

Contact: Joe Calabrese
Phone: 212.827.3772
Email: jcalabrese@frbir.com

NorthStar Healthcare Joint Venture to Acquire Trilogy Health Services in \$1.125 Billion Transaction

New York, NY (September 15, 2015) – NorthStar Healthcare Income, Inc. (NorthStar Healthcare) today announced that it has entered into a definitive agreement to acquire Trilogy Investors LLC (Trilogy), the parent company of Trilogy Health Services LLC, for approximately \$1.125 billion pursuant to a joint venture with Griffin-American Healthcare REIT III, Inc. (Griffin-American). NorthStar Healthcare will own approximately 30% of the joint venture, while Griffin-American will own approximately 70% of the joint venture. In addition, as part of the transaction, Randy Bufford, Trilogy's founder and chief executive officer, and other members of Trilogy's management will maintain an investment of approximately \$24 million in Trilogy.

Founded in 1997, Trilogy is a leading owner-operator of purpose-built integrated senior healthcare campuses throughout the states of Indiana, Ohio, Michigan and Kentucky. During the course of its 18 year history, Trilogy has experienced consistent growth primarily through the development of new campuses and opportunistic expansions of existing ones. Trilogy now operates a total of 96 properties comprised of more than 10,000 beds, most of which were either built or substantially renovated in the past 10 years. Trilogy's integrated senior health campuses offer a range of care, including assisted living, memory care, independent living and skilled nursing services.

"The Trilogy investment is a continued reflection of our sponsor's ability to source unique institutional opportunities for our company and partnering with Griffin-American and its sponsor American Healthcare Investors demonstrates our powerful combined presence in the healthcare market," said Ron J. Jeanneault, chief executive officer and president of NorthStar Healthcare. "Trilogy, led by Randy and an experienced and highly regarded management team, has a strong track record of delivering results. Trilogy's properties have a low average age, strong occupancy rates and a high quality mix which, coupled with their robust development pipeline, creates an exciting addition to our portfolio that will continue to grow over time. This transaction is another positive step in rounding out the NorthStar Healthcare portfolio with high quality senior housing investments."

NorthStar Healthcare entered into a joint venture with Griffin-American for the purpose of consummating this transaction. The joint venture agreement provides that Griffin-American will be the manager of the joint venture and NorthStar Healthcare will have consent rights over certain significant decisions. The joint venture agreement also contains rights and obligations relating to funding the joint venture and distributions, as well as customary forced sale and other liquidity rights.

The transaction is subject to customary closing conditions and the satisfaction of other requirements as detailed in the agreement. The investment is intended to be structured in accordance with the REIT Investment Diversification and Empowerment Act of 2007 (RIDEA).

NorthStar Healthcare's portfolio, as adjusted for commitments to acquire real estate investments as of September 14, 2015, consists of 39 investments with an aggregate total cost of \$2.8 billion, including 35

equity investments with an aggregate total cost of \$2.6 billion and four debt investments with an aggregate principal amount of \$203 million as of September 14, 2015.

About NorthStar Healthcare Income, Inc.

NorthStar Healthcare is a public, non-traded real estate investment trust (REIT) sponsored by NorthStar Asset Management Group Inc. NorthStar Healthcare was formed to acquire, originate and asset manage a diversified portfolio of equity, debt and securities investments in healthcare real estate, with a focus on the mid-acuity senior housing sector, which we define as assisted living, memory care, skilled nursing and independent living facilities. NorthStar Healthcare also invests in other healthcare property types, including medical office buildings, continuing care retirement communities, hospitals and rehabilitation facilities.

This press release 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,” “expects,” “intends” 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, NorthStar Healthcare’s ability to realize the anticipated benefits of its joint venture with Griffin-American; the ability of NorthStar Healthcare to achieve its targeted returns through the joint venture; the ability of Trilogy to successfully operate the portfolio; the ability to comply with the terms of the financing secured by the portfolio; the impact to NorthStar Healthcare of any actions taken by Griffin-American regarding the joint venture; the impact of any losses from properties in the portfolio on cash flow and returns; our ability to expand and diversify our senior housing portfolio; our sponsor’s ability to source unique institutional opportunities; our ability to maintain our partnership with Griffin-American and its sponsor, including our ability to maintain our combined presence in the healthcare market; Trilogy’s management team’s ability to maintain its strong track record of delivering results; Trilogy’s ability to maintain its occupancy rate and quality mix and maintain and grow its robust development pipeline; Trilogy’s ability to continue to grow its business over time; market rental rates and property level cash flow; changes in economic conditions generally and the real estate and debt markets specifically; the impact of local economics; the availability of investment opportunities; the availability of capital; the ability to deploy capital into high quality assets or at all and establish or maintain a strong investment platform; the ability to achieve targeted returns; changes to generally accepted accounting principles; policies and rules applicable to real estate investment trusts; and the factors described in Part I, Item 1A of NorthStar Healthcare’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and in its other filings with the Securities and Exchange Commission. The foregoing list of factors is not exhaustive. All forward-looking statements included in this release are based upon information available to NorthStar Healthcare on the date of this release and NorthStar Healthcare is under no duty to update any of the forward-looking statements after the date of this release to conform these statements to actual results.

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