report for such calendar quarter specifying the number of Shares to be purchased by NRFC pursuant to Section 2 above and the Company’s calculation of the Distribution Shortfall.
- (b) On the fifth Business Day following the delivery of such notice (the “Issue Date”), the Company shall issue to NRFC the Shares being sold against NRFC’s delivery of an executed subscription for the Offering and payment of the purchase price for such Shares by wire transfer of immediately available funds.

4. Term. This Agreement shall be in effect until the earlier of (a) the second anniversary of the commencement of the Offering or (b) the date upon which neither NorthStar Healthcare Income Advisor nor another Affiliate of NRFC is serving as the Company’s Advisor (as such term is defined in the Company’s Articles of Incorporation, as amended from time to time) with responsibility for the Company’s day-to-day operations (the “Term”).

5. Notices. All notices shall be in writing and shall be given or made, by delivery in person or by guaranteed delivery overnight courier to NRFC at the address set forth below:

NorthStar Realty Finance Corp.
399 Park Avenue, 18th Floor
New York, NY 10022
Attention: Daniel R. Gilbert, Chief Investment and Operating Officer

or to such other address as NRFC may designate to the Company in writing. Notices shall be effective upon receipt in the case of personal delivery or one Business Day after being sent in the case of delivery by overnight courier.

6. Voting Agreement. NRFC agrees, and shall cause any of its Affiliates to whom it may transfer Shares to agree on behalf of itself and to require any subsequent transferees that are Affiliates to agree that, with respect to any Shares purchased pursuant to this Agreement or otherwise acquired, it will not vote or consent on matters submitted to the Stockholders regarding any transaction between the Company and any Affiliate of NRFC, including without limitation, the removal of NorthStar Healthcare Income Advisor or any of its Affiliates as the Company's Advisor (as such term is defined in the Company's Articles of Incorporation, as amended from time to time). This voting restriction shall survive until such time that NorthStar Healthcare Income Advisor or any of its Affiliates is no longer serving as the Company's Advisor.

7. Assignment: Third Party Beneficiaries. This Agreement may not be assigned by either party; *provided, however*, that NRFC may assign its obligations under this Agreement to any one or more of its Affiliates, but no such assignments shall relieve NRFC of its obligations hereunder. This Agreement shall inure to the benefit of and shall be binding upon the heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto.

8. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York without reference to conflict of laws provisions.

9. Amendment. No amendment, modification or waiver of this Agreement will be valid unless made in writing and duly executed by each party hereto.

10. Entire Agreement. This agreement constitutes the entire understanding between the parties with respect to the subject matter hereof. This agreement may be executed in one or more counterparts.

[The remainder of this page is intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

NorthStar Healthcare Income, Inc.

By: /s/ Ronald J. Lieberman
Name: Ronald J. Lieberman
Title: Executive Vice President, General Counsel and Secretary

NorthStar Realty Finance Corp.

By: /s/ Ronald J. Lieberman
Name: Ronald J. Lieberman
Title: Executive Vice President, General Counsel and Secretary

NORTHSTAR HEALTHCARE INCOME, INC.

**AMENDED AND RESTATED
LONG TERM INCENTIVE PLAN**

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**NORTHSTAR HEALTHCARE INCOME, INC.
AMENDED AND RESTATED LONG TERM INCENTIVE PLAN**

**ARTICLE 1
PURPOSE**

1.1. **GENERAL.** The purpose of the NorthStar Healthcare Income, Inc. Amended and Restated Long Term Incentive Plan (the “Plan”) is to enable NorthStar Healthcare Income, Inc. (the “Company”) and its Affiliates (as defined below) to (1) provide an incentive to employees, officers, directors, consultants and advisors to increase the value of the Company’s common stock, (2) give such persons a stake in the Company’s future that corresponds to the stake of each of the Company’s stockholders, and (3) obtain or retain the services of these persons who are considered essential to the Company’s long-term success, by offering such persons an opportunity to participate in the Company’s growth through ownership of the Company’s common stock or through other equity-related awards. Accordingly, the Plan permits the grant of incentive awards from time to time to selected employees, officers, directors, consultants and advisors of the Company and its Affiliates.

**ARTICLE 2
DEFINITIONS**

2.1. **DEFINITIONS.** When a word or phrase appears in this Plan with the initial letter capitalized, and the word or phrase does not commence a sentence, the word or phrase shall generally be given the meaning ascribed to it in this Section or in Section 1.1 unless a clearly different meaning is required by the context. The following words and phrases shall have the following meanings:

(a) “Affiliate” means (i) any Subsidiary or Parent, or (ii) an entity that directly or through one or more intermediaries controls, is controlled by or is under common control with, the Company, as determined by the Committee.

(b) “Award” means any Option, Restricted Stock, Restricted Stock Unit, Deferred Stock Unit, Performance Award, Other Award, or any other right or interest relating to Stock, granted to a Participant under the Plan.

(c) “Award Certificate” means a written document, in such form as the Committee prescribes from time to time, setting forth the terms and conditions of an Award. Award Certificates may be in the form of individual award agreements or certificates or a program document describing the terms and provisions of an Award or series of Awards under the Plan. The Committee may provide for the use of electronic, internet or other non-paper Award Certificates, and the use of electronic, internet or other non-paper means for the acceptance thereof and actions thereunder by a Participant.

(d) “Beneficial Owner” shall have the meaning given such term in Rule 13d-3 of the General Rules and Regulations under the 1934 Act.

(e) “Board” means the Board of Directors of the Company.

(f) “Cause” as a reason for a Participant’s termination of employment shall have the meaning assigned such term in the employment, severance or similar agreement, if any, between such Participant and the Company or an Affiliate; provided, however, that if there is no such employment, severance or similar agreement in which such term is defined, and unless otherwise defined in the applicable Award Certificate, “Cause” shall mean any of the following acts by the

Participant, as determined by the Committee: gross neglect of duty, prolonged absence from duty without the consent of the Company, material breach by the Participant of any published Company code of conduct or code of ethics; or willful misconduct, misfeasance or malfeasance of duty which is reasonably determined to be detrimental to the Company. With respect to a Participant's termination of directorship, "Cause" means an act or failure to act that constitutes cause for removal of a director under applicable Maryland law. The determination of the Committee as to the existence of "Cause" shall be conclusive on the Participant and the Company.

(g) "Change in Control" means and includes the occurrence of any one of the following events but shall specifically exclude a Public Offering:

(i) individuals who, on the Plan Effective Date, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of such Board, provided that any person becoming a director after the Plan Effective Date and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to the election or removal of directors ("Election Contest") or other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed an Incumbent Director; or

(ii) any Person becomes a Beneficial Owner, directly or indirectly, of either (A) 35% or more of the then-outstanding shares of common stock of the Company ("Company Common Stock") or (B) securities of the Company representing 35% or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of directors (the "Company Voting Securities"); provided, however, that for purposes of this subsection (ii), the following acquisitions of Company Common Stock or Company Voting Securities shall not constitute a Change in Control: (w) an acquisition directly from the Company, (x) an acquisition by the Company or a Subsidiary, (y) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, or (z) an acquisition pursuant to a Non-Qualifying Transaction (as defined in subsection (iii) below); or

(iii) the consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company or a Subsidiary (a "Reorganization"), or the sale or other disposition of all or substantially all of the Company's assets (a "Sale") or the acquisition of assets or stock of another corporation or other entity (an "Acquisition"), unless immediately following such Reorganization, Sale or Acquisition: (A) all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of the outstanding Company Common Stock and outstanding Company Voting Securities immediately prior to such Reorganization, Sale or Acquisition beneficially own, directly or indirectly, more than 35% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Reorganization, Sale or Acquisition (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets or stock either directly or through one or more subsidiaries, the "Surviving Entity") in

substantially the same proportions as their ownership, immediately prior to such Reorganization, Sale or Acquisition, of the outstanding Company Common Stock and the outstanding Company Voting Securities, as the case may be, and (B) no Person (other than (x) the Company or any Subsidiary, (y) the Surviving Entity or its ultimate parent entity, or (z) any employee benefit plan (or related trust) sponsored or maintained by any of the foregoing) is the Beneficial Owner, directly or indirectly, of 35% or more of the total common stock or 35% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Surviving Entity, and (C) at least a majority of the members of the board of directors of the Surviving Entity were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization, Sale or Acquisition (any Reorganization, Sale or Acquisition which satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a "Non-Qualifying Transaction"); or

(iv) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(h) "Charter" means the articles of incorporation of the Company, as such articles of incorporation may be amended from time to time.

(i) "Code" means the Internal Revenue Code of 1986, as amended from time to time. For purposes of this Plan, references to sections of the Code shall be deemed to include references to any applicable regulations thereunder and any successor or similar provision.

(j) "Committee" means the committee of the Board described in Article 4.

(k) "Company" means NorthStar Healthcare Income, Inc., a Maryland corporation, or any successor corporation.

(l) "Continuous Status as a Participant" means the absence of any interruption or termination of service as an employee, officer, director, consultant or advisors of the Company or any Affiliate, as applicable; provided, however, that for purposes of an Incentive Stock Option "Continuous Status as a Participant" means the absence of any interruption or termination of service as an employee of the Company or any Parent or Subsidiary, as applicable, pursuant to applicable tax regulations. Continuous Status as a Participant shall not be considered interrupted in the following cases: (i) a Participant transfers employment between the Company and an Affiliate or between Affiliates, or (ii) in the discretion of the Committee as specified at or prior to such occurrence, in the case of a spin-off, sale or disposition of the Participant's employer from the Company or any Affiliate, or (iii) any leave of absence authorized in writing by the Company prior to its commencement; provided, however, that for purposes of Incentive Stock Options, no such leave may exceed 90 days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, on the 91st day of such leave any Incentive Stock Option held by the Participant shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option. Whether military, government or other service or other leave of absence shall constitute a termination of Continuous Status as a Participant shall be determined in each case by the Committee at its discretion, and any determination by the Committee shall be final and conclusive.

(m) "Deferred Stock Unit" means a right granted to a Participant under Article 8 to receive Shares (or the equivalent value in cash or other property if the Committee so provides) at

a future time as determined by the Committee, or as determined by the Participant within guidelines established by the Committee in the case of voluntary deferral elections.

(n) “Disability” of a Participant means that the Participant (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Participant’s employer. If the determination of Disability relates to an Incentive Stock Option, Disability means Permanent and Total Disability as defined in Section 22(e)(3) of the Code. In the event of a dispute, the determination of whether a Participant is Disabled will be made by the Committee and may be supported by the advice of a physician competent in the area to which such Disability relates.

(o) “Eligible Participant” means an employee, officer, consultant or director of the Company or any Affiliate.

(p) “Exchange” means any national securities exchange on which the Stock may from time to time be listed or traded.

(q) “Fair Market Value,” on any date, means (i) if the Stock is listed on a securities exchange, the closing sales price on such exchange or over such system on such date or, in the absence of reported sales on such date, the closing sales price on the immediately preceding date on which sales were reported, or (ii) if the Stock is not listed on a securities exchange, the mean between the bid and offered prices as quoted by the applicable interdealer quotation system for such date, provided that if the Stock is not quoted on such interdealer quotation system or it is determined that the fair market value is not properly reflected by such quotations, Fair Market Value will be determined by such other method as the Committee determines in good faith to be reasonable and in compliance with Code Section 409A.

(r) “Grant Date” of an Award means the first date on which all necessary corporate action has been taken to approve the grant of the Award as provided in the Plan, or such later date as is determined and specified as part of that authorization process. Notice of the grant shall be provided to the grantee within a reasonable time after the Grant Date.

(s) “Incentive Stock Option” means an Option that is intended to be an incentive stock option and meets the requirements of Section 422 of the Code or any successor provision thereto.

(t) “Independent Director” means a director of the Company who is not a common law employee of the Company and who meets the additional requirements set forth for an “independent director” in the Charter.

(u) “Nonstatutory Stock Option” means an Option that is not an Incentive Stock Option.

(v) “NSHCOP” means NorthStar Healthcare Income Operating Partnership, LP, a Delaware limited partnership of which the Company is the sole general partner.

- (w) “NSHCOP Interests” means limited partnership interests in NSHCOP that may be exchanged or redeemed for Shares on a one-for-one basis, or any profits interest in NSHCOP that may be exchanged or converted into such limited partnership interests.
- (x) “Option” means a right granted to a Participant under Article 7 of the Plan to purchase Stock at a specified price during specified time periods. An Option may be either an Incentive Stock Option or a Nonstatutory Stock Option.
- (y) “Other Award” means a right granted to a Participant under Article 10.
- (z) “Parent” means a corporation, limited liability company, partnership or other entity which owns or beneficially owns a majority of the outstanding voting stock or voting power of the Company. Notwithstanding the above, with respect to an Incentive Stock Option, Parent shall have the meaning set forth in Section 424(e) of the Code.
- (aa) “Participant” means a person who, as an employee, officer, director or consultant of the Company or any Affiliate, has been granted an Award under the Plan; provided that in the case of the death of a Participant, the term “Participant” refers to a beneficiary designated pursuant to Section 11.4 or the legal guardian or other legal representative acting in a fiduciary capacity on behalf of the Participant under applicable state law and court supervision.
- (bb) “Performance Award” means any award granted under the Plan pursuant to Article 9.
- (cc) “Person” means any individual, entity or group, within the meaning of Section 3(a)(9) of the 1934 Act and as used in Section 13(d)(3) or 14(d)(2) of the 1934 Act.
- (dd) “Plan” means the NorthStar Healthcare Income, Inc. Amended and Restated Long Term Incentive Plan, as amended from time to time.
- (ee) “Plan Effective Date” has the meaning assigned such term in Section 3.1.
- (ff) “Public Offering” shall occur on the closing date of a public offering of any class or series of the Company’s equity securities pursuant to a registration statement filed by the Company under the 1933 Act.
- (gg) “Restricted Stock” means Stock granted to a Participant under Article 8 that is subject to certain restrictions and to risk of forfeiture.
- (hh) “Restricted Stock Unit” means a right granted to a Participant under Article 8 to receive shares of Stock (or the equivalent value in cash or other property if the Committee so provides) in the future, which right is subject to certain restrictions and to risk of forfeiture.
- (ii) “Shares” means shares of the Company’s Stock. If there has been an adjustment or substitution pursuant to Section 12.1, the term “Shares” shall also include any shares of stock or other securities that are substituted for Shares or into which Shares are adjusted pursuant to Section 12.1.
- (jj) “Stock” means the \$0.01 par value common stock of the Company and such other securities of the Company as may be substituted for Stock pursuant to Section 12.1.

(kk) “Subsidiary” means any corporation, limited liability company, partnership or other entity of which a majority of the outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company. Notwithstanding the above, with respect to an Incentive Stock Option, Subsidiary shall have the meaning set forth in Section 424(f) of the Code.

(ll) “1933 Act” means the Securities Act of 1933, as amended from time to time.

(mm) “1934 Act” means the Securities Exchange Act of 1934, as amended from time to time.

ARTICLE 3 PLAN EFFECTIVE DATE; TERMINATION OF PLAN

3.1. PLAN EFFECTIVE DATE. The Plan shall be effective as of the date it is approved by both the Board and the stockholders of the Company (the “Plan Effective Date”).

3.2. TERMINATION OF PLAN. The Plan shall terminate on the tenth anniversary of the Plan Effective Date unless earlier terminated as provided herein. The termination of the Plan on such date shall not affect the validity of any Award outstanding on the date of termination, which shall continue to be governed by the applicable terms and conditions of this Plan. Notwithstanding the foregoing, no Incentive Stock Options may be granted more than ten (10) years after the earlier of (a) adoption of this Plan by the Board, or (b) the Plan Effective Date.

ARTICLE 4 ADMINISTRATION

4.1. COMMITTEE. The Plan shall be administered by a Committee appointed by the Board (which Committee shall consist of at least two directors) or, at the discretion of the Board from time to time, the Plan may be administered by the Board. The members of the Committee shall be appointed by, and may be changed at any time and from time to time in the discretion of, the Board. It is intended that at least two of the directors appointed to serve on the Committee shall be “non-employee directors” (within the meaning of Rule 16b-3 promulgated under the 1934 Act) and that any such members of the Committee who do not so qualify shall abstain from participating in any decision to make or administer Awards that are made to Eligible Participants who at the time of consideration for such Award are persons subject to the short-swing profit rules of Section 16 of the 1934 Act. However, the mere fact that a Committee member shall fail to qualify as a “non-employee director” or shall fail to abstain from such action shall not invalidate any Award made by the Committee which Award is otherwise validly made under the Plan. The members of the Committee shall be appointed by, and may be changed at any time and from time to time in the discretion of, the Board. The Board may reserve to itself any or all of the authority and responsibility of the Committee under the Plan or may act as administrator of the Plan for any and all purposes. To the extent the Board has reserved any authority and responsibility or during any time that the Board is acting as administrator of the Plan, it shall have all the powers of the Committee hereunder, and any reference herein to the Committee (other than in this Section 4.1) shall include the Board. To the extent any action of the Board under the Plan conflicts with actions taken by the Committee, the actions of the Board shall control.

4.2. ACTION AND INTERPRETATIONS BY THE COMMITTEE. For purposes of administering the Plan, the Committee may from time to time adopt rules, regulations, guidelines and procedures for carrying out the provisions and purposes of the Plan and make such other determinations,

not inconsistent with the Plan, as the Committee may deem appropriate. The Committee's interpretation of the Plan, any Awards granted under the Plan, any Award Certificate and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Affiliate, the Company's or an Affiliate's independent certified public accountants, Company counsel or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

4.3. AUTHORITY OF COMMITTEE. The Committee has the exclusive power, authority and discretion to:

- (a) grant Awards;
- (b) designate Participants;
- (c) determine the type or types of Awards to be granted to each Participant;
- (d) determine the number of Awards to be granted and the number of Shares, NSHCOP Interests or dollar amount to which an Award will relate;
- (e) determine the terms and conditions of any Award granted under the Plan;
- (f) prescribe the form of each Award Certificate, which need not be identical for each Participant;
- (g) decide all other matters that must be determined in connection with an Award;
- (h) establish, adopt or revise any rules, regulations, guidelines or procedures as it may deem necessary or advisable to administer the Plan;
- (i) make all other decisions and determinations that may be required under the Plan or as the Committee deems necessary or advisable to administer the Plan;
- (j) amend the Plan or any Award Certificate as provided herein; and
- (k) adopt such modifications, procedures, and subplans as may be necessary or desirable to comply with provisions of the laws of non-U.S. jurisdictions in which the Company or any Affiliate may operate, in order to assure the viability of the benefits of Awards granted to participants located in such other jurisdictions and to meet the objectives of the Plan.

4.4. AWARD CERTIFICATES. Each Award shall be evidenced by an Award Certificate. Each Award Certificate shall include such provisions, not inconsistent with the Plan, as may be specified by the Committee.

ARTICLE 5 SHARES SUBJECT TO THE PLAN

5.1. NUMBER OF SHARES. Subject to adjustment as provided in Sections 5.2 and Section 12.1, the aggregate number of Shares reserved and available for issuance pursuant to Awards granted

under the Plan shall be 2,000,000. The maximum number of Shares that may be issued upon exercise of Incentive Stock Options granted under the Plan shall be 2,000,000. The maximum number of Shares that may be issued upon the exercise or grant of an Award granted under the Plan shall not exceed, in the aggregate, an amount equal to five percent (5%) of the outstanding Shares on the Grant Date; provided, however, that the initial grant of Restricted Stock to the Company's Independent Directors, as set forth in Section 7.1 of the Company's Amended and Restated Independent Directors Compensation Plan, shall be excluded from such limitation.

5.2. SHARE COUNTING. Shares covered by an Award shall be subtracted from the Plan share reserve as of the date of grant, but shall be added back to the Plan share reserve in accordance with this Section 5.2.

- (a) To the extent that an Award is canceled, terminates, expires, is forfeited or lapses for any reason, any unissued or forfeited Shares subject to the Award will again be available for issuance pursuant to Awards granted under the Plan.
- (b) Shares subject to Awards settled in cash will again be available for issuance pursuant to Awards granted under the Plan.
- (c) Shares withheld from an Award or delivered by a Participant to satisfy minimum tax withholding requirements will again be available for issuance pursuant to Awards granted under the Plan.
- (d) If the exercise price of an Option is satisfied by delivering Shares to the Company (by either actual delivery or attestation), only the number of Shares issued to the Participant in excess of the Shares tendered (by delivery or attestation) shall be considered for purposes of determining the number of Shares remaining available for issuance pursuant to Awards granted under the Plan.
- (e) To the extent that the full number of Shares subject to an Option is not issued upon exercise of the Option for any reason, including by reason of net-settlement of the Award, only the number of Shares issued and delivered upon exercise of the Option shall be considered for purposes of determining the number of Shares remaining available for issuance pursuant to Awards granted under the Plan.
- (f) To the extent that the full number of Shares subject to an Award other than an Option is not issued for any reason, including by reason of failure to achieve maximum performance goals, only the number of Shares issued and delivered shall be considered for purposes of determining the number of Shares remaining available for issuance pursuant to Awards granted under the Plan.
- (g) Substitute Awards granted pursuant to Section 11.10 of the Plan shall not count against the Shares otherwise available for issuance under the Plan under Section 5.1.

5.3. STOCK DISTRIBUTED. Any Stock distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Stock, treasury Stock or Stock purchased on the open market.

**ARTICLE 6
ELIGIBILITY**

6.1. **GENERAL.** Awards may be granted only to Eligible Participants. Incentive Stock Options may be granted only to Eligible Participants who are employees of the Company or a Parent or Subsidiary as defined in Section 424(e) and (f) of the Code. Eligible Participants who are service providers to an Affiliate may be granted Options under this Plan only if the Affiliate qualifies as an “eligible issuer of service recipient stock” within the meaning of §1.409A-1(b)(5)(iii)(E) of the final regulations under Code Section 409A.

**ARTICLE 7
STOCK OPTIONS**

7.1. **GENERAL.** The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) **EXERCISE PRICE.** The exercise price per Share under an Option shall be determined by the Committee, provided that the exercise price for any Option (other than an Option issued as a substitute Award pursuant to Section 11.10) shall not be less than the Fair Market Value as of the Grant Date.

(b) **PROHIBITION ON REPRICING.** Except as otherwise provided in Section 12.1, the exercise price of an Option may not be reduced, directly or indirectly by cancellation and regrant or otherwise, without the prior approval of the stockholders of the Company.

(c) **TIME AND CONDITIONS OF EXERCISE.** The Committee shall determine the time or times at which an Option may be exercised in whole or in part, subject to Section 7.1(e). The Committee shall also determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised or vested.

(d) **PAYMENT.** The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without limitation, cash, Shares, or other property (including “cashless exercise” arrangements), and the methods by which Shares shall be delivered or deemed to be delivered to Participants.

(e) **EXERCISE TERM.** Except for Nonstatutory Options granted to Participants outside the United States, no Option granted under the Plan shall be exercisable for more than ten years from the Grant Date.

(f) **NO DEFERRAL FEATURE.** No Option shall provide for any feature for the deferral of compensation other than the deferral of recognition of income until the exercise or disposition of the Option.

7.2. **INCENTIVE STOCK OPTIONS.** The terms of any Incentive Stock Options granted under the Plan must comply with the requirements of Section 422 of the Code. If all of the requirements of Section 422 of the Code are not met, the Option shall automatically become a Nonstatutory Stock Option.

ARTICLE 8
RESTRICTED STOCK, RESTRICTED STOCK UNITS
AND DEFERRED STOCK UNITS

8.1. GRANT OF RESTRICTED STOCK, RESTRICTED STOCK UNITS AND DEFERRED STOCK UNITS. The Committee is authorized to make Awards of Restricted Stock, Restricted Stock Units or Deferred Stock Units to Participants in such amounts and subject to such terms and conditions as may be selected by the Committee. An Award of Restricted Stock, Restricted Stock Units or Deferred Stock Units shall be evidenced by an Award Certificate setting forth the terms, conditions, and restrictions applicable to the Award.

8.2. ISSUANCE AND RESTRICTIONS. Restricted Stock, Restricted Stock Units or Deferred Stock Units shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Stock or the right to receive dividends on the Restricted Stock). These restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, upon the satisfaction of performance goals or otherwise, as the Committee determines at the time of the grant of the Award or thereafter. Except as otherwise provided in an Award Certificate or any special Plan document governing an Award, the Participant shall have all of the rights of a stockholder with respect to the Restricted Stock, and the Participant shall have none of the rights of a stockholder with respect to Restricted Stock Units or Deferred Stock Units until such time as Shares of Stock are paid in settlement of the Restricted Stock Units or Deferred Stock Units. Unless otherwise provided in the applicable Award Certificate, awards of Restricted Stock will be entitled to full dividend rights and any dividends paid thereon will be paid or distributed to the holder no later than the end of the calendar year in which the dividends are paid to stockholders or, if later, the 15th day of the third month following the date the dividends are paid to stockholders.

8.3. FORFEITURE. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of Continuous Status as a Participant during the applicable restriction period or upon failure to satisfy a performance goal during the applicable restriction period, Restricted Stock or Restricted Stock Units that are at that time subject to restrictions shall be forfeited.

8.4. DELIVERY OF RESTRICTED STOCK. Shares of Restricted Stock shall be delivered to the Participant at the time of grant either by book-entry registration or by delivering to the Participant, or a custodian or escrow agent (including, without limitation, the Company or one or more of its employees) designated by the Committee, a stock certificate or certificates registered in the name of the Participant. If physical certificates representing shares of Restricted Stock are registered in the name of the Participant, such certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock.

ARTICLE 9
PERFORMANCE AWARDS

9.1. GRANT OF PERFORMANCE AWARDS. The Committee is authorized to grant any Award under this Plan with performance-based vesting criteria, on such terms and conditions as may be selected by the Committee. The Committee shall have the complete discretion to determine the number of Performance Awards granted to each Participant and to designate the provisions of such Performance Awards as provided in Section 4.3. All Performance Awards shall be evidenced by an Award Certificate or a written program established by the Committee, pursuant to which Performance Awards are awarded under the Plan under uniform terms, conditions and restrictions set forth in such written program.

9.2. PERFORMANCE GOALS. The Committee may establish performance goals for Performance Awards which may be based on any criteria selected by the Committee. Such performance goals may be described in terms of Company-wide objectives or in terms of objectives that relate to the performance of the Participant, an Affiliate or a division, region, department or function within the Company or an Affiliate. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company or the manner in which the Company or an Affiliate conducts its business, or other events or circumstances render performance goals to be unsuitable, the Committee may modify such performance goals in whole or in part, as the Committee deems appropriate. If a Participant is promoted, demoted or transferred to a different business unit or function during a performance period, the Committee may determine that the performance goals or performance period are no longer appropriate and may (i) adjust, change or eliminate the performance goals or the applicable performance period as it deems appropriate to make such goals and period comparable to the initial goals and period, or (ii) make a cash payment to the participant in an amount determined by the Committee.

ARTICLE 10 OTHER AWARDS

10.1. GRANT OF OTHER AWARDS. The Committee is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to Shares, as deemed by the Committee to be consistent with the purposes of the Plan, including without limitation, NSHCOP Interests, membership interests in a Subsidiary or operating partnership, Shares awarded purely as a “bonus” and not subject to any restrictions or conditions, convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, and Awards valued by reference to book value of Shares or the value of securities of or the performance of specified Parents or Subsidiaries. The Committee shall determine the terms and conditions of such Awards. For purposes of calculating the number of Shares underlying an Other Award relative to the total number of Shares of Stock reserved and available for issuance under Section 5.1 hereof, the Committee shall establish in good faith the maximum number of Shares to which a grantee of such Other Award may be entitled upon fulfillment of all applicable conditions set forth in the relevant Award Certificate, including vesting, accretion factors, conversion ratios, exchange ratios and the like. If and when any such conditions are no longer capable of being met, in whole or in part, the number of Shares underlying such Other Award shall be reduced accordingly by the Committee and the related Shares shall be added back to the Shares of Stock available for issuance under the Plan. The Committee may require that Other Awards be held through a limited partnership, or similar “look-through” entity, and the Committee may require such limited partnership or similar entity to impose restrictions on its partners or other beneficial owners that are not inconsistent with the provisions of this Section 10.1. The provisions of the grant of Other Awards need not be the same with respect to each Participant.

ARTICLE 11 PROVISIONS APPLICABLE TO AWARDS

11.1. TERM OF AWARD. The term of each Award shall be for the period as determined by the Committee, provided that in no event shall the term of any Option exceed a period of ten years from its Grant Date.

11.2. FORM OF PAYMENT FOR AWARDS. At the discretion of the Committee, payment of Awards may be made in cash, Stock, a combination of cash and Stock, or any other form of property as the Committee shall determine. In addition, payment of Awards may include such terms, conditions, restrictions and/or limitations, if any, as the Committee deems appropriate, including, in the case of

Awards paid in the form of Stock, restrictions on transfer and forfeiture provisions. Further, payment of Awards may be made in the form of a lump sum, or in installments, as determined by the Committee.

11.3. LIMITS ON TRANSFER. No right or interest of a Participant in any unexercised or restricted Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or an Affiliate, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or an Affiliate. No unexercised or restricted Award shall be assignable or transferable by a Participant other than by will or the laws of descent and distribution; provided, however, that the Committee may (but need not) permit other transfers (other than transfers for value) where the Committee concludes that such transferability (i) does not result in accelerated taxation, (ii) does not cause any Option intended to be an Incentive Stock Option to fail to be described in Code Section 422(b), and (iii) is otherwise appropriate and desirable, taking into account any factors deemed relevant, including without limitation, state or federal tax or securities laws applicable to transferable Awards.

11.4. BENEFICIARIES. Notwithstanding Section 11.3, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights under the Plan is subject to all terms and conditions of the Plan and any Award Certificate applicable to the Participant, except to the extent the Plan and Award Certificate otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If no beneficiary has been designated or survives the Participant, payment shall be made to the Participant's estate. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

11.5. STOCK TRADING RESTRICTIONS. All Stock issuable under the Plan is subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal or state securities laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Stock is listed, quoted, or traded. The Committee may place legends on any Stock certificate or issue instructions to the transfer agent to reference restrictions applicable to the Stock.

11.6. ACCELERATION UPON DEATH OR DISABILITY. Except as otherwise provided in the Award Certificate or any special Plan document governing an Award, upon the termination of a person's Continuous Status as a Participant by reason of death or Disability:

- (i) all of that Participant's outstanding Options shall become fully exercisable;
- (ii) all time-based vesting restrictions on that Participant's outstanding Awards shall lapse as of the date of termination; and
- (iii) the payout opportunities attainable under all of that Participant's outstanding performance-based Awards shall be deemed to have been fully earned as of the date of termination as follows:
 - (A) if the date of termination occurs during the first half of the applicable performance period, all relevant performance goals will be deemed to have been achieved at the "target" level, and

- (B) if the date of termination occurs during the second half of the applicable performance period, the actual level of achievement of all relevant performance goals against target will be measured as of the end of the calendar quarter immediately preceding the date of termination, and
- (C) in either such case, there shall be a pro rata payout to the Participant or his or her estate within sixty (60) days following the date of termination (unless a later date is required by Section 14.3 hereof), based upon the length of time within the performance period that has elapsed prior to the date of termination.

To the extent that this provision causes Incentive Stock Options to exceed the dollar limitation set forth in Code Section 422 (d), the excess Options shall be deemed to be Nonstatutory Stock Options.

11.7. ACCELERATION UPON A CHANGE IN CONTROL. Except as otherwise provided in the Award Certificate or any special Plan document governing an Award, upon the occurrence of a Change in Control, (i) all outstanding Options and other Awards in the nature of rights that may be exercised shall become fully exercisable, and (ii) all time-based vesting restrictions on outstanding Awards shall lapse. Except as otherwise provided in the Award Certificate or any special Plan document governing an Award, upon the occurrence of a Change in Control, the target payout opportunities attainable under all outstanding performance-based Awards shall be deemed to have been fully earned as of the effective date of the Change in Control based upon an assumed achievement of all relevant performance goals at the “target” level and there shall be a pro rata payout to Participants within thirty (30) days following the effective date of the Change in Control based upon the length of time within the performance period that has elapsed prior to the Change in Control.

11.8. ACCELERATION FOR ANY REASON. The Committee may in its sole discretion at any time determine that all or a portion of a Participant’s Options and other Awards in the nature of rights that may be exercised shall become fully or partially exercisable, that all or a part of the time-based vesting restrictions on all or a portion of the outstanding Awards shall lapse, and/or that any performance-based criteria with respect to any Awards shall be deemed to be wholly or partially satisfied, in each case, as of such date as the Committee may, in its sole discretion, declare. The Committee may discriminate among Participants and among Awards granted to a Participant in exercising its discretion pursuant to this Section 11.8. Notwithstanding anything in the Plan, including this Section 11.8, the Committee may not accelerate the payment of any Award if such acceleration would violate Section 409A(a)(3) of the Code.

11.9. FORFEITURE EVENTS. The Committee may specify in an Award Certificate that the Participant’s rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of employment for Cause, violation of material Company or Affiliate policies, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Company or any Affiliate.

11.10. SUBSTITUTE AWARDS. The Committee may grant Awards under the Plan in substitution for stock and stock-based awards held by employees of another entity who become employees of the Company or an Affiliate as a result of a merger or consolidation of the former employing entity with the Company or an Affiliate or the acquisition by the Company or an Affiliate of property or stock of the former employing corporation. The Committee may direct that the substitute

awards be granted on such terms and conditions as the Committee considers appropriate in the circumstances.

ARTICLE 12 CHANGES IN CAPITAL STRUCTURE

12.1. **MANDATORY ADJUSTMENTS.** In the event of a nonreciprocal transaction between the Company and its stockholders that causes the per-share value of the Stock to change (including, without limitation, any stock dividend, stock split, spin-off, rights offering, or large nonrecurring cash dividend), the authorization limits under Section 5.1 shall be adjusted proportionately, and the Committee shall make such adjustments to the Plan and Awards as it deems necessary, in its sole discretion, to prevent dilution or enlargement of rights immediately resulting from such transaction. Action by the Committee may include: (i) adjustment of the number and kind of shares that may be delivered under the Plan; (ii) adjustment of the number and kind of shares subject to outstanding Awards; (iii) adjustment of the exercise price of outstanding Awards or the measure to be used to determine the amount of the benefit payable on an Award; and (iv) any other adjustments that the Committee determines to be equitable. Notwithstanding the foregoing, the Committee shall not make any adjustments to outstanding Options that would constitute a modification or substitution of the stock right under Treas. Reg. Sections 1.409A-1(b)(5)(v) that would be treated as the grant of a new stock right or change in the form of payment for purposes of Code Section 409A. Without limiting the foregoing, in the event of a subdivision of the outstanding Stock (stock-split), a declaration of a dividend payable in Shares, or a combination or consolidation of the outstanding Stock into a lesser number of Shares, the authorization limits under Section 5.1 shall automatically be adjusted proportionately, and the Shares then subject to each Award shall automatically, without the necessity for any additional action by the Committee, be adjusted proportionately without any change in the aggregate purchase price therefor.

12.2. **DISCRETIONARY ADJUSTMENTS.** Upon the occurrence or in anticipation of any corporate event or transaction involving the Company (including, without limitation, any merger, reorganization, recapitalization, combination or exchange of shares, or any transaction described in Section 12.1), the Committee may, in its sole discretion, provide (i) that Awards will be settled in cash rather than Stock, (ii) that Awards will become immediately vested and exercisable and will expire after a designated period of time to the extent not then exercised, (iii) that Awards will be assumed by another party to a transaction or otherwise be equitably converted or substituted in connection with such transaction, (iv) that outstanding Awards may be settled by payment in cash or cash equivalents equal to the excess of the Fair Market Value of the underlying Stock, as of a specified date associated with the transaction, over the exercise price of the Award, (v) that performance targets and performance periods for Performance Awards will be modified, or (vi) any combination of the foregoing. The Committee's determination need not be uniform and may be different for different Participants whether or not such Participants are similarly situated.

12.3. **GENERAL.** Any discretionary adjustments made pursuant to this Article 12 shall be subject to the provisions of Section 13.2. To the extent that any adjustments made pursuant to this Article 12 cause Incentive Stock Options to cease to qualify as Incentive Stock Options, such Options shall be deemed to be Nonstatutory Stock Options.

ARTICLE 13 AMENDMENT, MODIFICATION AND TERMINATION

13.1. **AMENDMENT, MODIFICATION AND TERMINATION.** The Board or the Committee may, at any time and from time to time, amend, modify or terminate the Plan without stockholder approval; provided, however, that if an amendment to the Plan would, in the reasonable

opinion of the Board or the Committee, either (i) materially increase the number of Shares available under the Plan, (ii) expand the types of awards under the Plan, (iii) materially expand the class of participants eligible to participate in the Plan, (iv) materially extend the term of the Plan, or (v) otherwise constitute a material change requiring stockholder approval under applicable laws, policies or regulations or the applicable listing or other requirements of an Exchange, then such amendment shall be subject to stockholder approval; and provided, further, that the Board or Committee may condition any other amendment or modification on the approval of stockholders of the Company for any reason, including by reason of such approval being necessary or deemed advisable (i) to comply with the listing or other requirements of an Exchange, or (ii) to satisfy any other tax, securities or other applicable laws, policies or regulations.

13.2. **AWARDS PREVIOUSLY GRANTED.** At any time and from time to time, the Committee may amend, modify or terminate any outstanding Award without approval of the Participant; provided, however:

(a) Subject to the terms of the applicable Award Certificate, such amendment, modification or termination shall not, without the Participant's consent, reduce or diminish the value of such Award determined as if the Award had been exercised, vested, cashed in or otherwise settled on the date of such amendment or termination (with the per-share value of an Option for this purpose being calculated as the excess, if any, of the Fair Market Value as of the date of such amendment or termination over the exercise or base price of such Award);

(b) The original term of an Option may not be extended without the prior approval of the stockholders of the Company;

(c) Except as otherwise provided in Section 12.1, the exercise price of an Option may not be reduced, directly or indirectly, without the prior approval of the stockholders of the Company; and

(d) No termination, amendment, or modification of the Plan shall adversely affect any Award previously granted under the Plan, without the written consent of the Participant affected thereby. An outstanding Award shall not be deemed to be "adversely affected" by a Plan amendment if such amendment would not reduce or diminish the value of such Award determined as if the Award had been exercised, vested, cashed in or otherwise settled on the date of such amendment (with the per-share value of an Option for this purpose being calculated as the excess, if any, of the Fair Market Value as of the date of such amendment over the exercise or base price of such Award).

13.3. **COMPLIANCE AMENDMENTS.** Notwithstanding anything in the Plan or in any Award Certificate to the contrary, the Board may amend the Plan or an Award Certificate, to take effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan or Award Certificate to any present or future law relating to plans of this or similar nature (including, but not limited to, Section 409A of the Code), and to the administrative regulations and rulings promulgated thereunder. By accepting an Award under this Plan, a Participant agrees to any amendment made pursuant to this Section 13.3 to any Award granted under the Plan without further consideration or action.

ARTICLE 14
GENERAL PROVISIONS

14.1. RIGHTS OF PARTICIPANTS.

(a) No Participant or any Eligible Participant shall have any claim to be granted any Award under the Plan. Neither the Company, its Affiliates nor the Committee is obligated to treat Participants or Eligible Participants uniformly, and determinations made under the Plan may be made by the Committee selectively among Eligible Participants who receive, or are eligible to receive, Awards (whether or not such Eligible Participants are similarly situated).

(b) Nothing in the Plan, any Award Certificate or any other document or statement made with respect to the Plan, shall interfere with or limit in any way the right of the Company or any Affiliate to terminate any Participant's employment or status as an officer, or any Participant's service as a director, at any time, nor confer upon any Participant any right to continue as an employee, officer, or director of the Company or any Affiliate, whether for the duration of a Participant's Award or otherwise.

(c) Neither an Award nor any benefits arising under this Plan shall constitute an employment contract with the Company or any Affiliate and, accordingly, subject to Article 13, this Plan and the benefits hereunder may be terminated at any time in the sole and exclusive discretion of the Committee without giving rise to any liability on the part of the Company or any of its Affiliates.

(d) No Award gives a Participant any of the rights of a stockholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

14.2. WITHHOLDING. The Company or any Affiliate shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to any exercise, lapse of restriction or other taxable event arising as a result of the Plan. With respect to withholding required upon any taxable event under the Plan, the Committee may, at the time the Award is granted or thereafter, require or permit that any such withholding requirement be satisfied, in whole or in part, by withholding from the Award Shares having a Fair Market Value on the date of withholding equal to the minimum amount (and not any greater amount) required to be withheld for tax purposes, all in accordance with such procedures as the Committee establishes. All such elections shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

14.3. SPECIAL PROVISIONS RELATED TO SECTION 409A OF THE CODE.

(a) General. It is intended that the payments and benefits provided under the Plan and any Award shall either be exempt from the application of, or comply with, the requirements of Section 409A of the Code. The Plan and all Award Certificates shall be construed in a manner that effects such intent. Nevertheless, the tax treatment of the benefits provided under the Plan or any Award is not warranted or guaranteed. Neither the Company, its Affiliates nor their respective directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by any Participant or other taxpayer as a result of the Plan or any Award.

(b) Definitional Restrictions. Notwithstanding anything in the Plan or in any Award Certificate to the contrary, to the extent that any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable, or a different form of payment (e.g., lump sum or installment) would be effected, under the Plan or any Award Certificate by reason of the occurrence of a Change in Control, or the Participant's Disability or separation from service, such amount or benefit will not be payable or distributable to the Participant, and/or such different form of payment will not be effected, by reason of such circumstance unless the circumstances giving rise to such Change in Control, Disability or separation from service meet

any description or definition of “change in control event”, “disability” or “separation from service”, as the case may be, in Section 409A of the Code and applicable regulations (without giving effect to any elective provisions that may be available under such definition). This provision does not prohibit the vesting of any Award upon a Change in Control, Disability or separation from service, however defined. If this provision prevents the payment or distribution of any amount or benefit, such payment or distribution shall be made on the next earliest payment or distribution date or event specified in the Award Certificate that is permissible under Section 409A of the Code. If this provision prevents the application of a different form of payment of any amount or benefit, such payment shall be made in the same form as would have applied absent such designated event or circumstance.

(c) Allocation among Possible Exemptions. If any one or more Awards granted under the Plan to a Participant could qualify for any separation pay exemption described in Treas. Reg. Section 1.409A-1(b)(9), but such Awards in the aggregate exceed the dollar limit permitted for the separation pay exemptions, the Company (acting through the Committee) shall determine which Awards or portions thereof will be subject to such exemptions.

(d) Six-Month Delay in Certain Circumstances. Notwithstanding anything in the Plan or in any Award Certificate to the contrary, if any amount or benefit that would constitute non-exempt “deferred compensation” for purposes of Section 409A of the Code would otherwise be payable or distributable under this Plan or any Award Certificate by reason of a Participant’s separation from service during a period in which the Participant is a Specified Employee (as defined below), then, subject to any permissible acceleration of payment by the Committee under Treas. Reg. Section 1.409A-3(j)(4)(ii) (domestic relations order), (j)(4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes):

(i) the amount of such non-exempt deferred compensation that would otherwise be payable during the six-month period immediately following the Participant’s separation from service will be accumulated through and paid or provided on the first day of the seventh month following the Participant’s separation from service (or, if the Participant dies during such period, within 30 days after the Participant’s death) (in either case, the “Required Delay Period”), and

(ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period.

For purposes of this Plan, the term “Specified Employee” has the meaning given such term in Section 409A of the Code and the final regulations thereunder, provided, however, that, as permitted in such final regulations, the Company’s Specified Employees and its application of the six-month delay rule of 409A(a)(2)(B)(i) of the Code shall be determined in accordance with rules adopted by the Board or any committee of the Board, which shall be applied consistently with respect to all nonqualified deferred compensation arrangements of the Company, including this Plan.

14.4. UNFUNDED STATUS OF AWARDS. The Plan is intended to be an “unfunded” plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Certificate shall give the Participant any rights that are greater than those of a general creditor of the Company or any Affiliate. This Plan is not intended to be subject to ERISA.

14.5. RELATIONSHIP TO OTHER BENEFITS. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or benefit plan of the Company or any Affiliate unless provided otherwise in such other plan.

14.6. EXPENSES. The expenses of administering the Plan shall be borne by the Company and its Affiliates.

14.7. TITLES AND HEADINGS. The titles and headings of the Sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

14.8. GENDER AND NUMBER. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

14.9. FRACTIONAL SHARES. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down.

14.10. GOVERNMENT AND OTHER REGULATIONS.

(a) Notwithstanding any other provision of the Plan, no Participant who acquires Shares pursuant to the Plan may, during any period of time that such Participant is an affiliate of the Company (within the meaning of the rules and regulations of the Securities and Exchange Commission under the 1933 Act), sell such Shares, unless such offer and sale is made (i) pursuant to an effective registration statement under the 1933 Act, which is current and includes the Shares to be sold, or (ii) pursuant to an appropriate exemption from the registration requirement of the 1933 Act, such as that set forth in Rule 144 promulgated under the 1933 Act.

(b) Notwithstanding any other provision of the Plan, if at any time the Committee shall determine that the registration, listing or qualification of the Shares covered by an Award upon any Exchange or under any foreign, federal, state or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Award or the purchase or receipt of Shares thereunder, no Shares may be purchased, delivered or received pursuant to such Award unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any condition not acceptable to the Committee. Any Participant receiving or purchasing Shares pursuant to an Award shall make such representations and agreements and furnish such information as the Committee may request to assure compliance with the foregoing or any other applicable legal requirements. The Company shall not be required to issue or deliver any certificate or certificates for Shares under the Plan prior to the Committee's determination that all related requirements have been fulfilled. The Company shall in no event be obligated to register any securities pursuant to the 1933 Act or applicable state or foreign law or to take any other action in order to cause the issuance and delivery of such certificates to comply with any such law, regulation or requirement.

14.11. GOVERNING LAW. To the extent not governed by federal law, the Plan and all Award Certificates shall be construed in accordance with and governed by the laws of the State of Maryland.

14.12. ADDITIONAL PROVISIONS. Each Award Certificate may contain such other terms and conditions as the Committee may determine; provided that such other terms and conditions are not inconsistent with the provisions of the Plan.

14.13. NO LIMITATIONS ON RIGHTS OF COMPANY. The grant of any Award shall not in any way affect the right or power of the Company to make adjustments, reclassification or changes in its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or transfer all or any part of its business or assets. The Plan shall not restrict the authority of the Company, for proper corporate purposes, to draft or assume awards, other than under the Plan, to or with respect to any person. If the Committee so directs, the Company may issue or transfer Shares to an Affiliate, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Affiliate will transfer such Shares to a Participant in accordance with the terms of an Award granted to such Participant and specified by the Committee pursuant to the provisions of the Plan.

14.14. INDEMNIFICATION. Each person who is or shall have been a member of the Committee or of the Board shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf, unless such loss, cost, liability, or expense is a result of his or her own willful misconduct or except as expressly provided by statute. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's charter or bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

The foregoing is hereby acknowledged as being the NorthStar Healthcare Income, Inc. Amended and Restated Long Term Incentive Plan as adopted by the Board on February 4, 2013, and by the stockholders on February 4, 2013.

NORTHSTAR HEALTHCARE INCOME, INC.

By: /s/ Ronald J. Lieberman
Name: Ronald J. Lieberman
Title: Executive Vice President, General Counsel and Secretary

NORTHSTAR HEALTHCARE INCOME, INC.
AMENDED AND RESTATED
INDEPENDENT DIRECTORS COMPENSATION PLAN

ARTICLE 1
PURPOSE

1.1. **PURPOSE.** The purpose of the Plan is to attract, retain and compensate highly-qualified individuals who are not employees of NorthStar Healthcare Income, Inc. or any of its subsidiaries or affiliates for service as members of the Board by providing them with competitive compensation and an ownership interest in the Stock of the Company. The Company intends that the Plan will benefit the Company and its stockholders by allowing Independent Directors to have a personal financial stake in the Company through an ownership interest in the Stock and will closely associate the interests of Independent Directors with that of the Company's stockholders.

1.2. **ELIGIBILITY.** Independent Directors of the Company who are Eligible Participants, as defined below, shall automatically be participants in the Plan.

ARTICLE 2
DEFINITIONS

2.1. **DEFINITIONS.** Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Incentive Plan. Unless the context clearly indicates otherwise, the following terms shall have the following meanings:

“**Base Annual Retainer**” means the annual retainer payable by the Company to an Independent Director pursuant to Section 5.1 hereof for service as a director of the Company (i.e., excluding any Supplemental Annual Retainer), as such amount may be changed from time to time.

“**Eligible Participant**” means any person who is an Independent Director on the Plan Effective Date or becomes an Independent Director while this Plan is in effect; except that during any period a director is prohibited from participating in the Plan by his or her employer or otherwise waives participation in the Plan, such director shall not be an Eligible Participant.

“**Incentive Plan**” means the NorthStar Healthcare Income, Inc. Amended and Restated Long Term Incentive Plan, or any subsequent equity compensation plan approved by the Board and designated as the Incentive Plan for purposes of this Plan.

“**Plan**” means this NorthStar Healthcare Income, Inc. Amended and Restated Independent Directors Compensation Plan, as amended from time to time.

“**Plan Effective Date**” of the Plan has the meaning set forth in Section 9.4 of the Plan.

“**Plan Year(s)**” means the approximate twelve-month period beginning with the annual stockholders meeting and ending at the next annual stockholders meeting; provided that the first Plan Year shall begin on the Plan Effective Date and extend until the first annual stockholders meeting.

“**Supplemental Annual Retainer**” means the annual retainer payable by the Company to an Independent Director pursuant to Section 5.2 hereof for service as the chair of the Audit Committee of the Board, as such amount may be changed from time to time.

**ARTICLE 3
ADMINISTRATION**

3.1. ADMINISTRATION. The Plan shall be administered by the Board. Subject to the provisions of the Plan, the Board shall be authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make all other determinations necessary or advisable for the administration of the Plan. The Board's interpretation of the Plan, and all actions taken and determinations made by the Board pursuant to the powers vested in it hereunder, shall be conclusive and binding upon all parties concerned, including the Company, its stockholders and persons granted awards under the Plan. The Board may appoint a plan administrator to carry out the ministerial functions of the Plan, but the administrator shall have no other authority or powers of the Board.

3.2. RELIANCE. In administering the Plan, the Board may rely upon any information furnished by the Company, its public accountants and other experts. No individual will have personal liability by reason of anything done or omitted to be done by the Company or the Board in connection with the Plan. This limitation of liability shall not be exclusive of any other limitation of liability to which any such person may be entitled under the Company's certificate of incorporation or otherwise.

**ARTICLE 4
SHARES**

4.1. SOURCE OF SHARES FOR THE PLAN. The shares of Stock that may be issued pursuant to the Plan shall be issued under the Incentive Plan, subject to all of the terms and conditions of the Incentive Plan. The terms contained in the Incentive Plan are incorporated into and made a part of this Plan with respect to shares of Stock, Restricted Stock and any other equity granted pursuant hereto and any such grant shall be governed by and construed in accordance with the Incentive Plan. In the event of any actual or alleged conflict between the provisions of the Incentive Plan and the provisions of this Plan, the provisions of the Incentive Plan shall be controlling and determinative. This Plan does not constitute a separate source of shares for the grant of Restricted Stock or shares of Stock described herein.

**ARTICLE 5
RETAINERS AND EXPENSES**

5.1. BASE ANNUAL RETAINER. Each Eligible Participant shall be paid a Base Annual Retainer for service as a director during each Plan Year, payable in such form as shall be elected by the Eligible Participant in accordance with Section 6.1. The amount of the Base Annual Retainer shall be established from time to time by the Board. Until changed by the Board, the Base Annual Retainer for a full Plan Year shall be \$65,000. The Base Annual Retainer shall be payable in approximately equal quarterly installments in advance, beginning on the date of the annual stockholders meeting; provided, however, that for the first Plan Year, the first installment shall begin on the Plan Effective Date and be prorated based on the number of full months in such quarter after the Plan Effective Date and, provided, further, that for purposes of this Article 5, the month in which the Plan Effective Date occurs shall be considered a "full month." Each person who first becomes an Eligible Participant on a date other than the Plan Effective Date or an annual meeting date shall be paid a retainer equal to the quarterly installment of the Base Annual Retainer for the first quarter of eligibility, based on the number of full months he or she serves as an Independent Director during such quarter. Payment of such prorated Base Annual Retainer shall begin on the date that the person first becomes an Eligible Participant, and shall resume on a quarterly basis thereafter. In no event shall any installment of the Base Annual Retainer be paid later than March 15 of the year following the year to which such installment relates.

5.2. AUDIT COMMITTEE CHAIRPERSON SUPPLEMENTAL ANNUAL RETAINER. The chairperson of the Audit Committee of the Board shall be paid a Supplemental Annual Retainer for his or her service as such chairperson during a Plan Year, payable at the same times as installments of the Base Annual Retainer are paid and in such form as shall be elected by such chairperson in accordance with Section 6.1. The amount of the Supplemental Annual Retainer for the chairperson of the Audit Committee shall be established from time to time by the Board. Until changed by the Board, the Supplemental Annual Retainer for a full Plan Year for the chairperson of the Audit Committee shall be \$10,000. A pro rata Supplemental Annual Retainer will be paid to any Eligible Participant who becomes the chairperson of the Audit Committee of the Board on a date other than the beginning of a Plan Year, based on the number of full months he or she serves as a chairperson of the Audit Committee of the Board during the Plan Year. Payment of such prorated Supplemental Annual Retainer shall begin on the date that the person first becomes chairperson of the Audit Committee, and shall resume on a quarterly basis thereafter. In no event shall any installment of the Supplemental Annual Retainer be paid later than March 15 following the year to which such installment relates.

5.3. TRAVEL EXPENSE REIMBURSEMENT. All Eligible Participants shall be reimbursed for reasonable travel expenses in connection with attendance at meetings of the Board and its committees, or other Company functions at which the Chief Executive Officer or Chair of the Board requests the Independent Director to participate. Notwithstanding the foregoing, the Company's reimbursement obligations pursuant to this Section 5.3 shall be limited to expenses incurred during such director's service as an Independent Director. Such payments will be made within 30 days after delivery of the Independent Director's written requests for payment, accompanied by such evidence of expenses incurred as the Company may reasonably require, but in no event later than the last day of the Independent Director's tax year following the tax year in which the expense was incurred. The amount reimbursable in any one tax year shall not affect the amount reimbursable in any other tax year. Independent Directors' right to reimbursement pursuant to this Section 5.3 shall not be subject to liquidation or exchange for another benefit.

ARTICLE 6 ALTERNATIVE FORM OF PAYMENT FOR BASE ANNUAL RETAINER AND SUPPLEMENTAL ANNUAL RETAINER

6.1. PAYMENT OF BASE ANNUAL RETAINER AND SUPPLEMENTAL ANNUAL RETAINER. At the election of each Eligible Participant, in accordance with Section 6.2, the Base Annual Retainer or the Supplemental Annual Retainer for a given Plan Year shall be either: (i) payable in cash in approximately equal quarterly installments in arrears, beginning on the date of the annual stockholders meeting; or (ii) subject to share availability under the Incentive Plan, payable by a grant on the day an installment of the Base Annual Retainer or Supplemental Annual Retainer is normally paid (the "Stock Grant Date") of that number of shares of Stock (rounded up to the nearest whole share) determined by dividing the Base Annual Retainer or Supplemental Annual Retainer installment otherwise payable by: (a) if the Stock Grant Date occurs during any "best efforts" public offering of the Company's Stock prior to the date to the Stock is listed on a national securities exchange, the offering price of the Stock, net of dealer manager fees and selling commissions; or (b) if the Stock Grant Date occurs after the termination of any public offering of the Company's Stock, the per share estimated value of the Stock disclosed in the Company's most recent annual report distributed to investors pursuant to Section 13(a) of the 1934 Act, or (c) in any case, the Fair Market Value as otherwise determined by the Committee. Any shares of Stock granted under the Plan as the Base Annual Retainer or Supplemental Annual Retainer under clause (ii) above will be 100% vested and nonforfeitable as of the Stock Grant Date, and the Eligible Participant receiving such shares of Stock (or his or her custodian, if any) will have immediate rights of ownership in the shares of Stock, including the right to vote the shares of Stock and the right to receive dividends or other distributions thereon.

6.2. TIMING AND MANNER OF PAYMENT ELECTION. Eligible Participants may make an election pursuant to this Section 6.2 for the first full Plan Year following the date that the Company's initial public offering of its common stock is declared effective by the Securities and Exchange Commission (the "IPO Effective Date"). Each Eligible Participant shall elect the form of payment desired for his or her Base Annual Retainer and Supplemental Annual Retainer (if applicable) for a Plan Year by delivering a valid election form in such form as the Board or the plan administrator shall prescribe (the "Election Form") to the Board or the plan administrator prior to the beginning of such Plan Year, which will be effective as of the first day of the Plan Year beginning after the Board or the plan administrator receives the Eligible Participant's Election Form. The Election Form signed by the Eligible Participant prior to the Plan Year will be irrevocable for the coming Plan Year. However, prior to the commencement of the following Plan Year, an Eligible Participant may change his or her election for future Plan Years by executing and delivering a new Election Form indicating different choices. If an Eligible Participant fails to deliver a new Election Form prior to the commencement of the new Plan Year, his or her Election Form in effect during the previous Plan Year shall continue in effect during the new Plan Year. If no Election Form is filed or effective, or if there are insufficient shares of Stock in the Incentive Plan, the Base Annual Retainer and Supplemental Annual Retainer (if applicable) will be paid in cash.

ARTICLE 7 EQUITY COMPENSATION

7.1. INITIAL RESTRICTED STOCK GRANT. Provided that the Company has raised at least \$2,000,000 in gross offering proceeds, on the first date that an Independent Director is initially elected or appointed to the Board, he or she shall receive an award of 5,000 shares of Restricted Stock, subject to share availability under the Incentive Plan and the terms of this Section 7.1. Notwithstanding the foregoing, each Independent Director elected or appointed to the Board prior to the date that the Company has raised \$2,000,000 in gross offering proceeds (the "Minimum Offering Date"), and who remains an Independent Director as of the Minimum Offering Date, shall receive such initial Restricted Stock grant on the Minimum Offering Date. Such shares of Restricted Stock shall be subject to the terms and restrictions described below in Section 7.3 and shall be in addition to any otherwise applicable annual grant of Restricted Stock granted to such Independent Director under Section 7.2.

7.2. SUBSEQUENT RESTRICTED STOCK GRANT. Subject to share availability under the Incentive Plan and the additional restrictions provided in this Section 7.2, on the date following an Independent Director's subsequent re-election to the Board, such director shall receive 2,500 shares of Restricted Stock. Such shares of Restricted Stock shall be subject to the terms and restrictions described below in Section 7.3. Notwithstanding anything herein to the contrary, no Restricted Stock shall be granted pursuant to this Section 7.2 on a given date if, as a result of such grant, the total number of Shares subject to outstanding Awards (as defined in the Incentive Plan) granted under the Incentive Plan as of such date would exceed five percent (5%) of the number of Shares outstanding as of such date. In such event, the grant of such Restricted Stock shall be delayed until such time as the grant would not violate the provisions of this Section 7.2 (the "Delayed Grant Date"). The grant of the delayed Restricted Stock shall be subject to the approval of the Board and shall be limited to Independent Directors who (a) otherwise would have received a grant on the original date under this Section 7.2, and (b) remain Independent Directors as of the Delayed Grant Date. For all purposes, the grant date of the delayed Restricted Stock shall be the Delayed Grant Date and not the original date provided in this Section 7.2.

7.3. TERMS AND CONDITIONS OF RESTRICTED STOCK. Shares of Restricted Stock shall be evidenced by a written Award Certificate, and shall be subject to such restrictions and risk of forfeiture as determined by the Board, and shall be granted under and pursuant to the terms of the Incentive Plan.

Unless and until provided otherwise by the Board, the Restricted Stock granted pursuant to Section 7.1 and Section 7.2 herein shall vest and become non-forfeitable over four (4) years in equal quarterly installments beginning on the first day of the first quarter following the Restricted Stock grant date. Notwithstanding the foregoing vesting schedule, the shares of Restricted Stock shall become fully vested on the earlier occurrence of: (i) the termination of the Independent Director's service as a director of the Company due to his or her death or Disability; or (ii) a Change in Control of the Company. If the Independent Director's service as a director of the Company terminates other than as described in clause (i) of the foregoing sentence, then the Independent Director shall forfeit all of his or her right, title and interest in and to any unvested shares of Restricted Stock as of the date of such termination from the Board and such Restricted Stock shall be reconveyed to the Company without further consideration or any act or action by the Independent Director.

**ARTICLE 8
AMENDMENT, MODIFICATION AND TERMINATION**

8.1. AMENDMENT, MODIFICATION AND TERMINATION. The Board may, at any time and from time to time, amend, modify or terminate the Plan without stockholder approval; provided, however, that if an amendment to the Plan would, in the reasonable opinion of the Board, require stockholder approval under applicable laws, policies or regulations or the applicable listing or other requirements of a securities exchange on which the Stock is listed or traded, then such amendment shall be subject to stockholder approval; and provided, further, that the Board may condition any other amendment or modification on the approval of stockholders of the Company for any reason.

**ARTICLE 9
GENERAL PROVISIONS**

9.1. ADJUSTMENTS. The adjustment provisions of the Incentive Plan shall apply with respect to Restricted Stock or other equity awards outstanding or to be granted pursuant to this Plan.

9.2. DURATION OF THE PLAN. The Plan shall remain in effect until terminated by the Board.

9.3. EXPENSES OF THE PLAN. The expenses of administering the Plan shall be borne by the Company.

9.4. PLAN EFFECTIVE DATE. The Plan originally became effective on June 22, 2011 (the "Plan Effective Date"). The Plan was amended and restated by the Board on February 4, 2013.

The foregoing is hereby acknowledged as being the NorthStar Healthcare Income, Inc. Independent Directors Compensation Plan as adopted by the Board.

NORTHSTAR HEALTHCARE INCOME, INC.

By: /s/ Ronald J. Lieberman

Name: Ronald J. Lieberman

Title: Executive Vice President, General Counsel and
Secretary

**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):
February 11, 2013

NorthStar Healthcare Income, Inc.

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

No. 333-170802
(Commission File Number)

No. 27-3663988
(IRS Employer
Identification No.)

399 Park Avenue, 18th Floor
New York, New York
(Address of Principal Executive offices)

10022
(Zip Code)

(212) 547-2600
(Registrant's telephone number, including area code)

N/A
(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 obligation of the registrant under any of the following provisions (see General Instructions A.2.):

- 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 240.14a-12)
 - 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 7.01. Regulation FD Disclosure

Satisfaction of Minimum Offering Amount

On February 11, 2013, NorthStar Healthcare Income, Inc. (the “Company”) satisfied the minimum offering amount in its continuous public offering (the “Offering”) of up to \$1.1 billion in shares of common stock (the “Shares”) as a result of the purchase of \$2.0 million in Shares by an affiliate of the Company’s sponsor, NorthStar Realty Finance Corp., (NYSE: NRF) (the “Sponsor”), at \$9.00 per share (reflecting that no selling commissions or dealer manager fees were paid). On February 11, 2013, following the authorization of the Company’s board of directors, the Company’s escrow agent released all of the offering proceeds in the escrow account. The Company has special escrow provisions for Ohio and Tennessee residents, which have not been satisfied as of February 11, 2013. The Company’s primary offering is expected to terminate on or before August 7, 2014, unless extended by the Company’s board of directors as permitted under applicable law and regulations.

Additionally, in connection with the purchase of Shares in the Offering by an affiliate of the Sponsor, the Sponsor has informed us that neither the Sponsor nor its affiliate intends to sell any of the Shares acquired that enabled the Company to satisfy the minimum offering requirement to any person or entity, other than to a subsidiary, parent company or company under common control with the Sponsor, for so long as the Company is externally managed and advised by NorthStar Healthcare Income Advisor, LLC, or another affiliate of the Sponsor.

Safe Harbor Statement

Certain items in this Current Report on Form 8-K may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which can be identified by words like “anticipate,” “believe,” “plan,” “hope,” “goal,” “expect,” “future,” “intend,” “will,” “could” and “should” and similar expressions. These statements are based on the Company’s current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward looking statements; the Company can give no assurance that its expectations will be attained. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements will not materialize or will vary significantly from actual results. Variations of assumptions and results may be material. Factors that could cause actual results to differ materially from the Company’s expectations include, but are not limited to, the Company’s ability to effect its business plan following the release of funds from escrow, changes in economic conditions generally and the real estate and debt markets specifically, availability of capital, ability to achieve targeted returns, generally accepted accounting principles and policies and rules applicable to REITs. Factors that could cause actual results to differ materially from those in the forward-looking statements are specified in the Company’s Registration Statement on Form S-11 (File No. 333-170802) and its other filings with the Securities and Exchange Commission. Such forward-looking statements speak only as of the date of this Current Report on Form 8-K. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

SIGNATURE

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

NorthStar Healthcare Income, Inc.

Date: February 11, 2013

By: /s/ Ronald J. Lieberman
Ronald J. Lieberman
Executive Vice President, General Counsel and Secretary

**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):
April 5, 2013

NorthStar Healthcare Income, Inc.
(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

No. 333-170802
(Commission File Number)

No. 27-3663988
(IRS Employer
Identification No.)

399 Park Avenue, 18th Floor, New York, New York 10022
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(212) 547-2600**

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 obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
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 - 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.

On April 5, 2013 (the “Closing Date”), NorthStar Healthcare Income, Inc. (the “Company”), through a subsidiary, purchased a \$2.0 million pari passu participation interest (the “Participation”) in an \$11.25 million senior loan (the “Senior Loan”). The Company will purchase additional amounts of the Senior Loan, from time to time, as additional capital is raised, increasing the size of the Participation until the Company owns the entire Senior Loan.

The Senior Loan was originated on February 15, 2013 by an affiliate of NorthStar Realty Finance Corp., the Company’s sponsor (“NorthStar”). The Participation was purchased at NorthStar’s cost basis and was approved by the Company’s independent directors consistent with the Company’s conflict of interest policy. In connection with the purchase, the Company and NorthStar entered into a participation agreement, which among other things, contains customary provisions to provide the Company with certain approval and consent rights for the Senior Loan.

The Senior Loan is secured by a 112-unit mixed independent living, assisted living and memory care facility located in Madera, California (the “Property”). The Property is situated in the middle of a 40-acre upscale single family home and multi-use area and is also located three-miles from the Madera Community Hospital. The Property is managed by an experienced operator who manages 47 properties, 33 of which are in California.

The Senior Loan bears interest at a floating rate of 7.0% over the one-month London Interbank Offered Rate (the “LIBOR Rate”), but at no point shall the LIBOR Rate be less than 1.0%, resulting in a minimum interest rate of 8.0% per annum. The Company will earn a fee equal to 1.0% of the outstanding principal amount at the time of repayment.

The initial term of the Senior Loan is 36 months, with two one-year extension options available to the borrower, subject to the satisfaction of certain performance tests and the borrower paying a fee equal to 0.50% of the amount being extended for each extension option. The Senior Loan may be prepaid after the first 21 months, provided the borrower pays the remaining interest due on the amount prepaid through month 24. Thereafter, the Senior Loan may be prepaid in whole or in part without penalty.

The Property’s loan-to-value ratio (“LTV Ratio”) is approximately 70%. The LTV Ratio is the amount loaned to the borrower net of reserves funded and controlled by the Company and its affiliates, if any, over the current appraised value of the Property as of January 2013.

Item 8.01. Other Events.

On April 5, 2013, the Company’s board of directors approved cash distributions of \$0.001849315 per day per share of common stock for the period commencing on the Closing Date through June 30, 2013, which if paid each day over a 365-day period is equivalent to a 6.75% annualized distribution rate based on a purchase price of \$10.00 per share of common stock. Distributions will be paid monthly to stockholders of record during the relevant period. Stockholders may choose to receive their distributions in cash or apply them to the purchase of additional shares through the Company’s distribution reinvestment plan.

Safe Harbor Statement

Certain items in this Current Report on Form 8-K may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which can be identified by words like “anticipate,” “believe,” “plan,” “hope,” “goal,” “expect,” “future,” “intend,” “will,” “may,” “could” and “should” and similar expressions. These statements are based on the Company’s current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward looking statements; the Company can give no assurance that its expectations will be attained. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements may not materialize or may vary significantly from actual results. Variations of assumptions and results may be material. Factors that could cause actual results to differ materially from the Company’s expectations include, but are not limited to, the ability of the operator of the Property to effectively manage the Property, the ability of the borrower to comply with the terms of the Senior Loan, whether the borrower determines to extend the Senior Loan, the change in market rents for mid-acuity senior housing facilities in Madera, California, changes in economic conditions generally and the real estate and debt markets specifically, availability of capital, ability to achieve targeted returns, generally accepted accounting principles and policies and rules applicable to REITs. Additional factors that could cause actual results to differ materially from those in the forward-looking statements are specified in the Company’s Annual Report on Form 10-K for the year ended December 31, 2012 and its other filings with the Securities and Exchange Commission. Such forward-looking statements speak only as of the date of this Current Report on Form 8-K. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

SIGNATURE

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

NorthStar Healthcare Income, Inc.

Date: April 8, 2013

By: /s/ Ronald J. Lieberman
Ronald J. Lieberman
Executive Vice President, General Counsel and Secretary

**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):
June 28, 2013

NorthStar Healthcare Income, Inc.

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

No. 333-170802
(Commission File Number)

No. 27-3663988
(IRS Employer
Identification No.)

399 Park Avenue, 18th Floor, New York, New York 10022
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (212) 547-2600

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 obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

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 - 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.

On April 5, 2013, NorthStar Healthcare Income, Inc. (the “Company”), through a subsidiary purchased a \$2.0 million pari passu participation interest (the “Original Participation”) in an \$11.25 million senior loan (the “Senior Loan”). On June 28, 2013, the Company purchased an additional \$0.5 million pari passu participation interest (an “Additional Participation” and together with the Original Participation, the “Participation”). The Company will purchase additional amounts of the Senior Loan, from time to time, as additional capital is raised, increasing the size of the Participation until the Company owns the entire Senior Loan.

The Senior Loan was originated on February 15, 2013 by an affiliate of NorthStar Realty Finance Corp., the Company’s sponsor (“NorthStar”). The Participation was purchased at NorthStar’s cost basis and was approved by the Company’s independent directors consistent with the Company’s conflict of interest policy. In connection with the purchase of the Original Participation, the Company and NorthStar entered into a participation agreement, which among other things, contains customary provisions to provide the Company with certain approval and consent rights for the Senior Loan. In connection with the Additional Participation, the Company and NorthStar entered into the first amendment, dated June 28, 2013, to the original participation agreement for the sole purpose of increasing the amount of the Original Participation.

The Senior Loan is secured by a 112-unit mixed independent living, assisted living and memory care facility located in Madera, California (the “Property”). The Property is situated in the middle of a 40-acre upscale single family home and multi-use area and is also located three-miles from the Madera Community Hospital. The Property is managed by an experienced operator who manages 47 properties, 33 of which are in California.

The Senior Loan bears interest at a floating rate of 7.0% over the one-month London Interbank Offered Rate (the “LIBOR Rate”), but at no point shall the LIBOR Rate be less than 1.0%, resulting in a minimum interest rate of 8.0% per annum. The Company will earn a fee equal to 1.0% of the outstanding principal amount at the time of repayment.

The initial term of the Senior Loan is 36 months, with two one-year extension options available to the borrower, subject to the satisfaction of certain performance tests and the borrower paying a fee equal to 0.50% of the amount being extended for each extension option. The Senior Loan may be prepaid after the first 21 months, provided the borrower pays the remaining interest due on the amount prepaid through month 24. Thereafter, the Senior Loan may be prepaid in whole or in part without penalty.

The Property’s loan-to-value ratio (“LTV Ratio”) was approximately 70% at the time of origination. The LTV Ratio is the amount loaned to the borrower net of reserves funded and controlled by the Company and its affiliates, if any, over the appraised value of the Property at origination.

Safe Harbor Statement

Certain items in this Current Report on Form 8-K may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which can be identified by words like “anticipate,” “believe,” “plan,” “hope,” “goal,” “expect,” “future,” “intend,” “will,” “may,” “could” and “should” and similar expressions. These statements are based on the Company’s current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward looking statements; the Company can give no assurance that its expectations will be attained. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements may not materialize or may vary significantly from actual results. Variations of assumptions and results may be material. Factors that could cause actual results to differ materially from the Company’s expectations include, but are not limited to, the ability of the operator of the Property to effectively manage the Property, the ability of the borrower to comply with the terms of the Senior Loan, whether the borrower determines to extend the Senior Loan, the change in market rents for mid-acuity senior housing facilities in Madera, California, changes in economic conditions generally and the real estate and debt markets specifically, availability of capital, ability to achieve targeted returns, generally accepted accounting principles and policies and rules applicable to REITs. Additional factors that could cause actual results to differ materially from those in the forward-looking statements are specified in the Company’s Annual Report on Form 10-K for the year ended December 31, 2012 and its other filings with the Securities and Exchange Commission. Such forward-looking statements speak only as of the date of this Current Report on Form 8-K. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

SIGNATURE

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

NorthStar Healthcare Income, Inc.

Date: June 28, 2013

By: /s/ Ronald J. Lieberman
Ronald J. Lieberman
Executive Vice President, General Counsel and Secretary

**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):
August 2, 2013**

NorthStar Healthcare Income, Inc.

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

No. 333-170802
(Commission File Number)

No. 27-3663988
(IRS Employer
Identification No.)

399 Park Avenue, 18th Floor, New York, New York 10022
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (212) 547-2600

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 obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- 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 240.14a-12)
 - 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.

Additional Participation in First Mortgage Loan

NorthStar Healthcare Income, Inc. (the “Company”), through a subsidiary previously purchased a \$2.5 million pari passu participation interest (the “Previous Participation”) in an \$11.25 million senior loan (the “Senior Loan”). On August 2, 2013, the Company purchased an additional \$0.75 million pari passu participation interest (an “Additional Participation” and together with the Original Participation, the “Participation”). The Company will purchase additional amounts of the Senior Loan, from time to time, as additional capital is raised, increasing the size of the Participation until the Company owns the entire Senior Loan.

The Senior Loan was originated on February 15, 2013 by an affiliate of NorthStar Realty Finance Corp., the Company’s sponsor (“the Sponsor”). The Participation was purchased at the Sponsor’s cost basis and was approved by the Company’s independent directors consistent with the Company’s conflict of interest policy. In connection with the purchase of the Original Participation, the Company and the Sponsor entered into a participation agreement, which among other things, contains customary provisions to provide the Company with certain approval and consent rights for the Senior Loan. In connection with the Additional Participation, the Company and the Sponsor entered into the second amendment, dated August 2, 2013, to the original participation agreement for the sole purpose of increasing the amount of the Original Participation.

The Senior Loan is secured by a 112-unit mixed independent living, assisted living and memory care facility located in Madera, California (the “Property”). The Property is situated in the middle of a 40-acre upscale single family home and multi-use area and is also located three-miles from the Madera Community Hospital. The Property is managed by an experienced operator who manages 47 properties, 33 of which are in California.

The Senior Loan bears interest at a floating rate of 7.0% over the one-month London Interbank Offered Rate (the “LIBOR Rate”), but at no point shall the LIBOR Rate be less than 1.0%, resulting in a minimum interest rate of 8.0% per annum. The Company will earn a fee equal to 1.0% of the outstanding principal amount at the time of repayment.

The initial term of the Senior Loan is 36 months, with two one-year extension options available to the borrower, subject to the satisfaction of certain performance tests and the borrower paying a fee equal to 0.50% of the amount being extended for each extension option. The Senior Loan may be prepaid after the first 21 months, provided the borrower pays the remaining interest due on the amount prepaid through month 24. Thereafter, the Senior Loan may be prepaid in whole or in part without penalty.

The Property’s loan-to-value ratio (“LTV Ratio”) was approximately 70% at the time of origination. The LTV Ratio is the amount loaned to the borrower net of reserves funded and controlled by the Company and its affiliates, if any, over the appraised value of the Property at origination.

Renewal of Advisory Agreement

Effective August 7, 2013, the advisory agreement, as amended (the “Advisory Agreement”), among the Company, NorthStar Healthcare Income Operating Partnership, LP, the Company’s operating partnership (the “Operating Partnership”), NorthStar Healthcare Income Advisor, LLC, the Company’s advisor (the “Advisor”), and the Sponsor, was renewed through August 7, 2014 upon terms identical to those in effect through August 7, 2013. Pursuant to the Advisory Agreement, the Advisor will continue to perform day-to-day operational and administrative services for the Company, including asset management services, acquisition services and stockholder services.

The discussion below contains a summary of significant terms and conditions of the renewed Advisory Agreement and is qualified in its entirety by the Advisory Agreement, a copy of which was filed as Exhibit 10.1 to Pre-Effective Amendment No. 7 to the Company’s Registration Statement on Form S-11 (File No. 333-170802) (the “Registration Statement”), filed on August 1, 2012, which is incorporated by reference herein.

The Advisory Agreement has a one-year term and may be renewed for an unlimited number of successive one-year periods upon the mutual consent of the parties. Renewals of the Advisory Agreement must be approved by the independent directors of the Company based on an evaluation of the performance of the Advisor. The Advisory Agreement may be terminated:

- immediately by the Company or the Operating Partnership for “cause” (as defined in the Advisory Agreement) or upon the bankruptcy of the Advisor;
- without cause or penalty by the Company upon 60 days’ written notice; or
- with “good reason” (as defined in the Advisory Agreement) by the Advisor upon 60 days’ written notice.

If the Advisory Agreement is terminated or not renewed for any reason except for “cause,” the Advisor will be paid all accrued and unpaid fees and expense reimbursements earned prior to the date of termination, and NorthStar Healthcare Income OP Holdings, LLC, an affiliate of the Sponsor (the “Special Unit Holder”), may be entitled to a one-time payment upon the redemption of the special units of the Operating Partnership held by the Special Unit Holder, based on an appraisal of the Company’s portfolio, in the event that the Special Unit Holder would have been entitled to a subordinated distribution under the Operating Partnership’s limited partnership agreement had the Company’s portfolio been liquidated on the termination date.

With respect to each investment made, the Company will pay the Advisor an acquisition fee equal to 1.0% of the amount funded or allocated by the Company to originate or acquire commercial real estate (“CRE”) investments, other than real property, including acquisition expenses and any financing attributable to such investments and 2.25% of the cost of each real estate real property, including acquisition expenses and any financing attributable to such investments. The Company will also pay the Advisor a monthly asset management fee equal to one-twelfth of 1.00% of the sum of the amount funded or allocated for CRE investments, including expenses and any financing attributable to such investments, less any principal received on our debt and security investments. The Company will also pay the Advisor a disposition fee for substantial assistance by the Advisor in connection with the sale of the Company’s investments, as determined by the Company’s independent directors, equal to 2% of the contract sales price of each property sold and 1% of the contract sales price of each CRE debt investment sold. No disposition fee will be paid upon the maturity, prepayment, workout, modification or extension of CRE debt, unless there is a corresponding fee paid by the borrower.

The Company has also agreed to pay for or reimburse the Advisor for certain expenses incurred by the Advisor and its affiliates in connection with the services provided by the Advisor under the Advisory Agreement.

All of these fees and expense reimbursements are subject to the limitations on such payments contained in the Company’s Articles of Amendment and Restatement.

The Company has agreed to indemnify the Advisor and its affiliates against losses incurred by the Advisor and its affiliates in connection with the performance of its obligations under the Advisory Agreement, subject to terms and conditions contained in the Advisory Agreement.

Safe Harbor Statement

Certain items in this Current Report on Form 8-K may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which can be identified by words like “anticipate,” “believe,” “plan,” “hope,” “goal,” “expect,” “future,” “intend,” “will,” “may,” “could” and “should” and similar expressions. These statements are based on the Company’s current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward looking statements; the Company can give no assurance that its expectations will be attained. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements may not materialize or may vary significantly from actual results. Variations of assumptions and results may be material. Factors that could cause actual results to differ materially from the Company’s expectations include, but are not limited to, the ability of the operator of the Property to effectively manage the Property, the ability of the borrower to comply with the terms of the Senior Loan, whether the borrower determines to extend the Senior Loan, the change in market rents for mid-acuity senior housing facilities in Madera, California, changes in economic conditions generally and the real estate and debt markets specifically, availability of capital, ability to achieve targeted returns, generally accepted accounting principles and policies and rules applicable to REITs. Additional factors that could cause actual results to differ materially from those in the forward-looking statements are specified in the Company’s Annual Report on Form 10-K for the year ended December 31, 2012 and its other filings with the Securities and Exchange Commission. Such forward-looking statements speak only as of the date of this Current Report on Form 8-K. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

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.

NorthStar Healthcare Income, Inc.

Date: August 8, 2013

By: /s/ Ronald J. Lieberman
Ronald J. Lieberman
Executive Vice President, General Counsel and Secretary

**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):

August 16, 2013

NorthStar Healthcare Income, Inc.

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

No. 333-170802
(Commission File Number)

No. 27-3663988
(IRS Employer
Identification No.)

399 Park Avenue, 18th Floor, New York, New York 10022
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (212) 547-2600

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 obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

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 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 1.01. Entry into a Material Definitive Agreement.

On August 16, 2013, NorthStar Healthcare Income, Inc. (the “Company”), through a subsidiary, purchased an additional \$2.0 million pari passu participation interest (the “Additional Participation”) in an \$11.25 million senior loan (the “Senior Loan”). The Additional Participation increases the size of the Company’s pari passu participation interest in the Senior Loan from \$3.25 million (the “Previous Participation”) to \$5.25 million (the “Participation”). The Company will purchase additional amounts of the Senior Loan, from time to time, as additional capital is raised, increasing the size of the Participation until the Company owns the entire Senior Loan.

The Senior Loan was originated on February 15, 2013 by an affiliate of NorthStar Realty Finance Corp., the Company’s sponsor (the “Sponsor”). The Participation was purchased at the Sponsor’s cost basis and was approved by the Company’s independent directors consistent with the Company’s conflict of interest policy. In connection with the purchase of the Previous Participation, the Company and the Sponsor entered into a participation agreement, which among other things, contains customary provisions to provide the Company with certain approval and consent rights for the Senior Loan. In connection with the Additional Participation, the Company and the Sponsor entered into the third amendment, dated August 16, 2013, to the original participation agreement for the sole purpose of increasing the amount of the Previous Participation.

The Senior Loan is secured by a 112-unit mixed independent living, assisted living and memory care facility located in Madera, California (the “Property”). The Property is situated in the middle of a 40-acre upscale single family home and multi-use area and is also located three-miles from the Madera Community Hospital. The Property is managed by an experienced operator who manages 47 properties, 33 of which are in California.

The Senior Loan bears interest at a floating rate of 7.0% over the one-month London Interbank Offered Rate (the “LIBOR Rate”), but at no point shall the LIBOR Rate be less than 1.0%, resulting in a minimum interest rate of 8.0% per annum. The Company will earn a fee equal to 1.0% of the outstanding principal amount at the time of repayment.

The initial term of the Senior Loan is 36 months, with two one-year extension options available to the borrower, subject to the satisfaction of certain performance tests and the borrower paying a fee equal to 0.50% of the amount being extended for each extension option. The Senior Loan may be prepaid after the first 21 months, provided the borrower pays the remaining interest due on the amount prepaid through month 24. Thereafter, the Senior Loan may be prepaid in whole or in part without penalty.

The Property’s loan-to-value ratio (“LTV Ratio”) was approximately 70% at the time of origination. The LTV Ratio is the amount loaned to the borrower net of reserves funded and controlled by the Company and its affiliates, if any, over the appraised value of the Property at origination.

Safe Harbor Statement

Certain items in this Current Report on Form 8-K may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which can be identified by words like “anticipate,” “believe,” “plan,” “hope,” “goal,” “expect,” “future,” “intend,” “will,” “may,” “could” and “should” and similar expressions. These statements are based on the Company’s current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward looking statements; the Company can give no assurance that its expectations will be attained. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements may not materialize or may vary significantly from actual results. Variations of assumptions and results may be material. Factors that could cause actual results to differ materially from the Company’s expectations include, but are not limited to, the ability of the operator of the Property to effectively manage the Property, the ability of the borrower to comply with the terms of the Senior Loan, whether the borrower determines to extend the Senior Loan, the change in market rents for mid-acuity senior housing facilities in Madera, California, changes in economic conditions generally and the real estate and debt markets specifically, availability of capital, ability to achieve targeted returns, generally accepted accounting principles and policies and rules applicable to REITs. Additional factors that could cause actual results to differ materially from those in the forward-looking statements are specified in the Company’s Annual Report on Form 10-K for the year ended December 31, 2012 and its other filings with the Securities and Exchange Commission. Such forward-looking statements speak only as of the date of this Current Report on Form 8-K. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

SIGNATURE

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

NorthStar Healthcare Income, Inc.

Date: August 19, 2013

By: /s/ Ronald J. Lieberman
Ronald J. Lieberman
Executive Vice President, General Counsel and Secretary

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):
September 13, 2013

NorthStar Healthcare Income, Inc.

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

No. 333-170802
(Commission File Number)

No. 27-3663988
(IRS Employer
Identification No.)

399 Park Avenue, 18th Floor, New York, New York 10022
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (212) 547-2600

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 obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- 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 240.14a-12)
 - 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.

On September 13, 2013, NorthStar Healthcare Income, Inc. (“NorthStar Healthcare”), through a subsidiary, completed the purchase of an \$11.25 million senior loan secured by a senior care facility (the “Senior Loan”) located in Madera, California. Previously NorthStar Healthcare held \$5.25 million of the Senior Loan through purchases of multiple pari passu participations (“Previous Participations”). NorthStar Healthcare completed its acquisition of the entire Senior Loan by purchasing an additional \$6.00 million participation interest (the “Remaining Participation”) in the Senior Loan and then terminating the related participation agreement, making NorthStar Healthcare the sole owner of the Senior Loan with full control rights. The Senior Loan was originated on February 15, 2013 by an affiliate of NorthStar Realty Finance Corp., NorthStar Healthcare’s sponsor (the “Sponsor”). The Senior Loan was purchased at the Sponsor’s cost basis and was approved by NorthStar Healthcare’s independent directors consistent with its conflict of interest policy.

The Senior Loan is secured by a 112-unit mixed independent living, assisted living and memory care facility located in Madera, California (the “Property”). The Property is situated in the middle of a 40-acre upscale single-family home and multi-use area and is also located three miles from the Madera Community Hospital. The Property is managed by an experienced operator who manages 47 properties, 33 of which are in California.

The Senior Loan bears interest at a floating rate of 7.0% over the one-month London Interbank Offered Rate (the “LIBOR Rate”), but at no point shall the LIBOR Rate be less than 1.0%, resulting in a minimum interest rate of 8.0% per annum. NorthStar Healthcare will earn a fee equal to 1.0% of the outstanding principal amount at the time of repayment.

The initial term of the Senior Loan is 36 months, with two one-year extension options available to the borrower, subject to the satisfaction of certain performance tests and the borrower paying a fee equal to 0.50% of the amount being extended for each extension option. The Senior Loan may be prepaid after the first 21 months, provided the borrower pays the remaining interest due on the amount prepaid through month 24. Thereafter, the Senior Loan may be prepaid in whole or in part without penalty.

The Property’s loan-to-value ratio (“LTV Ratio”) was approximately 70% at the time of origination. The LTV Ratio is the amount loaned to the borrower net of reserves funded and controlled by NorthStar Healthcare and its affiliates, if any, over the appraised value of the Property at origination.

Safe Harbor Statement

Certain items in this Current Report on Form 8-K may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which can be identified by words like “anticipate,” “believe,” “plan,” “hope,” “goal,” “expect,” “future,” “intend,” “will,” “may,” “could” and “should” and similar expressions. These statements are based on NorthStar Healthcare’s current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward looking statements; NorthStar Healthcare can give no assurance that its expectations will be attained. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements may not materialize or may vary significantly from actual results. Variations of assumptions and results may be material. Factors that could cause actual results to differ materially from NorthStar Healthcare’s expectations include, but are not limited to, the ability of the operator of the Property to effectively manage the Property, the ability of the borrower to comply with the terms of the Senior Loan, whether the borrower determines to extend the Senior Loan, the change in market rents for mid-acuity senior housing facilities in Madera, California, changes in economic conditions generally and the real estate and debt markets specifically, availability of capital, ability to achieve targeted returns, generally accepted accounting principles and policies and rules applicable to REITs. Additional factors that could cause actual results to differ materially from those in the forward-looking statements are specified in NorthStar Healthcare’s Annual Report on Form 10-K for the year ended December 31, 2012 and its other filings with the Securities and Exchange Commission. Such forward-looking statements speak only as of the date of this Current Report on Form 8-K. NorthStar Healthcare expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

SIGNATURE

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

NorthStar Healthcare Income, Inc.

Date: September 17, 2013

By: /s/ Ronald J. Lieberman

Ronald J. Lieberman
Executive Vice President, General Counsel and
Secretary

**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):
October 29, 2013**

NorthStar Healthcare Income, Inc.

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

No. 333-170802
(Commission File Number)

No. 27-3663988
(IRS Employer
Identification No.)

399 Park Avenue, 18th Floor, New York, New York 10022
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (212) 547-2600

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 obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- 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 240.14a-12)
 - 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 set forth under Item 2.01 of this Current Report on Form 8-K is incorporated by reference into this Item 1.01.

Item 2.01. Completion of Acquisition or Disposition of Assets.

Kansas City Assisted Living Portfolio

On October 29, 2013, NorthStar Healthcare Income, Inc. (“NorthStar Healthcare”), through its operating partnership, completed the acquisition of a 70-unit assisted living and memory care facility located in Leawood, Kansas (“Grace Gardens”), and a 48-unit assisted living and memory care facility located in Spring Hill, Kansas (“Blackhawk Commons,” and together with Grace Gardens, the “KC ALF Portfolio”) for an aggregate total cost of \$15.6 million.

Grace Gardens and Blackhawk Commons were constructed in 2002 and 2006, respectively, and each facility is 100% leased to an affiliate of Advantage Health Group pursuant to a ten year, cross-defaulted, triple-net lease, whereby the tenant is responsible for substantially all of the operating expenses at each property. Each lease contains two five-year extension options and annual rent escalations equal to the greater of (i) the percentage increase in the consumer price index and (ii) 2.5%. The KC ALF Portfolio consists of two buildings totaling 76,303 square feet, and as of November 1, 2013 resident occupancy was 96%.

The KC ALF Portfolio was originally acquired by an affiliate of NorthStar Realty Finance Corp., NorthStar Healthcare’s Sponsor (the “Sponsor”), and in accordance with NorthStar Healthcare’s conflict of interest policy, the Sponsor identified the KC ALF Portfolio as a suitable investment for NorthStar Healthcare and closed on the purchase with the intention of providing NorthStar Healthcare with the opportunity to acquire the KC ALF Portfolio, at the Sponsor’s cost, at a later date. The aggregate total cost of the KC ALF Portfolio paid by NorthStar Healthcare was equal to the Sponsor’s cost in the KC ALF Portfolio, including all costs and expenses. The transaction was approved by NorthStar Healthcare’s board of directors, including all of the independent directors, and the total cost was funded with proceeds from NorthStar Healthcare’s initial public offering.

In connection with its acquisition of the ALF Portfolio, NorthStar Healthcare entered into Membership Interest Purchase and Sale Agreements, dated as of October 29, 2013, with NorthStar Realty Healthcare, LLC, an affiliate of the Sponsor, for the purchase of 100% of the membership interests in NRFC Blackhawk Holdings, LLC and NRFC Grace Gardens, LLC, the entities that own the ALF Portfolio.

Clinton Memory Care Facility

On October 31, 2013, NorthStar Healthcare, through its operating partnership, completed the acquisition of a 48-unit memory care facility located in Clinton, Connecticut (the “Clinton Facility”) for a total cost of \$11.0 million.

The Clinton Facility was constructed in 2002 and renovated to a 100% memory care facility in 2008. The Clinton Facility is 100% leased to an affiliate of Peregrine Health Management Company (“Peregrine”) pursuant to a ten year, triple-net lease, whereby the tenant is responsible for substantially all of the operating expenses at the property. The lease, which is cross-defaulted with the lease for the Athenaeum Facility, described below in Item 8.01, contains two five-year extension options and includes annual rent escalations equal to the greater of (i) the percentage increase in the consumer price index and (ii) 2.5%. The Clinton Facility contains 25,332 square feet, and as of November 1, 2013 resident occupancy was 98%.

The Clinton Facility was originally acquired by an affiliate of the Sponsor, and in accordance with NorthStar Healthcare’s conflict of interest policy, the Sponsor identified the Clinton Facility as a suitable investment for NorthStar Healthcare and closed on the purchase with the intention of providing NorthStar Healthcare with the opportunity to acquire the Clinton Facility, at the Sponsor’s cost, at a later date. The total cost of the Clinton Facility paid by NorthStar Healthcare was equal to the Sponsor’s cost in the Clinton Facility, including all costs and

expenses. The transaction was approved by NorthStar Healthcare's board of directors, including all of the independent directors, and the total cost was funded through a combination of proceeds from NorthStar Healthcare's initial public offering and the assumption of a \$7.82 million of existing mortgage debt on the Clinton Facility, which was originated by an unaffiliated third-party lender (the "Senior Loan").

The Senior Loan, which is guaranteed by affiliates of Peregrine, bears interest at a floating rate of 2.75% over the one-month London Interbank Offered Rate and matures on June 1, 2018. Monthly payments include interest and principal amounts based on a 25-year amortization schedule. In addition to standard representations, warranties and covenants contained in transactions of this type, under the terms of the Senior Loan the Clinton Facility must maintain (i) average occupancy, determined on a quarterly basis and as further defined in the loan agreement, equal to 87.5% and (ii) a minimum debt service coverage ratio, as defined in the loan agreement, equal to 1.25x.

In connection with its acquisition of the Clinton Facility, NorthStar Healthcare entered into a Membership Interest Purchase and Sale Agreement, dated as of October 31, 2013, with NorthStar Realty Healthcare, LLC, an affiliate of the Sponsor, for the purchase of 100% of the membership interests in NRFC Clinton Holdings, LLC, the entity that owns the Clinton Facility.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off Balance Sheet Arrangement of a Registrant.

The information set forth under Item 2.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Item 8.01. Other Events.

Athenaeum Assisted Living Facility

On October 31, 2013, NorthStar Healthcare, through a subsidiary of its operating partnership, completed the acquisition of a 14-unit, 16-bed assisted living facility located in Skaneateles, New York (the "Athenaeum Facility") for a total cost of \$3.1 million. In connection with its acquisition of the Athenaeum Facility, NorthStar Healthcare entered into a Purchase and Sale Agreement, dated October 31, 2013, with an affiliate of Peregrine, the seller.

The Athenaeum Facility was originally constructed in 1863 and renovated most recently in 2008. The Athenaeum Facility is 100% leased to an affiliate of Peregrine pursuant to a ten year, triple-net lease, whereby the tenant is responsible for substantially all of the operating expenses at the property. The lease, which is cross-defaulted with the Clinton Facility lease, contains two five-year extension options and includes annual rent escalations equal to the greater of (i) the percentage increase in the consumer price index and (ii) 2.5%. The Athenaeum Facility contains 13,233 square feet, and as of November 1, 2013 resident occupancy at the Athenaeum Facility was 81%.

Safe Harbor Statement

This Current Report on Form 8-K contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "will" or other similar words or expressions. These statements are based on NorthStar Healthcare's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements; NorthStar Healthcare can give no assurance that its expectations will be attained. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements will not materialize or will vary significantly from actual results. Variations of assumptions and results may be material. Factors that could cause actual results to differ materially from NorthStar Healthcare's expectations include, but are not limited to, the ability of our property operators to successfully manage our properties, the ability to satisfy the minimum average occupancy and minimum debt

service coverage ratio tests contained in the Clinton Facility loan agreement, the impact of any losses on cash flows and returns, market rental rates and property level cash flows, changes in economic conditions generally and the real estate and debt markets specifically, the ability to maintain a qualified diversified portfolio, the impact of local economics, the ability to successfully implement an exit strategy, availability of investment opportunities, availability of capital, the ability to achieve its targeted returns, generally accepted accounting principles, policies and rules applicable to REITs and the factors described in Item 1A of NorthStar Healthcare's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 under the heading "Risk Factors." The foregoing list of factors is not exhaustive. All forward-looking statements included in this Current Report on Form 8-K are based upon information available to NorthStar Healthcare on the date of this report and NorthStar Healthcare is under no duty to update any of the forward-looking statements after the date of this report to conform these statements to actual results.

SIGNATURE

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

NorthStar Healthcare Income, Inc.

Date: November 4, 2013

By: /s/ Ronald J. Lieberman
Ronald J. Lieberman
Executive Vice President, General Counsel and Secretary