UNDERWRITING AGREEMENT

September 23, 2009

Chartwell Seniors Housing Real Estate Investment Trust
100 Milverton Drive, Suite 700
Mississauga, Ontario
L5R 4H1

Attention: W. Brent Binions

Dear Sirs & Mesdames:

RBC Dominion Securities Inc. (the "**Lead Underwriter**"), CIBC World Markets Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Blackmont Capital Inc., Canaccord Capital Corporation and HSBC Securities (Canada) Inc. (collectively with the Lead Underwriter, the "**Underwriters**", and each individually an "**Underwriter**") understand that Chartwell Seniors Housing Real Estate Investment Trust ("**Chartwell**") proposes to issue and sell to the Underwriters 12,500,000 units (the "**Units**") for aggregate gross proceeds of $75,000,000 as described in the Schedule attached to this Agreement. Subject to the terms and conditions of this Agreement, the Underwriters (or Substituted Purchasers, as defined below, in the United States arranged for or by the Underwriters) severally offer to purchase from Chartwell in the percentages set out on the Schedule opposite to their respective names, and by its acceptance of this Agreement, Chartwell agrees to sell to the Underwriters, at the Closing Time (as defined in this Agreement), all but not less than all of the Units for the unit purchase price (the "**Unit Purchase Price**") specified in the Schedule.

By acceptance of this Agreement, Chartwell grants the Underwriters a one-time, unassignable option (the "**Underwriters' Over-allotment Option**") to purchase up to 1,875,000 units (the "**Additional Units**") of Chartwell at the Additional Units Closing Time on the same basis as the purchase of the Units. If the Lead Underwriter, on behalf of the Underwriters, elects to exercise the Underwriters' Over-allotment Option, the Lead Underwriter shall notify Chartwell in writing not later than 30 days after the Closing Date, which notice shall specify the number of Additional Units to be purchased by the Underwriters pursuant to the Underwriters' Over-allotment Option and the date upon which such Additional Units are to be purchased. Such date may be the same as the Closing Date but not earlier than two Business Days after the date of such notice. Additional Units may be purchased solely for the purpose of covering the Underwriters' over-allocation position as determined as at the Closing Date. If any Additional Units are purchased pursuant to the Underwriters' Over-allotment Option, each Underwriter agrees to purchase the number of Additional Units that bears the same proportion to the total number of Additional Units (subject to such adjustments to eliminate fractional shares as the Lead Underwriter may determine) to be purchased as the percentages set out in the Schedule opposite the name of such Underwriter. Chartwell understands that although this Agreement is presented on behalf of the Underwriters as purchasers, the Underwriters may arrange for substituted purchasers (the "**Substituted Purchasers**") for the Securities (as defined below) in connection with the private placements of the Securities (as defined below) in the United States only in accordance with the U.S. Securities Act and the provisions of this Agreement. It is further understood that the Underwriters agree to purchase or cause to be purchased the Units, and if the Underwriters' Over-Allotment Option is exercised, the Additional Units being issued by Chartwell, and that this commitment is not subject to the Underwriters being able to arrange Substituted Purchasers. Each Substituted Purchaser shall purchase Units and Additional Units at the Unit Purchase Price set forth in the paragraphs above, and to the extent that Substituted Purchasers purchase Units and Additional Units, the obligations of the Underwriters to do so will be reduced by the number of Securities purchased by the Substituted Purchasers from Chartwell. Any reference in this Agreement hereafter to "purchasers" shall be taken to be a reference to the Underwriters, as the initial committed purchasers, and to the Substituted Purchasers, if any.

The Units and the Additional Units are hereinafter collectively referred to as the "**Securities**".

DEFINITIONS

In this Agreement:

"**1933 Act**" means the United States *Securities Act of 1933*, as amended, including the rules and regulations adopted by the SEC thereunder;

"**1934 Act**" means the United States *Securities Exchange Act of 1934*, as amended, including the rules and regulations adopted by the SEC thereunder;

"**1940 Act**" means the United States *Investment Company Act of 1940*, as amended, including the rules and regulations promulgated thereunder;

"**Additional Units**" has the meaning given to it above;

"**Additional Units Closing Time**" has the meaning given to it in the Schedule;

"**Additional Units Purchase Price**" has the meaning given to it in the Schedule;

"**affiliate**", "**distribution**", "**material change**", "**material fact**", "**misrepresentation**", and "**subsidiary**" have the respective meanings given to them in the *Securities Act* (Ontario);

"**Agreement**" means the agreement resulting from the acceptance by Chartwell of the offer made by the Underwriters by this letter;

"**Auditors**" means the accounting firm identified in the Schedule;

"**Business Day**" means any day, other than a Saturday or Sunday, on which the Royal Bank of Canada in Toronto is open for commercial banking business during normal banking hours;

"**Canadian Securities Laws**" means all applicable securities laws in each of the Qualifying Provinces and the respective regulations and rules under such laws together with applicable published policy statements of the Canadian Securities Administrators and the securities regulatory authorities in the Qualifying Provinces;

“**Canadian Securities Regulators**” means the applicable securities commission or securities regulatory authority in each of the Qualifying Provinces;

“**Canco**” means CSH Master Care Canada Inc.;

“**Chartwell**” has the meaning given to it above;

“**Chartwell’s Counsel**” has the meaning given to it in the Schedule;

“**Chartwell’s knowledge**” means the actual knowledge of the trustees, directors and officers of Chartwell and its subsidiaries listed in Chartwell’s annual information form dated March 30, 2009 under the heading “Trustees, Directors and Executive Officers”;

“**Claim**” has the meaning given to it in paragraph 11(b);

“**Closing**” means the completion of the issue and sale by Chartwell and the purchase by the Underwriters of the Units pursuant to this Agreement;

“**Closing Date**” has the meaning given to it in the Schedule;

“**Closing Time**” has the meaning given to it in the Schedule;

“**CSH Trust**” means CSH Trust, a trust established under the laws of Ontario, all of the units and notes of which are owned by Chartwell;

“**Declaration of Trust**” means the declaration of trust dated July 7, 2003 establishing Chartwell, as amended and restated as of November 14, 2003, and further amended and restated as of July 1, 2005 and further amended and restated as of November 6, 2006 and further amended and restated as of November 19, 2007 and further amended and restated as of July 14, 2008 and further amended and restated on May 21, 2009;

“**Development Agreement**” means the development agreement between Spectrum Seniors Housing Development LP and the Operator entered into on November 14, 2003, as amended May 27, 2004, December 24, 2004 and February 13, 2009;

“**Documents Incorporated by Reference**” means the documents incorporated by reference in the Prospectus as specified in the Schedule;

“**Final Prospectus**” means the (final) short form prospectus of Chartwell (in both the English and French languages unless the context requires otherwise), including the Documents Incorporated by Reference, prepared by Chartwell and relating to the proposed distribution of the Securities;

“**Final Prospectus Date**” has the meaning given to it in the Schedule;

"Final Receipt" means a receipt for the Final Prospectus issued in accordance with the Passport System;

"**Financial Information**" means Chartwell's financial statements together with any auditors' report thereon and the notes thereto and Chartwell's management discussion and analysis related to same included in the Documents Incorporated by Reference;

"**Indemnified Party**" has the meaning given to it in paragraph 11(b);

"**Indenture**" means the trust indenture between Chartwell and the Transfer Agent, as debenture trustee, dated November 28, 2006 and supplemented by any supplemental indenture;

"**Institutional Accredited Investor**" means an institution that is an accredited investor within the meaning of Rule 501(a)(1),(2),(3) or (7) of Regulation D;

"**Latest Closing Date**" has the meaning given to it in the Schedule;

"**Lead Underwriter**" has the meaning given to it above;

"**MI 11-102**" means Multilateral Instrument 11-102 - *Passport System*;

"**NI 44-101**" means National Instrument 44-101 - *Short Form Prospectus Distributions* adopted by the Canadian Securities Regulators;

"**notice**" has the meaning given to it in paragraph 21;

"NP 11-202" means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;

"**Operator**" means Chartwell Master Care LP, a limited partnership established under the laws of Manitoba, the general partner of which is GP M Trust;

"**OSC**" means the Ontario Securities Commission;

"**Passport System**" means the passport system procedures provided for under MI 11-102 and NP 11-202 among the Canadian Securities Regulators;

"**Preliminary Prospectus**" means the preliminary short form prospectus of Chartwell dated September 23, 2009 (in both the English and French languages unless the context requires otherwise), including the Documents Incorporated by Reference, prepared by Chartwell and relating to the proposed distribution of the Securities;

"**Preliminary Prospectus Date**" has the meaning given to it in the Schedule;

"**Preliminary Receipt**" means a receipt for the Preliminary Prospectus in accordance with the Passport System;

"**Principal Regulator**" has the meaning given to it in the Schedule;

"**Prospectus**" means, collectively, the Preliminary Prospectus, the Final Prospectus and any Prospectus Amendment;

"**Prospectus Amendment**" means any amendment to the Preliminary Prospectus or the Final Prospectus;

"**Qualified Institutional Buyers**" has the meaning given to it under Rule 144A;

"**Qualifying Provinces**" has the meaning given to it in the Schedule;

"**Québec Counsel**" has the meaning given to it in the Schedule;

"**Regulation D**" means Regulation D under the 1933 Act;

"**Regulation S**" means Regulation S under the 1933 Act;

"**Rule 144A**" means Rule 144A under the 1933 Act;

"**Schedule**" means the schedule attached to and forming part of this Agreement;

"**SEC**" means the United States Securities and Exchange Commission;

"**Securities**" has the meaning given to it above;

"**Seniors Housing Businesses**" means, collectively, the seniors housing businesses currently carried on at the Seniors Housing Properties, including all of the assets involved in the operation of such properties other than the Seniors Housing Properties themselves, but including all furniture, moveable equipment, licences, contracts, inventory and goodwill in connection therewith;

"**Seniors Housing Properties**" means, collectively, the real property, buildings, fixtures (including attached equipment) and leasehold interests, if any, in the seniors housing facilities described in the Prospectus;

"**Special Voting Units**" means the special voting units of Chartwell;

"**Specified Parties**" means CSH Trust, the Operator, GP M Trust, TrusteeCo, Canco and USCO;

"**Stock Exchange**" means the Toronto Stock Exchange;

"**Transfer Agent**" has the meaning given to it in the Schedule;

"**TrusteeCo**" means Chartwell Master Care Corporation, a corporation governed by the laws of the Province of Ontario, being the sole trustee of GP M Trust;

"**Trustees**" means the trustees of Chartwell;

"**Underwriter**" and "**Underwriters**" has the respective meanings given to them above;

"**Underwriters' Counsel**" has the meaning given to it in the Schedule;

"**Underwriting Fee**" has the meaning given to it in the Schedule;

"**Underwriters' Over-allotment Option**" has the meaning given to it above;

"**Unit Purchase Price**" has the meaning given to it in the Schedule;

"**Units**" has the meaning given to it above;

"**USCO**" means CSH Master Care USA Inc.; and

"**U.S. Counsel**" has the meaning given to it in the Schedule.

Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and vice versa and words importing gender include all genders. References to "paragraphs" and "clauses" are to the appropriate paragraph or clause of this Agreement.

The parties hereto acknowledge that this Agreement shall be conclusively taken to have been executed by, or by officers of Chartwell on behalf of, the Trustees only in their capacities as trustees of Chartwell under the Declaration of Trust. The parties hereto hereby disavow any liability upon and waive any claim against holders of units of Chartwell and annuitants under plans of which holders of units of Chartwell act as trustee or carrier, and the obligations created hereunder are not personally binding upon, nor shall resort be had to, nor shall recourse or satisfaction be sought from, the private property of any Trustee or officer of Chartwell or any holder of units of Chartwell or annuitant, but the property of Chartwell or a specific portion thereof only shall be bound. It is agreed that the benefit of this provision is restricted to the Trustees and officers of Chartwell, each holder of units of Chartwell and annuitants, and solely for that purpose, the undersigned signing officers of Chartwell have entered into this provision as agent and trustee for and on behalf of the Trustees and officers of Chartwell, each holder of units of Chartwell and each annuitant.

TERMS AND CONDITIONS

1. Compliance With Canadian Securities Laws

Chartwell shall, as soon as possible and in any event by 5:00 p.m. (Toronto time) on the Preliminary Prospectus Date, have prepared and filed the Preliminary Prospectus and other related documents in respect of the proposed distribution of the Securities, and obtained a Preliminary Receipt.

Chartwell shall, as soon as possible after any comments of the Canadian Securities Regulators have been satisfied and in any event by 5:00 p.m. (Toronto time) on the Final Prospectus Date (or in any case, by such later date or dates as may be determined by the Underwriters in their sole discretion, acting reasonably), have prepared and filed the Final Prospectus and other related documents in respect of the proposed distribution of the Securities, and obtained a Final Receipt and shall have fulfilled and complied with, to the reasonable satisfaction of the Underwriters, the

Canadian Securities Laws required to be fulfilled or complied with by Chartwell to enable the Securities to be lawfully distributed to the public in the Qualifying Provinces through the Underwriters or any investment dealers or brokers registered as such in the Qualifying Provinces.

Chartwell hereby agrees to diligently seek to obtain any regulatory, listing and other consents which may be required to permit the offering of the Securities in Canada as contemplated herein and the listing of the Securities on the Stock Exchange.

Chartwell will advise the Underwriters, promptly after receiving notice or obtaining knowledge, of:

(a) the issuance by any Canadian Securities Regulator of any order suspending or preventing the use of the Preliminary Prospectus, Final Prospectus or any Prospectus Amendment or the distribution of the Securities;

(b) the suspension of the qualification of the Securities for offering or sale in any of the Qualifying Jurisdictions;

(c) the institution, threatening or contemplation of any proceeding for any of those purposes; or

(d) any requests made by any Canadian Securities Regulator to amend or supplement the Prospectus or for additional information.

2. Due Diligence

Prior to the filing of the Preliminary Prospectus and the Final Prospectus, Chartwell shall permit the Underwriters to participate fully in the preparation of the Prospectus and shall allow the Underwriters to conduct all due diligence investigations which they reasonably require in order to fulfill their obligations as underwriters under the Canadian Securities Laws and in order to enable them to responsibly execute the certificates in the Preliminary Prospectus and Final Prospectus required to be executed by them, such due diligence investigations not to reveal any material adverse information concerning Chartwell and its subsidiaries and affiliates, on a consolidated basis, that is not already publicly disclosed at the time of the announcement of the offering of the Securities.

Following the filing of the Final Prospectus, up to the later of the Closing Date and the date of completion of the distribution of the Securities, Chartwell shall allow each of the Underwriters to conduct any due diligence investigations which any of them reasonably requires to confirm as at any date up to the foregoing times that it continues to have reasonable grounds for the belief that the Final Prospectus does not contain a misrepresentation as at such date.

3. Sale of Securities

(a) Restrictions on Sale Outside the Qualifying Provinces

The Underwriters agree not to distribute the Securities in such manner as to require registration of the Securities, or the filing of a prospectus or any similar document under the laws of any jurisdiction outside the Qualifying Provinces and to distribute the Securities only in the Qualifying Provinces and in accordance with all applicable laws. In particular, the Underwriters acknowledge that the Securities have not been and will not be registered under the 1933 Act or any U.S. state securities laws and may not be offered or sold within the United States except in accordance with Rule 144A to Qualified Institutional Buyers or to a limited number of Substituted Purchasers who are Institutional Accredited Investors in transactions exempt from the registration requirements of the 1933 Act. In this connection, the Underwriters agree that they will not offer or sell any of the Securities within the United States except, if applicable, for offers and sales of the Units in the United States by the U.S. registered broker-dealer affiliates of the Underwriters in accordance with paragraphs 3(e), (f) and (g) below.

(b) **Representations, Warranties and Covenants of Chartwell as to U.S. Sales**

Chartwell hereby represents, warrants and covenants to and with the Underwriters that:

(i) none of it, its affiliates, nor any person acting on its or their behalf has taken or will take any action, directly or indirectly, in violation of Regulation M under the 1934 Act;

(ii) Chartwell is a "foreign issuer" with no "substantial U.S. market interest" with respect to the Securities, as such terms are defined in Regulation S;

(iii) none of Chartwell, its affiliates or any person acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Regulation S) in the United States or has engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Regulation D) with respect to the Securities;

(iv) the Units are not, and as of the Closing Time will not be, and no securities of the same class as the Units are or will be, (A) listed on a national securities exchange in the United States registered under Section 6 of the 1934 Act, (B) quoted in an "automated inter-dealer quotation system", as such term is used in the 1934 Act, or (C) convertible or exchangeable at an effective conversion premium (calculated as specified in paragraph (a)(6) of Rule 144A) of less than ten percent for securities so listed or quoted;

(v) so long as any Units which have been sold in the United States in reliance upon Rule 144A are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the 1933 Act, Chartwell shall either:

(A) furnish to the SEC, all information required to be furnished in accordance with Rule 12g3-2(b) under the 1934 Act (which may, to the extent permitted, be furnished by reference to a website at which such information is available;

(B) file reports and other information with the SEC under Section 13 or 15(d) of the 1934 Act; or

(C) if it is not exempt from reporting pursuant to Rule 12g3-2(b) nor subject to and in compliance with Section 13 or 15(d) of the 1934 Act, then furnish to any holder of the Units and any prospective purchaser of the Units designated by such holder, upon request of such holder or prospective purchaser, the information required to be delivered pursuant to Rule 144A(d)(4) under the 1933 Act (so long as such requirement is necessary in order to permit holders of the Units to effect resales under Rule 144A); and

(vi) Chartwell is not now and as a result of the sale of Securities contemplated hereby and the application of the proceeds thereof in the manner contemplated by the Prospectus will not be an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the 1940 Act.

(c) **Representations and Warranties of the Underwriters as to U.S. Sales**

Each of the Underwriters represents and warrants to and with Chartwell that:

(i) it acknowledges that the Securities have not been and will not be registered under the 1933 Act or any U.S. state securities laws and may not be offered or sold within the United States except as set forth in paragraphs 3(d) to (3)(g) below. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts (within the meaning of Regulation S) in the United States with respect to the Securities; and

(ii) it has not entered and will not enter into any contractual arrangement with respect to the distribution of the Securities, except with its affiliates, any selling group members or with the prior written consent of Chartwell.

(d) **Covenants of the Underwriters as to U.S. Sales**

Each Underwriter, severally, and not jointly and severally, covenants with Chartwell that:

(i) none of it, its affiliates, nor any person acting on its or their behalf has taken or will take any action, directly or indirectly, in violation of Regulation M under the 1934 Act;

(ii) it has not offered or sold, and will not offer or sell, any Securities except (a) in an offshore transaction in accordance with Rule 903 of Regulation S or (b) through their respective U.S. affiliates (as defined below) in the United States to (i) Qualified Institutional Buyers in accordance with Rule 144A or (ii) by arranging for a limited number of Substituted Purchasers that are Institutional Accredited Investors to purchase Securities in transactions that are exempt from the registration requirements under the 1933 Act or any U.S. state securities laws;

(iii) all offers and sales of the Units in the United States will be effected through the Underwriter's U.S. registered broker-dealer affiliate in accordance with all applicable U.S. broker-dealer requirements (the "**U.S. affiliate**"); such U.S. affiliate is a duly registered broker-dealer with the SEC and under the laws of each state where such offers and sales are made (unless exempted from such state's requirements) and is a member in good standing with the Financial Industry Regulatory Authority, Inc.;

(iv) all offers and sales of the Units in the United States will be effected in compliance with registration or qualification provisions of applicable state securities (blue sky) laws or exemptions therefrom;

(v) if the Underwriter authorizes any members of the banking and selling group formed by it to offer and sell the Units in the United States through their U.S. affiliates, the Underwriter shall require each banking and selling group member to agree, for the benefit of Chartwell, to comply with, and shall use its best efforts to ensure that each banking and selling group member complies with the provisions of this paragraph 3 in connection with all offers and sales of the Units in the United States as if such provisions applied to such member;

(vi) its U.S. affiliate selling Units in the United States is a Qualified Institutional Buyer within the meaning of Rule 144A;

(vii) it will not, either directly or through its U.S. affiliate, solicit offers for, or offer to sell, the Units in the United States by means of any form of general solicitation or general advertising (as those terms are used in Regulation D) or in any manner involving a public offering within the meaning of Section 4(2) of the 1933 Act or engage in any directed selling efforts (as defined in Regulation S);

(viii) it will solicit (and will cause its U.S. affiliate to solicit) offers for the Units in the United States only from, and will offer the Units only to (i) persons with whom it has a pre-existing relationship and reasonably believes to be Qualified Institutional Buyers in accordance with Rule 144A that in purchasing such Units will be deemed to have made the representations, warranties and agreements contained in the U.S. Private Placement Memorandum (as defined below) to the extent applicable as provided in clause 3(f) below or (ii) a limited number of Substituted Purchasers who are Institutional Accredited Investors with whom it has a pre-existing relationship and who it reasonably believes are Institutional Accredited Investors in transactions that are exempt from registration under the 1933 Act and who complete and return to the Underwriters the subscription agreement substantially in the form attached hereto as Exhibit A (the "**Subscription Agreement**");

(ix) it will inform (and cause its U.S. affiliate to inform) all purchasers of the Units in the United States that are Qualified Institutional Buyers that the Units have not been and will not be registered under the 1933 Act or U.S. state securities laws and are being offered and sold to them without registration under the 1933 Act in reliance on the exemption from registration provided by Rule 144A thereunder;

(x) each offeree in the United States will be provided with a preliminary and final U.S. Private Placement Memorandum (as defined below), including the Preliminary Prospectus or the Final Prospectus, as applicable, and no other written material will be used in connection with the offer or sale of the Units in the United States; and

(xi) at least one Business Day prior to the Time of Delivery, it will provide the Transfer Agent with a list of all purchasers in the United States.

(e) **Underwriters' U.S. Affiliates**

Each Underwriter agrees that:

(i) it will deliver, through its U.S. affiliate, a copy of each of the preliminary private placement memorandum and final private placement memorandum (together, the "**U.S. Private Placement Memorandum**"), including (i) the Preliminary Prospectus or Final Prospectus, as the case may be, relating to the Securities, (ii) the Documents Incorporated by Reference and (iii) a U.S. covering memorandum for the U.S. offering to each person in the United States purchasing Units from it (in form and substance satisfactory to Chartwell), including the representations and warranties provided in clause 3(f) below, and setting forth the legend referred to in sub-clause 3(f)(vi);

(ii) it shall cause its U.S. affiliate to agree, for the benefit of Chartwell and shall use its reasonable best efforts to ensure its U.S. affiliate complies with the same provisions as are contained in paragraphs 3(d) and 3(e); and

(iii) at Closing, it, together with its U.S. affiliate selling Units in the United States, will provide a certificate, substantially in the form of Exhibit I to this Agreement relating to the manner of the offer and sale of the Units in the United States.

(f) **U.S. Purchasers Who Are Qualified Institutional Buyers**

Each purchaser of Units offered hereby who is a Qualified Institutional Buyer and is offered the Units pursuant to Rule 144A will, by its purchase of such securities, be deemed to have represented and agreed for the benefit of Chartwell, the Underwriters and their respective U.S. affiliates as follows (which deemed representations and agreements will also be contained in the U.S. Private Placement Memorandum):

(i) it is authorized to consummate the purchase of Units;

(ii) it is aware that the Units have not been and will not be registered under the 1933 Act or the securities laws of any U.S. state and that the offer, sale and delivery of Units to it are being made in reliance on Rule 144A and exemptions from the registration qualification requirements under applicable state securities laws;

(iii) it is a Qualified Institutional Buyer (as defined in Rule 144A) and is acquiring the Units for its own account or for the account of one or more Qualified Institutional Buyers with respect to which it exercises sole investment discretion and not with a view to any resale, distribution or other disposition of the Units in violation of United States federal or state securities laws;

(iv) it acknowledges that it has not purchased the Units as a result of any general solicitation or general advertising in the United States (within the meaning of Rule 502(c) of Regulation D under the 1933 Act), including advertisements, articles, notices, or other communications published in any newspaper, magazine or similar media, or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising, or in any manner involving a public offering within Section 4(2) of the 1933 Act;

(v) it understands that the Units are "restricted securities" within the meaning of Rule 144(a)(3) under the 1933 Act and that if it decides to offer, sell, pledge or otherwise transfer any of the Units, such Units may be offered, sold, pledged or otherwise transferred only:

   (A) to Chartwell;

   (B) outside the United States in accordance with Rule 904 of Regulation S under the 1933 Act;

   (C) inside the United States in accordance with (1) Rule 144A under the 1933 Act to a person who the seller reasonably believes is a Qualified Institutional Buyer that is purchasing for its own account or for the account of one or more Qualified Institutional Buyers to whom notice is given that the offer, sale, pledge or transfer is being made in reliance on Rule 144A or (2) the exemption from registration under the 1933 Act provided by Rule 144 thereunder, if available;

(D) pursuant to an effective registration statement under the 1933 Act; or

(E) in another transaction that does not require registration under the 1933 Act, and in each case in accordance with any applicable securities laws of any state of the United States or the securities laws of any other applicable jurisdiction, and in the case of (C)(2) or (E) above, upon the provision of a legal opinion of counsel of recognized standing, satisfactory to Chartwell, acting reasonably, to the effect that the sale of such Units is not required to be registered under the 1933 Act;

(vi) it is relying solely on the information contained or incorporated by reference in the U.S. Private Placement Memorandum in making its investment decision with respect to the Units and acknowledges that no representation or warranty is made by the Underwriters or the U.S. Affiliates as to the accuracy or completeness of such materials. It further acknowledges that none of Chartwell, the Underwriters or the U.S. Affiliates has made any representation or given any information to it with respect to Chartwell or the offering or sale of the Units other than the information contained in the U.S. Private Placement Memorandum;

(vii) it understands and acknowledges that upon the original issuance thereof, and until such time as the same is no longer required under applicable requirements of the 1933 Act or applicable state securities laws, certificates representing the Units, and all certificates issued in exchange therefor or in substitution thereof, shall bear the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF CHARTWELL SENIORS HOUSING REAL ESTATE INVESTMENT TRUST ("CHARTWELL") THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO CHARTWELL, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (C) INSIDE THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE SECURITIES ACT TO A PERSON THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT IS PURCHASING THE

SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE OFFER, SALE OR TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A OR (2) RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE, (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR (E) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTION, AND, IN THE CASE OF (C)(2) OR (E) ABOVE, UPON THE PROVISION OF A LEGAL OPINION OF COUNSEL OF RECOGNIZED STANDING, SATISFACTORY TO THE COMPANY, ACTING REASONABLY, TO THE EFFECT THAT SUCH SALE OF SECURITIES IS NOT REQUIRED TO BE REGISTERED UNDER THE SECURITIES ACT.

DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. PROVIDED THAT CHARTWELL IS A "FOREIGN ISSUER" WITHIN THE MEANING OF REGULATION S OF THE SECURITIES ACT AT THE TIME OF THE SALE, A NEW CERTIFICATE, BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA MAY BE OBTAINED FROM COMPUTERSHARE TRUST COMPANY OF CANADA, AS REGISTRAR AND TRANSFER AGENT FOR THESE SECURITIES, OR SUCH OTHER ORGANIZATION OR ENTITY PERFORMING SUCH FUNCTION FOR CHARTWELL (THE "TRANSFER AGENT") UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE TRANSFER AGENT AND CHARTWELL, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT. THE TRANSFER AGENT MAY ALSO REQUIRE AN OPINION OF COUNSEL IN CONNECTION WITH ANY OFFER, SALE, PLEDGE OR TRANSFER OF THE SECURITIES BY THE HOLDER HEREOF.

provided, that, if any such Units, are being sold under clause (B) in the legend above, and provided that Chartwell is a "foreign issuer" within the meaning of Regulation S at the time of sale, the legend may be removed by providing a declaration to Computershare Trust Company of Canada, as registrar and transfer agent for the Units, or such other organization or entity performing such function for Chartwell (the "**Transfer Agent**") to the effect set forth below (or as Chartwell may from time to time prescribe) and, if required by the Transfer Agent, an opinion of counsel of recognized standing reasonably satisfactory to the Transfer Agent and Chartwell that such legend is no longer required under applicable requirements of the 1933 Act or state securities laws:

> The undersigned (i) acknowledges that the sale of the securities of Chartwell Seniors Housing Real Estate Investment Trust ("Chartwell") to which this declaration relates is being made in reliance on Rule 904 of Regulation S ("Regulation S") under the United States Securities Act of 1933, as amended (the "Securities Act") and (ii) certifies that: (1) it is not an affiliate (as defined in Rule 405 under the Securities Act) of Chartwell (except for any officer or director who is an affiliate solely by virtue of holding such position), (2) the offer of the securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (B) the transaction was executed on or through the facilities of the Toronto Stock Exchange, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any "directed selling efforts" (as such term is defined in Regulation S) in the United States in connection with the offer and sale of the securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the Securities Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S, with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the Securities Act. Terms used herein have the meanings given to them by Regulation S.

provided, further, that, if any such Units are being sold under clause (C)(2) or (E) in the legend above, the legend may be removed by delivery to the Transfer Agent of an opinion of counsel, of recognized standing reasonably satisfactory to Chartwell, that such legend is no longer required under applicable requirements of the 1933 Act or state securities laws;

(viii) it will deliver to each person to whom it transfers any Units notice of the applicable restrictions on the transfer of such Units;

(ix) it understands and acknowledges that Chartwell is not obligated to file and has no present intention of filing with the SEC or with any U.S. state securities administrator any registration statement in respect of resales of Units in the United States;

(x) it acknowledges the prohibitions and makes each of the representations and agreements set forth below and it acknowledges that it is not a Benefit Plan Investor (as defined below):

> "In order to ensure that certain provisions of Title I of the United States Employee Retirement Income Security Act of 1974, as amended, or any successor statute ("**ERISA**"), or of Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), do not apply to Chartwell, the following entities are prohibited from purchasing or otherwise acquiring or holding, directly or indirectly, beneficial ownership of any Units at any time: (a) any "employee benefit plan", as defined in Section 3 of ERISA, that is subject to Title I of ERISA, (b) any "plan", as defined in, and subject to, Section 4975 of the Code, and (c) any other entity which may be deemed (pursuant to ERISA, regulations of the United States Department of Labor or otherwise) to hold at any time assets of any such "employee benefit plan" or "plan" (collectively, "**Benefit Plans Investors**"). Entities described in clause (c) of the definition may include, but are not limited to, certain entities in which the plans defined in clauses (a) and (b) above, have made investments, including certain collective trust funds, collective investment funds and insurance company separate accounts and, under certain circumstances, the general accounts of insurance companies.
>
> Each purchaser or other acquirer of Units (including any subsequent purchaser or other acquirer) shall be deemed to have represented to Chartwell and the Underwriters that (a) neither its acquisition nor its holding of such Units violates the foregoing prohibitions, Title 1 of ERISA or Section 4975 of the Code, and (b) prior to any transfer of such Units, it will inform any transferee thereof (other than a transferee in a transaction through the facilities of the Toronto Stock Exchange) of the foregoing prohibitions and the representations which such transferee will be deemed to make by purchasing or acquiring such Units. The foregoing prohibitions and deemed representations are hereinafter referred to as the "Benefit Plan Investor Prohibition". See "Transfer Restrictions" below. Each purchaser or other acquirer of Units at any time (including any subsequent purchaser or other

acquirer) shall also be deemed to have agreed to indemnify Chartwell, the Underwriters, the U.S. Affiliates and the Trustees, directors, employees and other affiliates thereof (including their respective successors and assigns) against any loss, cost or damage caused by any breach by such person of the Benefit Plan Investor Prohibition (a "**Deemed Indemnity**").

Chartwell may require any purchaser or other acquirer of Units to file a declaration to the effect that it has not violated the Benefit Plan Investor Prohibition. If the Trustees determine, as a result of such declarations or otherwise, that a violation of the Benefit Plan Investor Prohibition has occurred, or that such a circumstance is imminent, Chartwell shall not accept a subscription for any Units from, or issue or record a transfer of any Units to, any person unless such person shall provide a declaration that it has not violated the U.S. Retirement Plan Prohibition. If, notwithstanding the foregoing, the Trustees determine that one or more Units were acquired or are being held in violation of the Benefit Plan Investor Prohibition, the Trustees may send a notice to the holder thereof requiring it to sell all of such Units within a specified period of not less than 10 days. If during such period any person receiving such a notice shall not sell such Units to a purchaser that would not violate the Benefit Plan Investor Prohibition or provide Chartwell with satisfactory evidence that such Units were not acquired and are not being held in violation of the Benefit Plan Investor Prohibition, Chartwell may, on behalf of such person, sell such Units and, in the interim, shall suspend the voting and distribution rights associated with such Units. Upon the completion of such sale, the affected person shall cease to be a holder of such Units and its rights shall be limited to receiving the net proceeds of sale.

If Chartwell makes a public announcement that the Trustees believe that the Benefit Plan Investor Prohibition and the Deemed Indemnity are not in the best interests of Chartwell because there are alternative ways to avoid violations of ERISA and Section 4975 of the Code, the Benefit Plan Investor Prohibition and the Deemed Indemnity shall thereafter be immediately suspended until such time as the Trustees reinstate the Benefit Plan Investor Prohibition and the Deemed Indemnity by causing Chartwell to issue a public announcement of such reinstatement. Unless otherwise determined by the Trustees, certificated securities representing the Units, and any securities issued in exchange therefor or in substitution thereof, shall bear an appropriate legend referring to the Benefit Plan Investor Prohibition and the Deemed Indemnity."

(xi) it further understands that all Units sold in the United States as part of this offering will bear an additional legend to the following effect:

> THE FOLLOWING ENTITIES ARE PROHIBITED FROM PURCHASING OR OTHERWISE ACQUIRING OR HOLDING ANY SECURITIES REPRESENTED HEREBY AT ANY TIME: (A) UNITED STATES EMPLOYEE BENEFIT PLANS SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"); (B) UNITED STATES PLANS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND (C) ENTITIES WHICH ARE DEEMED TO HOLD PLAN ASSETS BY REASON OF INVESTMENT IN SUCH ENTITY BY ONE OF THE FOREGOING PLANS FOR PURPOSES OF ERISA OR THE CODE; EACH PURCHASER OR OTHER ACQUIRER OF SUCH SECURITIES AT ANY TIME (INCLUDING ANY SUBSEQUENT PURCHASER OR OTHER ACQUIRER), BY ITS PURCHASING OR ACQUIRING SUCH SECURITIES, WILL BE DEEMED TO MAKE CERTAIN REPRESENTATIONS AND ENTER INTO CERTAIN INDEMNIFICATION AGREEMENTS DESIGNED TO GIVE EFFECT TO SUCH PROHIBITIONS; PROVIDED, HOWEVER, THAT THE TRUSTEES OF CHARTWELL SENIORS HOUSING REAL ESTATE INVESTMENT TRUST MAY FROM TIME TO TIME SUSPEND (OR REINSTATE) THE EFFECTIVENESS OF SUCH PROHIBITIONS AND SUCH DEEMED REPRESENTATIONS AND INDEMNIFICATION AGREEMENTS.

provided, however, that such legend shall also include a statement to the effect that delivery of a certificate so legended may not constitute "good delivery" in settlement of transactions on stock exchanges in Canada, unless a statement to that effect already appears on the certificate; provided, further, that such legend shall be removed in connection with a resale of the Units through the facilities of the Toronto Stock Exchange or otherwise made to a purchaser outside the United States, and may be removed at such other time as the Trustees shall determine;

(xii) it understands and acknowledges that Chartwell (i) is not obligated to remain a "foreign issuer" within the meaning of Regulation S, (ii) may not, at the time the Units are resold by it or at any other time, be a foreign issuer, and (iii) may engage in one or more transactions that could cause Chartwell not to be a foreign issuer;

(xiii) it agrees that Chartwell may make a notation in its records and give instructions to the Transfer Agent, in order to implement the restrictions on transfers set forth or described in this Section 3(f); and

(xiv) it understands and acknowledges that it is making the representations and warranties and agreements contained herein with the intent that they may be relied upon by Chartwell and the Underwriters and the U.S. affiliates in determining its eligibility or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to purchase the Units;

(xv) if it is acquiring any Units as a fiduciary or agent for one or more investor accounts, it represents that it has full power to make the foregoing representations, warranties and agreements on behalf of each such account and that the foregoing representations, warranties and agreements are true and correct and will be binding upon each such account; and

(xvi) if required by applicable securities laws, regulatory policy, rule or order or by any securities commission, stock exchange or other regulatory authority, it will execute, deliver, file, within the approved time periods, all documentation as may be required thereunder, and otherwise assist Chartwell, the Underwriters and the U.S. Affiliates in filing reports, questionnaires, undertakings and other documents with respect to the ownership of the Units.

(g) **U.S. Purchasers who are Institutional Accredited Investors**

Each U.S. purchaser who is an Institutional Accredited Investor and is purchasing from Chartwell as a Substituted Purchaser will, prior to its purchase of the Units, deliver a Subscription Agreement to Chartwell, the Underwriters and the U.S. affiliates of the Underwriters in the form attached hereto as Exhibit A.

4. Delivery of Documents and Covenants

(a) **Deliveries on Filing**

Immediately prior to the filing of the Preliminary Prospectus or the Final Prospectus, as the case may be, Chartwell shall deliver to each of the Underwriters:

(i) a copy of the Preliminary Prospectus or the Final Prospectus, as the case may be, including all Documents Incorporated by Reference (to the extent not already delivered), in the English language signed and certified as required by the Canadian Securities Laws applicable in the Qualifying Provinces other than Québec;

(ii) a copy of the Preliminary Prospectus or the Final Prospectus, as the case may be, including all Documents Incorporated by Reference (to the extent not already delivered), in the French language signed and certified as required by the Canadian Securities Laws applicable in Québec;

(iii) a copy of any other document required to be filed by Chartwell in compliance with the Canadian Securities Laws;

(iv) opinions of Québec Counsel addressed to the Underwriters, Chartwell and the Underwriters' Counsel in form and substance satisfactory to the Underwriters, acting reasonably, dated in the case of the Preliminary Prospectus, as of the Preliminary Prospectus Date and, in the case of the Final Prospectus, as of the Final Prospectus Date, to the effect that the French language version of the Preliminary Prospectus or the Final Prospectus, as the case may be, including, unless an applicable translation exemption is obtained, all Documents Incorporated by Reference, except for the Financial Information as to which no opinion need be expressed, is in all material respects a complete and accurate translation of the English language version thereof;

(v) opinions of the Auditors forming part of the Financial Information addressed to the Underwriters, Chartwell, the Underwriters' Counsel, and Chartwell's Counsel dated, in the case of the Preliminary Prospectus, as of the Preliminary Prospectus Date and, in the case of the Final Prospectus, as of the Final Prospectus Date, to the effect that the French language version of the Financial Information is in all material respects a complete and proper translation of the English language version thereof;

(vi) a "long-form" comfort letter of the Auditors, dated as of the Final Prospectus Date (with the requisite procedures to be completed by the Auditors within two Business Days of the Final Prospectus Date), addressed to the Underwriters and the Trustees, in form and substance satisfactory to the Underwriters acting reasonably, with respect to certain financial and accounting information relating to Chartwell in the Final Prospectus including all Documents Incorporated by Reference, which letter shall be in addition to the auditors' report incorporated by reference into the Prospectus and the auditors' comfort letters addressed to the securities regulatory authorities in the Qualifying Provinces; and

(vii) evidence satisfactory to the Underwriters, acting reasonably, that the Securities have been conditionally approved for listing on the Stock Exchange.

(b) **Prospectus Amendments**

In the event that Chartwell is required pursuant to Section 5(a) to prepare or prepares a Prospectus Amendment, Chartwell shall also prepare and deliver promptly to each of the Underwriters signed and certified copies of such Prospectus Amendment in the English and French language along with all

Documents Incorporated by Reference which have not been previously delivered. Any Prospectus Amendment shall be in form and substance satisfactory to the Underwriters acting reasonably. Concurrently with the delivery of any Prospectus Amendment, Chartwell shall deliver to each of the Underwriters, with respect to such Prospectus Amendment, documents similar to those referred to in clauses 4(a)(iii), (iv), (v) and (vi).

(c) **Representations as to the Prospectus**

Filing of the Preliminary Prospectus, the Final Prospectus and any Prospectus Amendments with the Canadian Securities Regulators shall constitute a representation and warranty by Chartwell to the Underwriters that, as at the date of filing:

(i) all information and statements (except information relating solely to and provided by the Underwriters) contained in the Preliminary Prospectus, Final Prospectus and any Prospectus Amendment, as applicable, including all Documents Incorporated by Reference, are true and correct and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to Chartwell and the Securities;

(ii) no material fact or information has been omitted from such disclosure (except facts or information relating solely to the Underwriters) which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they were made; and

(iii) such documents comply fully with the requirements of the Canadian Securities Laws.

Such filings shall also constitute Chartwell's consent to the Underwriters' use of the Prospectus for the distribution of the Securities in the Qualifying Provinces in compliance with the provisions of this Agreement and the Canadian Securities Laws.

(d) **Commercial Copies**

Chartwell shall cause commercial copies of the Prospectus in the English and French languages to be delivered to the Underwriters without charge, in such numbers and in such cities as the Underwriters may reasonably require. Such delivery shall be effected as soon as possible and, in any event, with respect to the Final Prospectus on or before a date two Business Days after issuance of the Final Receipt. The commercial copies of the Prospectus shall be identical in content to the electronically transmitted versions thereof filed with Canadian securities regulatory authorities pursuant to the System for Electronic Document Analysis and Retrieval except for imprints requested by any Underwriter.

(e) **Notice of Completion of Distribution**

After the Closing Time, the Underwriters shall:

(i) use commercially reasonable efforts to complete the distribution of the Securities as promptly as possible; and

(ii) give prompt written notice to Chartwell when, in the opinion of the Underwriters, they have completed distribution of the Securities, specifying therein the total proceeds realized in each of the Qualifying Provinces and any other jurisdiction.

5. Changes

(a) Material Change During Distribution

During the period from the date of this Agreement to the later of the Closing Date and the completion of distribution of the Securities, Chartwell in relation to all information contained in the Prospectus (other than information provided by the Underwriters) shall promptly notify the Underwriters in writing of:

(i) any material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the financial condition, business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of Chartwell or any of the Specified Parties;

(ii) any material fact which has arisen or been discovered and would have been required to have been stated in the Prospectus had the fact arisen or been discovered on, or prior to, the date of the Prospectus; and

(iii) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Prospectus or Prospectus Amendment, including all Documents Incorporated by Reference, which fact or change is, or may be, of such a nature as to render any statement in the Prospectus or Prospectus Amendment misleading or untrue or which would result in a misrepresentation in the Prospectus or Prospectus Amendment or which would result in the Prospectus or Prospectus Amendment not complying (to the extent that such compliance is required) with the Canadian Securities Laws or which could reasonably be expected to have a significant effect on the market price or value of the Securities.

Chartwell shall promptly, and in any event within any applicable time limitation, comply, to the reasonable satisfaction of the Underwriters, with all applicable filings and other requirements under the Canadian Securities Laws as a result of such fact or change, including filing a Prospectus Amendment to reflect any such changes or discoveries. However, Chartwell shall not file any Prospectus Amendment or other document without first obtaining approval from the Underwriters, after consultation with the Underwriters with respect to the form and content thereof, which approval will not be unreasonably withheld. Chartwell shall in good faith discuss with the Underwriters any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt whether written notice need be given under this paragraph. For greater certainty, it is understood and agreed that if the Underwriters determine, after consultation with Chartwell, that a material change or change in a material fact has occurred which makes any statement of a material fact contained in the Prospectus untrue or misleading, or which may result in a misrepresentation, Chartwell will prepare and file promptly at the request of the Underwriters any Prospectus Amendment which in their opinion, acting reasonably, may be necessary or advisable.

(b) **Change in the Business or Affairs**

Chartwell will not, without the prior written consent of the Lead Underwriter, not to be unreasonably withheld, take any action which would have the effect of causing a material change in the business or affairs of Chartwell to occur prior to the completion of the distribution of the Securities or make any distributions for which the record date is prior to the Closing Date, other than the expected distribution to be made to unitholders on October 15, 2009 to unitholders of record on September 30, 2009.

(c) **Change in Canadian Securities Laws**

If during the period of distribution to the public of the Securities, there shall be any change in the Canadian Securities Laws which, in the opinion of the Underwriters, requires the filing of a Prospectus Amendment, Chartwell shall, to the satisfaction of the Underwriters, acting reasonably, promptly prepare and file such Prospectus Amendment with the appropriate securities regulatory authority in each of the Qualifying Provinces where such filing is required.

(d) **Change in Closing Date**

If a material change or a change in a material fact occurs prior to the Closing Date, then, subject to paragraph 10, the Closing Date shall be, unless Chartwell and the Underwriters otherwise agree in writing, the fifth Business Day following the later of:

(i) the date on which all applicable filings or other requirements of the Canadian Securities Laws with respect to such material change or change in a material fact have been complied with in all Qualifying Provinces and any appropriate receipts obtained for such filings and notice of such filings from Chartwell or Chartwell's Counsel have been received by the Underwriters; and

(ii) the date upon which the commercial copies of any Prospectus Amendment have been delivered in accordance with paragraph 4(b),

however, in no event shall the Closing Date be later than the Latest Closing Date.

6. Services Provided by Underwriters and Underwriting Fee

The Securities will be distributed by the Underwriters in the Qualifying Provinces in compliance with the Canadian Securities Laws. As consideration for the Underwriters' offer to purchase the Securities hereunder, Chartwell agrees to pay to the Underwriters the Underwriting Fee specified in the Schedule. The Underwriting Fee shall be paid upon Closing as provided in paragraph 7(a).

7. Deliveries

(a) Delivery of Purchase Price, Underwriting Fee and Certificates

(i) Securities

The purchase and sale of the Units and Additional Units shall be completed at the Closing Time or the Additional Units Closing Time, as the case may be, at the place specified for Closing in the Schedule. At the Closing Time or Additional Units Closing Time, Chartwell shall have caused the Transfer Agent, as registrar and transfer agent of the Securities, to deliver to CDS Clearing and Depository Services Inc. ("**CDS**"), on behalf of the Underwriters, a fully-registered global certificate or certificates for the Securities registered in the name of "CDS & Co." as CDS' nominee, to be held by CDS as book-entry only securities in accordance with CDS' rules and procedures, against payment by the Underwriters to or to the direction of Chartwell of the Unit Purchase Price and Additional Units Purchase Price, as the case may be (each net of the Underwriting Fee) in immediately available funds in Toronto, Ontario, together with a receipt signed by the Lead Underwriter for such global certificate and for receipt of the Underwriting Fee.

In order to facilitate an efficient and timely closing at the Closing Time and/or the Additional Units Closing Time, as the case may be, the Underwriters may choose to initiate a wire transfer of funds to Chartwell prior to the Closing Time and/or Additional Units Closing Time. If the Underwriters do so, Chartwell agrees that such transfer of funds to Chartwell prior to the Closing Time and/or Additional Units Closing Time, does not constitute a waiver by the Underwriters of any of the conditions of the Closing set out in this Agreement. Furthermore, Chartwell agrees that any such funds received from the Underwriters prior to the Closing Time and/or Additional Units Closing Time will be held by Chartwell in trust solely for the benefit of the Underwriters until the Closing Time and/or Additional Units Closing Time, and if the Closing does not occur at the scheduled Closing Time and/or Additional Units Closing Time, such funds shall be immediately returned by wire transfer to the Lead Underwriter, on behalf of the Underwriters, without interest. Upon the satisfaction of the conditions of the Closing or the Additional Units Closing Time, as the case may be, and the delivery to the Underwriters of the items set out in paragraph 9 of this Agreement, the funds held by Chartwell in trust for the Underwriters shall be deemed to be delivered by the Underwriters to Chartwell in satisfaction of the obligation of the Underwriters under this Agreement and upon such delivery the trust constituted by this paragraph 7(a)(i) shall be terminated without further formality.

(b) **Crediting for Securities**

The Underwriters will provide a direction to CDS with respect to the crediting of Securities to the accounts of the participants of CDS as shall be designated by the Underwriters in writing in sufficient time prior to the Closing Date and the Additional Units Closing Time, as applicable to permit such crediting. Chartwell shall provide confirmations of the transactions contemplated by this Agreement to CDS if requested by the Lead Underwriter or CDS to facilitate such crediting.

Chartwell shall pay all fees and expenses payable to the Transfer Agent in connection with the preparation, delivery and certification of the Securities, as applicable, and the fees and expenses payable to the Transfer Agent in connection with transfers as may be required in the course of the distribution of the Securities.

8. Representations and Warranties of Chartwell

Chartwell represents and warrants to the Underwriters, and acknowledges that the Underwriters are relying upon such representations and warranties in entering into this Agreement, and in purchasing the Securities, that:

(a) Chartwell is a trust existing under the laws of the Province of Ontario and is properly registered under the laws of all jurisdictions in which its activities are carried on except where the failure to be so registered would not have a material adverse effect on Chartwell;

(b) Chartwell qualifies as a "mutual fund trust" (as defined in the *Income Tax Act* (Canada)) and Chartwell has conducted, since its formation, its affairs so as to continue to qualify as a "mutual fund trust";

(c) Chartwell is qualified under NI 44-101 to file a short form prospectus with the Canadian Securities Regulators and, except as incorporated therein, Chartwell is not required to include financial statements in the Prospectus regarding itself or of any other entity under applicable laws (including as modified by orders of regulatory authorities);

(d) Chartwell is a reporting issuer not in default of any requirement under Canadian Securities Laws;

(e) each of the Specified Parties is duly existing under the laws of its jurisdiction of formation and is properly registered under the laws of all jurisdictions in which its business or investment activity is carried on except where failure to be so registered would not have a material adverse effect on Chartwell;

(f) Chartwell is the sole beneficial unitholder of CSH Trust and the sole beneficial shareholder of TrusteeCo, in each case free and clear of any liens or other encumbrances, except as described in the Prospectus or as required in connection with Chartwell's credit and mortgage facilities described in the Prospectus. Other than direct or indirect interests in the Specified Parties, Chartwell Benco Inc., and as described in the Prospectus, and corporations whose sole function is to act as bare nominee holding registered title to properties that comprise, and other entities through which Chartwell holds its interests in, the Seniors Housing Properties beneficially owned by the Operator, Chartwell does not have any interest in any other corporation or entity;

(g) the Operator is authorized to issue an unlimited number of Class A limited partnership units of which 100,841,879 Class A limited partnership units are outstanding as of September 23, 2009 and are owned by CSH Trust, and an unlimited number of Class B limited partnership units (of which 1,976,859 Class B limited partnership units are outstanding as of September 23, 2009). The Operator beneficially owns the Seniors Housing Business and Seniors Housing Properties free and clear of any material liens or other material encumbrances, except as described in the Prospectus or as required in connection with Chartwell's credit and mortgage facilities described in the Prospectus;

(h) Chartwell has the requisite power, authority and capacity to enter into this Agreement to issue, sell and deliver the Securities and to otherwise perform its obligations under this Agreement and each of Chartwell and the Specified Parties has the requisite power, authority and capacity to own, lease and operate its property and assets, including by holding licences or other similar rights, and to carry on the business or investment activity to be carried on by it, as contemplated by the Prospectus, except where failure to be in compliance would not have a material adverse effect on Chartwell;

(i) this Agreement has been duly authorized, executed and delivered by Chartwell and constitutes a legal, valid and binding obligation of Chartwell, enforceable against Chartwell in accordance with its terms, subject to such qualifications as are permitted to be set forth in the opinion of counsel to Chartwell delivered pursuant to paragraph 9 of this Agreement;

(j) the Indenture has not been rescinded and remains in full force and effect;

(k) the execution and delivery of this Agreement, and the performance by Chartwell of its obligations under this Agreement, will not result in any breach or violation of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time, or both, would be in contravention of Canadian Securities Laws and the rules and regulations of the Stock Exchange or constitute a default under or give rise to rights of purchase or first refusal, rights to accelerate obligations or payments or other rights to terminate under any term or provision of the Declaration of Trust or any resolution of the Trustees or unitholders of Chartwell or any material contract, mortgage, note, indenture, joint venture or partnership arrangement, agreement (written or oral), instrument, lease, ground lease, judgment, decree, order, statute, rule, licence or regulation applicable to Chartwell;

(l) the Declaration of Trust has not been rescinded, remains in full force and effect and has been amended by the amendment and restatement dated November 14, 2003, further amended and restated as of July 1, 2005 and further amended and restated as of November 6, 2006 and further amended and restated on November 19, 2007 and further amended and restated on July 14, 2008 and further amended and restated on May 21, 2009;

(m) each of Chartwell and the Specified Parties has conducted and is conducting its activities in compliance in all material respects with the terms and provisions of the Declaration of Trust and their respective constating documents. All purchases of Seniors Housing Properties and Seniors Housing Businesses have been made in accordance with the Declaration of Trust and the constating documents of the Specified Parties. All mezzanine financing loans made by Chartwell and its subsidiaries have been made, or, as of the Closing Date, will have been made, in accordance with the Declaration of Trust, the Development Agreement (to the extent such loan is subject to that agreement) and constating documents of each of Chartwell and the Specified Parties;

(n) Chartwell is authorized to issue an unlimited number of units and Special Voting Units, of which, as of the date set out in the Schedule, the number of units set out in the Schedule are issued and are outstanding as fully-paid and non-assessable units and 3,462,989 units are reserved for issue as of September 23, 2009, such reserve to be issued upon exchange of Class B limited partnership units of the Operator, under employee compensation arrangements of Chartwell, upon exercise of conversion rights under outstanding convertible debentures of Chartwell or pursuant to Chartwell's distribution reinvestment plan;

(o) the Securities have been duly authorized by all necessary action of Chartwell and the Securities will be validly issued and outstanding as fully paid and non-assessable securities of Chartwell upon payment therefor in accordance with this Agreement and the Declaration of Trust;

(p) the Securities conform to the description thereof in the Prospectus;

(q) no person, firm or corporation has or will have any agreement or option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from Chartwell of any unissued units, interests or other securities of Chartwell or any Specified Party, except as otherwise described in the Prospectus or this Agreement;

(r) the consolidated financial statements of Chartwell incorporated by reference in the Prospectus present fairly the consolidated financial position of Chartwell as at the dates indicated and the consolidated net income, unitholders' equity and cash flows of Chartwell for the periods specified and have been prepared in accordance with Canadian generally accepted accounting principles applied on a consistent basis throughout the periods involved, except as noted therein;

(s) based on acquisitions and financings disclosed in the Prospectus, Chartwell does not expect to be required to consolidate the financial position or results of any entity into its financial statements in 2009 (other than those consolidated in 2008 and entities which it has or will acquire in 2009) based upon Canadian generally accepted accounting principles (including guidelines) in effect as at the date hereof;

(t) except as disclosed or contemplated in the Prospectus, to Chartwell's knowledge, none of the Trustees, officers or employees of Chartwell, or any person who owns, directly or indirectly, more than 10% of any class of securities of Chartwell or securities of any person exchangeable for more than 10% of any class of securities of Chartwell, or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any material transaction, including any purchase or sale of any property, whether by sale of assets or shares or in any mezzanine financing loan since January 1, 2009, or any proposed material transaction, with Chartwell or Specified Party which, as the case may be, materially affects, is material to or will materially affect Chartwell;

(u) other than the approval of the Stock Exchange regarding the listing of the Securities, no consent, approval, permit, authorization, order or filing of or with any court or governmental agency or body of Canada or any Qualifying Province is required by Chartwell for the execution and delivery of and the performance by Chartwell of its obligations under this Agreement except as may be required under the Canadian Securities Laws (which shall have been obtained on or before Closing Time);

(v) subject to paragraph (d) above, there are no reports or information that in accordance with Canadian Securities Laws or the requirements of the Canadian Securities Regulators must be made publicly available or filed in connection with the offering of Securities that have not been or will not be made publicly available as required;

(w) the proceeds of the issue of Securities will be used in the manner specified in the Prospectus and for no other purpose;

(x) there has not been any reportable event (within the meaning of National Instrument 51-102 — *Continuous Disclosure Obligations*) with respect to the Auditors;

(y) Chartwell is in compliance with CSA Staff Notice 52-306 (Revised) – *Non-GAAP Financial Measures*;

(z) subject to paragraph (d) above, Chartwell is in compliance with its timely disclosure obligations under Canadian Securities Laws and, without limiting the generality of the foregoing, except as disclosed in the Preliminary and Final Prospectus, there has not occurred any material change, financial or otherwise, in the assets, liabilities (contingent or otherwise), business, financial condition, capital or prospects of Chartwell and its subsidiaries, taken as a whole, since the end of Chartwell's most recently completed financial year (for which audited financial statements have been issued);

(aa) other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which Chartwell or any of the Specified Parties is a party or of which any property or assets of Chartwell or any of the Specified Parties is the subject which, if determined adversely to Chartwell or any of the Specified Parties, would have a material adverse effect on the assets, liabilities (contingent or otherwise), business, financial condition, capital or prospects of Chartwell, and to the best of Chartwell's knowledge, no such proceedings are threatened or contemplated by governmental authorities or others;

(bb) all material agreements to which Chartwell or a Specified Party is a party are in good standing and there has been no material default under any such agreements (except for minor and temporary arrears and other similar temporary defaults which occur in the ordinary course of business) and all realty, property or other taxes required to be paid with respect to the Senior Housing Properties and Seniors Housing Business to the date hereof have been paid;

(cc) insurance coverage against such risks and in such amounts as are reasonable for prudent owners of businesses similar to the Seniors Housing Businesses is in full force and effect for Chartwell and/or the Specified Parties; neither Chartwell and/or the Specified Parties is in default with respect to any of the provisions contained in such policies of insurance or has failed to give any notice or pay any premium or present any claim under any such insurance policy;

(dd) neither Chartwell nor any of the Specified Parties is, and immediately following the Closing, will be, a party to any agreement, contract or understanding (written or oral) or bound by any obligation which is or could be material to Chartwell that is required under the Canadian Securities Laws to be disclosed in the Prospectus, except as disclosed in the Prospectus;

(ee) each of Chartwell and the Specified Parties (since purchased or formed by Chartwell) has conducted and is conducting its activities in compliance in all material respects with all applicable laws, rules, environmental legislation, regulations, licenses and permits and is licensed, registered or qualified and has all necessary licenses and permits in all jurisdictions in which it carries on activities, to enable its activities as now conducted to be carried on and to enable its assets to be owned or to be leased and to be operated, and all such licenses, registrations, qualifications and permits are valid and existing and in good standing, none of them contains any term, provision, condition or limitation which would reasonably be expected to have a material adverse effect on Chartwell, except in each case to the extent that the failure to be so licensed, registered, qualified or permitted or to obtain such licenses, registrations, qualifications or permits, or to maintain such licenses, registrations, qualifications or permits as valid, existing or in good standing, would not, in the aggregate, have a material adverse effect on the investments or financial condition of Chartwell. Except as disclosed in the Prospectus, Chartwell is not aware of any legislation, regulation, by-law or other lawful requirement currently in force or proposed to be brought into force by any governmental authority with which Chartwell will be unable to comply and/or which would reasonably be expected to materially adversely affect Chartwell;

(ff) the trust records, corporate books and minute books of Chartwell and the Specified Parties contain complete and accurate minutes (or drafts thereof) of all meetings of trustees, directors and committees thereof and shareholders, partnerships and unitholders, as applicable, held since their respective dates of formation or incorporation, and all such meetings were duly called and held; the unit or share certificate, books, registers or unitholders and shareholders, registers of transfers and registers of trustees and directors of Chartwell and the Specified Parties are complete and accurate;

(gg) Pursuant to the provisions in section 122 of the *Income Tax Act* (Canada) ("Tax Act") that apply to a "SIFT trust" under the Tax Act the aggregate amount of tax payable by Chartwell for each of 2007 and 2008 was nil per unit, and for 2009 and 2010 as estimated as of the date hereof, will also be nil per unit.

(hh) Chartwell has obtained opinions of Skadden, Arps, Slate, Meagher & Flom LLP, dated April 12, 2007 and April 30, 2007, stating that, in the opinion of such counsel, that certain indebtedness of USCO to Chartwell addressed by such opinions should be treated as "indebtedness" for United States federal income tax purposes, and Chartwell has no reason to believe that such opinions would no longer be accurate and valid;

(ii) the currently issued and outstanding units and debentures of Chartwell are listed and posted for trading on the Stock Exchange;

(jj) the Transfer Agent, at its principal office in the City of Toronto, has been duly appointed as registrar and transfer agent for the Securities; and

(kk) none of the assets held directly by of Chartwell constitute "United States real property interests" within the meaning of Section 897 of the Code.

9. Conditions

The Underwriters' obligation to purchase the Securities at the Closing Time shall be subject to the accuracy of the representations and warranties of Chartwell contained in this Agreement both as of the date of this Agreement and as of the Closing Time, the performance by Chartwell of its obligations under this Agreement and the following additional conditions:

(a) **Delivery of Opinions**

(i) The Underwriters shall have received at the Closing Time a legal opinion addressed to the Underwriters and the Underwriters' Counsel, in form and substance satisfactory to the Underwriters, acting reasonably, dated the Closing Date from Chartwell's Counsel, as to the laws of Canada and the Qualifying Provinces, which counsel in turn may rely upon the opinions of local counsel where they deem such reliance proper as to the laws other than those of Ontario and the laws of Canada applicable therein and as to matters of fact, on certificates of the Auditors, public and stock exchange officials and officers of Chartwell and/or Specified Parties, with respect to the following matters:

(A) as to the existence of each of Chartwell, CSH Trust, the Operator, GP M Trust and TrusteeCo under the laws of its jurisdiction of formation or incorporation, as the case may be, and as to the adequacy of the power of Chartwell to carry out its obligations under this Agreement and to issue the Securities;

(B) as to the authorized capital of Chartwell and the authorized and issued capital of each of CSH Trust, the Operator and TrusteeCo and as to the registered ownership of such issued capital for each of CSH Trust, the Operator and TrusteeCo;

(C) that each of Chartwell, CSH Trust, the Operator, GP M Trust and TrusteeCo has all requisite power and authority under the laws of its respective jurisdiction of incorporation or formation, as the case may be, to carry on its activities as presently carried on as contemplated by the Prospectus;

(D) that all necessary action has been taken by the Trustees to authorize the execution and delivery on behalf of Chartwell of each of this Agreement and the Prospectus and the filing of such documents under the Canadian Securities Laws in each of the Qualifying Provinces;

(E) the Securities have been duly authorized by all necessary action of Chartwell and, when issued and delivered, will be validly issued and outstanding as fully paid and non-assessable securities of Chartwell;

(F) that the attributes of the Securities are consistent in all material respects with the description of the Securities in the Final Prospectus;

(G) that the execution and delivery of this Agreement by Chartwell, the fulfilment of the terms of this Agreement by Chartwell and the sale of the Securities and the consummation of the transactions contemplated by this Agreement by Chartwell, do not and will not result in a breach (whether after notice or lapse of time or both) of any of the terms, conditions or provisions of the constating documents, by-laws or resolutions of the board of trustees or the securityholders of Chartwell;

(H) that this Agreement has been duly authorized, executed and delivered by Chartwell and constitutes a legal, valid and binding obligation of Chartwell and is enforceable against Chartwell in accordance with its terms, except as enforcement of this Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought; provided that such counsel may express no opinion as to the enforceability of the indemnity provisions of paragraph 11, the contribution provisions of paragraph 12 and the severability provisions of paragraph 13 and that such counsel's opinion may contain other limitations and qualifications customary for an enforceability opinion including in relation to limitation periods;

(I) confirming its opinion under the heading "Eligibility for Investment" in the Prospectus;

(J) confirming its opinions concerning tax matters contained in the Prospectus under the heading "Certain Canadian Federal Income Tax Considerations";

(K) the form and terms of the certificates representing the Units have been duly approved and adopted by the Trustees and comply with all legal requirements, including, without limitation, the Declaration of Trust and the by-laws, rules and regulations of the Stock Exchange;

(L) that all necessary documents have been filed, all proceedings have been taken and all other legal requirements have been fulfilled by Chartwell under Canadian Securities Laws to qualify the Securities for distribution and sale to the public in the Qualifying Provinces through investment dealers or brokers +registered under the applicable laws of the Qualifying Provinces who have complied with the relevant provisions of such applicable laws, however, Chartwell's Counsel and the Underwriters' Counsel need not express any opinion as to whether the Prospectus constitutes full, true and plain disclosure of all material facts relating to the Securities; and

(M) that the Stock Exchange has conditionally approved the listing of the Securities subject only to the filing of documents in accordance with the requirements of the Stock Exchange (relying solely on a letter of the Stock Exchange).

(ii) The Underwriters shall have received at the Closing Time a legal opinion dated the Closing Date from the Underwriters' Counsel with respect to the matters in subparagraph 9(a)(I), (J) and (L) (as to Ontario). In providing such opinion the Underwriters' Counsel shall be entitled to rely on the opinions of local counsel as to matters governed by the laws of jurisdictions other than the laws of Canada and Ontario and as to matters of fact, on certificates of Chartwell's registrar and transfer agent, public and stock exchange officials and officers of Chartwell.

(iii) The Underwriters shall have received at the Closing Time a legal opinion addressed to the Underwriters and the Underwriters' Counsel, in form and substance satisfactory to the Underwriters dated the Closing Date from U.S. Counsel confirming the summary contained in the Prospectus and the U.S. private placement memorandum under "Certain U.S. Federal Income Tax Considerations".

(iv) In the event of any sales of Securities within the United States in accordance with paragraph 3, the Underwriters shall have received at the Closing Time, an opinion of U.S. Counsel, dated the Closing Date, in form and substance satisfactory to the Underwriters, that no registration under the 1933 Act is required for the offer, sale or delivery of the Securities on the Closing Date under this Agreement, or in connection with the initial resale of the Units by the Underwriters acting as principals through their U.S. broker dealer affiliates. In providing the opinion above, such counsel shall be entitled to assume (i) that the representations and warranties of Chartwell and the Underwriters set forth in this Agreement are true and correct and (ii) compliance by Chartwell and the Underwriters with their respective obligations under this Agreement.

(b) **Delivery of Comfort Letter**

The Underwriters shall have received at the Closing Time a letter dated the Closing Date from the Auditors addressed to the Underwriters and the board of Trustees, in form and substance satisfactory to the Underwriters, acting reasonably, confirming the continued accuracy of the comfort letter to be delivered to the Underwriters pursuant to clause 4(a)(vi) with such changes as may be necessary to bring the information in such letter forward to a date not more than two Business Days of the Closing Date which changes shall be acceptable to the Underwriters, acting reasonably.

(c) **Delivery of Certificates**

(i) The Underwriters shall have received at the Closing Time certificates dated the Closing Date, addressed to the Underwriters and signed by the President and the Chief Executive Officer and the Chief Financial Officer of Chartwell with respect to the constating documents of Chartwell, all resolutions of the Trustees relating to this Agreement, the Prospectus, incumbency and specimen signatures of signing officers.

(ii) The Underwriters shall have received at the Closing Time a certificate dated the Closing Date, addressed to the Underwriters and signed on behalf of Chartwell by the President and the Chief Executive Officer and the Chief Financial Officer of Chartwell, certifying for and on behalf of Chartwell and not in their personal capacity, to the best of the knowledge, information and belief of such persons after having made due enquiry and after having carefully examined the Prospectus including all Documents Incorporated by Reference, that:

(A) since the respective dates as of which information is given in the Final Prospectus, as amended by any Prospectus Amendments (1) there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of Chartwell and its subsidiaries on a consolidated basis and (2) no transaction has been entered into by any of Chartwell or any of its subsidiaries which is material to Chartwell and its subsidiaries on a consolidated basis, other than as disclosed in the Prospectus;

(B) subsequent to the respective dates as at which information is given in the Final Prospectus as amended by any Prospectus Amendments, no transaction out of the ordinary course of business and material to Chartwell, has been entered into by Chartwell and its subsidiaries or has been approved by the management of any of them, which has resulted or is likely to result in a material adverse change in Chartwell and its subsidiaries on a consolidated basis, other than as disclosed in the Prospectus;

(C) no order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Units or any debentures issued under the Indenture or any other securities of Chartwell has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending, contemplated or threatened under any of the Canadian Securities Laws or by any other regulatory authority;

(D) Chartwell has complied with the terms and conditions of this Agreement on its part to be complied with up to the Closing Time;

(E) the representations and warranties of Chartwell contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement; and

(F) all information and statements (except information and statements furnished by the Underwriters for use therein) contained in the Prospectus, including the Documents Incorporated by Reference (to the extent that such information and statements are not modified or superseded by statements in the Prospectus and any Document Incorporated by Reference), are as at the Closing Time true and correct in all material respects, contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Securities, and no material fact has been omitted therefrom which is required to be stated or which is necessary to make any statements or information contained therein not misleading in the light of the circumstances in which they were made.

(iii) The Underwriters shall have received at the Closing Time a certificate from the Transfer Agent dated the Closing Date and signed by an authorized officer of such transfer agent, confirming the issued capital of Chartwell.

(iv) Chartwell shall promptly deliver to an Underwriter for transmission to a purchaser of Securities, only upon the written request of the Underwriter, a single executed certificate substantially in the form of Exhibit II.

(d) The several obligations of the Underwriters to purchase the Additional Units hereunder are subject to the delivery to the Lead Underwriter on the Additional Units Closing Time of a certificate dated the Additional Units Closing Time substantially similar to the certificate referred to in paragraph 9(c)(iii) and such other documents as they may reasonably request with respect to the due authorization and issuance of the Additional Units and other matters related to the issuance of the Additional Units.

10. Termination Rights

(a) Proceedings to Restrict Distribution

If any enquiry, action, suit, investigation or other proceeding whether formal or informal is instituted, threatened or announced or any order is made by any federal, provincial or other governmental authority in relation to Chartwell, which, in the reasonable opinion of the Underwriters or any of them, operates to prevent or restrict the distribution or trading of the Units, then such Underwriter shall be entitled, at its option and in accordance with paragraph 10(f), to terminate its obligations under this Agreement by notice to that effect given to Chartwell at any time prior to the Closing Time.

(b) **Material Change**

If, prior to the Closing Time, there should occur any material change or a change in any material fact such as is contemplated in paragraph 5(a) which results or, in the opinion of the Underwriters or any one of them, is reasonably expected to have a significant adverse effect on the market price or value of the Securities or Chartwell, any such Underwriter shall be entitled, at its option, in accordance with paragraph 10(f), to terminate its obligations under this Agreement by written notice to that effect given to Chartwell at any time prior to the Closing Time.

(c) **Disaster Out**

If, prior to the Closing Time, (i) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence or any law or regulation which, in the opinion of any of the Underwriters, seriously adversely affects, or involves, or will seriously adversely affect, or involve, the Canadian financial markets or the business, operations or affairs of Chartwell and its subsidiaries taken as a whole, (ii) trading in any securities of Chartwell has been suspended or materially limited by the Stock Exchange or trading generally on the Stock Exchange has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by the Stock Exchange or by order of the OSC or any other governmental authority, or (iii) a banking moratorium has been declared by Canadian authorities, then such Underwriter shall be entitled at its option, in accordance with paragraph 10(f), to terminate its obligations under this Agreement by written notice to that effect given to Chartwell at any time prior to the Closing Time.

(d) **Changes in Tax Laws**

(i) If prior to the Closing Time there are announced any changes or proposed changes in the taxation legislation of Canada or of any provinces of Canada applicable to business or income trusts, including real estate investment trusts, partnerships, including the SIFT Rules (as defined in Chartwell's annual information form dated March 30, 2009, or any changes or proposed changes in the administration or application of such legislation by any relevant taxing authority which results or, in the opinion of any of the Underwriters, based on advice of counsel, would reasonably be expected to have a significant adverse effect on the market price or value of Chartwell or the Securities, such Underwriter shall be entitled, at its option, in accordance with paragraph 10(f), to terminate its obligations under this Agreement by written notice to that effect given to Chartwell prior to the Closing Time.

(ii) If prior to the Closing Time there are announced any changes or proposed changes in United States federal, state or local taxation legislation (or regulations promulgated pursuant to such legislation) applicable to

Chartwell or any of its subsidiaries or proposed changes in the administration or application of such legislation (or regulations), in each case, by any relevant taxing authority which results or, in the opinion of any of the Underwriters, based on reasonable advice of counsel, would reasonably be expected, having regard to all circumstances, to have a reasonable likelihood of enactment and if enacted would reasonably be expected to have a significant adverse effect on the market price or value of Chartwell or the Securities, such Underwriter shall be entitled, at its option, in accordance with paragraph 10(f), to terminate its obligations under this Agreement by written notice to that effect given to Chartwell prior to the Closing Time.

(e) **Non-Compliance with Conditions**

Chartwell agrees that all material terms and conditions of this Agreement (including the conditions in paragraph 9) shall be construed as conditions and complied with so far as they relate to acts to be performed or caused to be performed by it, that it will use its best efforts to cause all such terms and conditions to be complied with, and that any breach or failure by Chartwell to comply with any such conditions shall entitle any of the Underwriters to terminate its obligations to purchase the Securities by notice to that effect given to Chartwell at or prior to the Closing Time, unless otherwise expressly provided in this Agreement. Each Underwriter may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to its rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon an Underwriter only if such waiver or extension is in writing and signed by the Underwriter.

(f) **Exercise of Termination Rights**

The rights of termination contained in paragraphs 10(a), (b), (c), (d) and (e) may be exercised by any of the Underwriters as set out therein and are in addition to any other rights or remedies any of the Underwriters may have in respect of any default, act or failure to act or noncompliance by Chartwell in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there shall be no further liability on the part of the Underwriter to Chartwell or on the part of Chartwell to the Underwriter except in respect of any liability that may have arisen or may arise after such termination under paragraphs 11, 12 or 14. A notice of termination given by an Underwriter under paragraphs 10(a), (b), (c), (d) or (e) shall not be binding upon any other Underwriter.

11. Rights of Indemnity

(a) Indemnity

Chartwell agrees to indemnify and save harmless each of the Underwriters and each of their affiliates, directors, officers, employees, partners, agents, each other person that controls such Underwriter or any of such person's affiliates and each shareholder of such Underwriter from and against all liabilities, claims (including shareholder actions, derivative or otherwise), losses, actions, costs, damages and expenses (including without limitation the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and any legal fees or other expenses reasonably incurred by such Underwriters, as the case may be, in connection with defending or investigating any of the above but excluding any loss of profits and other consequential damages), in any way caused by, or arising directly or indirectly from, or in consequence of:

(i) any information or statement (except any statement relating solely to and provided by the Underwriters) contained in the Prospectus, including all Documents Incorporated by Reference, or in any certificate of Chartwell delivered under this Agreement or pursuant to this Agreement which at the time and in the light of the circumstances under which it was made contains or is alleged to contain a misrepresentation;

(ii) any omission or alleged omission to state in the Prospectus, including all Documents Incorporated by Reference, or any certificate of Chartwell delivered under this Agreement or pursuant to this Agreement any fact (except facts relating solely to and provided by the Underwriters), required to be stated in such document or necessary to make any statement in such document not misleading in light of the circumstances under which it was made;

(iii) any order made or enquiry, investigation or proceedings commenced or threatened by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or alleged omission or any misrepresentation or alleged misrepresentation (except a statement or omission or alleged statement or omission relating solely to and provided by the Underwriters) in the Prospectus, including all Documents Incorporated by Reference, or based upon any failure to comply with the Canadian Securities Laws (other than any failure or alleged failure to comply by the Underwriters), preventing or restricting the trading in or the sale or distribution of the Securities in any of the Qualifying Provinces;

(iv) the non-compliance or alleged non-compliance by Chartwell with any of the Canadian Securities Laws or the 1933 Act including Chartwell's non-compliance with any statutory requirement to make any document available for inspection; or

(v) any breach by Chartwell of its representations, warranties, covenants or obligations to be complied with under this Agreement.

(b) **Notification of Claims**

If any matter or thing contemplated by paragraph 11(a) (any such matter or thing being referred to as a "**Claim**") is asserted against any person or company in respect of which indemnification is or might reasonably be considered to be provided, such person or company (the "**Indemnified Party**") will notify Chartwell as soon as possible of the nature of such Claim (but the omission so to notify Chartwell of any potential Claim shall not relieve Chartwell from any liability that it may have to any Indemnified Party, and any omission so to notify Chartwell of any actual Claim shall affect Chartwell's liability only to the extent that it is materially prejudiced by that failure). Chartwell shall be entitled to participate in and, to the extent that it shall wish, to assume the defence of any suit brought to enforce such Claim; provided, however, that the defence shall be conducted through legal counsel acceptable to the Indemnified Party, acting reasonably, that no settlement of any such Claim or admission of liability may be made by Chartwell or the Indemnified Party, as the case may be, without the prior written consent of the other parties, acting reasonably, and Chartwell shall not be liable for any settlement of any such Claim unless it has consented in writing to such settlement; provided further that Chartwell may settle such Claim without the consent of the Indemnified Party if such settlement: (i) includes an unconditional release of the Indemnified Party from all liability arising out of such claim and (ii) does not include a statement as to or an admission of fault, culpability or failure to act, by or on behalf of any Indemnified Party.

(c) **Right of Indemnity in Favour of Others**

With respect to any Indemnified Party who is not a party to this Agreement, the Underwriters shall obtain and hold the rights and benefits of this paragraph in trust for and on behalf of such Indemnified Party.

(d) **Retaining Counsel**

In any such Claim, the Indemnified Party shall have the right to retain other counsel to act on his or its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless: (i) Chartwell and the Indemnified Party shall have mutually agreed to the retention of the other counsel; (ii) the named parties to any such Claim (including any added third or impleaded party) include both the Indemnified Party and Chartwell and the representation of both parties by the same counsel would be inappropriate due to the actual or potential differing interests between them; or (iii) Chartwell shall not have retained counsel within 20 Business Days following receipt by Chartwell of notice of any such Claim from the Indemnified Party. Notwithstanding the foregoing, Chartwell, in connection with any Claim, shall not be responsible for the fees and disbursements or more than one law firm in each relevant jurisdiction for all of the Indemnified Parties.

12. Contribution

(a) **Rights of Contribution**

In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in paragraph 11 would otherwise be available in accordance with its terms but is, for any reason, held to be unavailable to or unenforceable by the Underwriters or enforceable otherwise than in accordance with its terms, Chartwell and the Underwriters shall contribute to the aggregate of all claims, expenses, costs and liabilities and all losses (other than loss of profits relating to the distribution of the Securities) of a nature contemplated by paragraph 11 in such proportions so that the Underwriters are responsible for the portion represented by the percentage that the aggregate fee payable by Chartwell to the Underwriters bears to the aggregate offering price of the Securities and Chartwell is responsible for the balance, whether or not they have been sued together or sued separately, provided however that: (i) the Underwriters shall not in any event be liable to contribute, in the aggregate, any amounts in excess of such aggregate fee or any portion of such fee actually received; and (ii) no party who has engaged in any fraud, fraudulent misrepresentation or gross negligence shall be entitled to claim contribution from any person who has not engaged in such fraud, fraudulent misrepresentation or gross negligence.

(b) **Right of Contribution in Addition to Other Rights**

The rights to contribution provided in this paragraph shall be in addition to and not in derogation of any other right to contribution which the Underwriters or Chartwell may have by statute or otherwise at law.

(c) **Calculation of Contribution**

In the event that Chartwell may be held to be entitled to contribution from the Underwriters under the provisions of any statute or at law, Chartwell shall be limited to contribution in an amount not exceeding the lesser of:

(i) the portion of the full amount of the loss or liability giving rise to such contribution for which the Underwriters are responsible, as determined in paragraph 12(a), and

(ii) the amount of the aggregate fee actually received by the Underwriters from Chartwell under this Agreement;

and an Underwriter shall in no event be liable to contribute any amount in excess of such Underwriter's portion of the Underwriting Fee actually received from Chartwell under this Agreement.

(d) **Notice**

If the Underwriters have reason to believe that a claim for contribution may arise, they shall give Chartwell notice of such claim in writing, as soon as reasonably possible, but failure to notify Chartwell shall not relieve Chartwell of any obligation which it may have to the Underwriters under this paragraph except to the extent by which Chartwell is prejudiced by such failure.

(e) **Right of Contribution in Favour of Others**

With respect to this paragraph, Chartwell acknowledges and agrees that the Underwriters are contracting on their own behalf and as agents for their affiliates, directors, officers, employees and agents.

13. Severability

If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severable from this Agreement.

14. Expenses

Whether or not the transactions contemplated by this Agreement shall be completed, except as specifically provided below, all expenses of or incidental to the creation, issue and delivery of the Securities and all expenses of or incidental to all other matters in connection with the transaction set out in this Agreement, and all taxes (excluding any taxes based on income, however denominated, of the Underwriters) applicable thereto, shall be borne by Chartwell directly including, without limitation, fees and expenses payable in connection with the qualification of the Securities for distribution to the public, the fees relating to listing the Securities on any exchanges, the fees and expenses of Chartwell's Counsel, all fees and expenses of local counsel, all fees and expenses of the Auditors and all costs incurred in connection with the preparation and printing of the Prospectus and certificates representing the Securities, including taxes (excluding any taxes based on income, however denominated, of the Underwriters) relating thereto.

Chartwell shall assume and pay on the Closing Date the reasonable out-of-pocket expenses of the Underwriters that have been invoiced to the Underwriters as of the Closing Date, which expenses shall be itemized in reasonable detail for Chartwell, including, without limitation, travel expenses, all costs related to the marketing of the Securities and the fees and disbursements of its legal counsel except to the extent that the Underwriter's legal fees (excluding disbursements, taxes and advice of counsel in connection with U.S. legal matters) exceed $45,000. Any such Underwriters' legal fees in excess of $45,000 shall be the responsibility of the Underwriters. Subject to such monetary limitation, Chartwell shall pay any other reasonable out-of-pocket expenses of the Underwriters, including costs of counsel (subject to the limitations above), incurred or invoiced after the Closing Date forthwith upon demand.

If the purchase and sale of the Securities is not completed in accordance with the terms of this Agreement, the foregoing monetary limit shall not apply and Chartwell agrees to assume and pay all reasonable fees of the Underwriters' Counsel directly, except if such purchase and sale is not completed by reason of termination of this Agreement by the Underwriters pursuant to paragraph 10(c) or by reason of default of the Underwriters and Chartwell has complied with this Agreement and is prepared to complete the purchase and sale under this Agreement, in which case Chartwell shall not be obliged to assume and pay such expenses.

15. Rights to Purchase

(a) **Obligation of Underwriters to Purchase**

The obligation of the Underwriters to purchase the Securities at the Closing Time or at the Additional Units Closing Time, as the case may be, shall be several and not joint and several and shall be limited to the percentage of the Securities specified opposite the name of each such Underwriter in the Schedule.

Subject to paragraph 15(b), if one or more of the Underwriters fails to purchase their percentage of the Securities, at the Closing Time or at the Additional Units Closing Time, as the case may be, then the Underwriters shall have the right, but shall not be obligated, to purchase such Securities, on a *pro rata* basis (or on such other basis as the may agree). In the event that such right is not exercised, the others not in default shall be relieved of all obligations to Chartwell. Nothing in this paragraph shall oblige Chartwell to sell to the Underwriters less than all of the Securities, or relieve from liability to Chartwell any Underwriter which shall be so in default. In the event of a termination by Chartwell of its obligations under this Agreement as a result of this paragraph, there shall be no further liability on the part of Chartwell to the Underwriters except in respect of any liability which may have arisen or may arise under paragraphs 11, 12 and 14.

(b) **Purchases by Other Underwriters**

If the amount of the Securities which the remaining Underwriters wish to purchase exceeds the amount of the Securities which would otherwise have been purchased by an Underwriter which is in default, such Securities shall be divided pro rata among the Underwriters desiring to purchase such Securities, in proportion to the percentage of Securities which such Underwriters have agreed to purchase as set out in the Schedule.

(c) **Rights to Purchase of the Other Underwriters**

If one or more but not all of the Underwriters shall exercise their right of termination under paragraph 10 then the others shall have the right, but shall not be obligated, to purchase all of the percentage of the Securities which would otherwise have been purchased by such Underwriters which have so exercised their right of termination. If the amount of such Securities which the remaining Underwriters wish, but are not obligated, to purchase exceeds the amount of such Securities which remain available for purchase, such Securities shall be divided pro rata among the Underwriters desiring to purchase such Securities in proportion to the percentage of Securities which such Underwriters have agreed to purchase as set forth in the Schedule.

(d) **Obligation to Purchase**

If at the Closing Time or the Additional Units Closing Time, as applicable, any one or more of the Underwriters fails or refuses to purchase its or their applicable percentage of the Securities, and the aggregate number of such Securities is less than 5% of the total number of Units, the non-defaulting Underwriters shall be obligated severally to purchase, pro rata in accordance with the applicable percentages set out in the Schedule or in such other proportions as the non-defaulting Underwriters may agree, the Securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase at such time provided that the non-defaulting Underwriters shall have the right to postpone the Closing Date or the Additional Units Closing Time, as applicable, for such period, not exceeding 10 Business Days, as they shall determine and notify Chartwell, in order that the required changes, if any in the Prospectus or in any other documents or arrangements may be affected.

(e) **Right of Chartwell to Terminate**

Nothing in this paragraph shall oblige Chartwell to sell to the Underwriters less than all of the Units at the Closing Time or all of the Additional Units at the Additional Units Closing Time.

16. Concurrent Offerings

Chartwell shall not, at any time prior to 90 days after the Closing Date, without the prior written consent of Lead Underwriter, on behalf of the Underwriters, not to be unreasonably withheld, create, issue or sell or announce any intention to create, issue or sell any units of Chartwell or securities exchangeable or convertible into units except for the Additional Units, units offered through Chartwell's existing distribution reinvestment plan, long term incentive plan or deferred unit plan, or pursuant to the exchange of Class B limited partnership units of the Operator or units issued in connection with an acquisition or merger transaction to which Chartwell and/or one of its subsidiaries may be a party, the issuance of Class B limited partnership units of the operator in connection with the acquisition of seniors housing facilities and units issued upon the exercise of the 6% convertible unsecured debentures subordinated debentures due December 1, 2011 or the 5.9% convertible unsecured subordinated debentures due May 1, 2012.

17. Survival of Representations and Warranties

The representations, warranties, obligations, covenants, indemnity and agreements of Chartwell contained in this Agreement and in any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Securities shall survive the purchase of the Securities and shall continue in full force and effect unaffected by any subsequent disposition of the Securities by the Underwriters or the termination of the Underwriters' obligations and shall not be limited or prejudiced by any investigation made by or on behalf of the Underwriters in connection with the preparation of the Prospectus or the distribution of the Securities.

18. Time of the Essence

Time shall be of the essence of this Agreement.

19. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in Ontario.

20. Funds

All funds referred to in this Agreement shall be in Canadian dollars.

21. Notice

Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

If to Chartwell, addressed and sent to:

Chartwell Seniors Housing Real Estate Investment Trust
100 Milverton Drive, Suite 700
Mississauga, Ontario
L5R 4H1

Attention: Jonathan Boulakia
Facsimile: (905) 501-6767

or if to an Underwriter, to the addresses set out in the Schedule or to such other addresses as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by fax to the addressee and:

(a) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and

(b) a notice which is sent by fax shall be deemed to be given and received on the first Business Day following the day on which it is sent.

22. Authority of the Lead Underwriter

The Lead Underwriter is hereby authorized by each of the other Underwriters to act on its behalf and Chartwell shall be entitled to and shall act on any notice given in accordance with paragraph 21 or agreement entered into by or on behalf of the Underwriters by the Lead Underwriter which represents and warrants that it has irrevocable authority to bind the Underwriters, except in respect of any consent to a settlement pursuant to paragraph 11(b) which consent shall be given by the Indemnified Party, a notice of termination pursuant to paragraph 10 which notice may be given by any of the Underwriters, or any waiver pursuant to paragraph 10(e), which waiver must be signed by all of the Underwriters. The Lead Underwriter shall consult with the other Underwriters concerning any matter in respect of which it acts as representative of the Underwriters.

23. Counterparts

This Agreement may be executed by any one or more of the parties to this Agreement in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

24. Schedule

The Schedule forms an integral part of this Agreement.

[the remainder of this page intentionally left blank]

If the foregoing is in accordance with your understanding and is agreed to by you, please signify your acceptance by executing the enclosed copies of this letter where indicated below and returning them to the Lead Underwriter upon which this letter as so accepted shall constitute an Agreement among us.

Yours very truly,

RBC DOMINION SECURITIES INC.

By: "*Carolyn A. Blair*"
Name: Carolyn A. Blair
Title: Managing Director

CIBC WORLD MARKETS INC.

By: "*Allan Kimberley*"
Name: Allan Kimberley
Title: Managing Director

BMO NESBITT BURNS INC.

By: *"Derek Dermott"*
Name: Derek Dermott
Title: Managing Director

SCOTIA CAPITAL INC.

By: *"Bryce Stewart"*
Name: Bryce Stewart
Title: Director

NATIONAL BANK FINANCIAL INC.

By: *"Craig J. Shannon"*
Name: Craig J. Shannon
Title: Managing Director

TD SECURITIES INC.

By: *"Armen Farian"*
Name: Armen Farian
Title: Vice-President

BLACKMONT CAPITAL INC.

By: *"James E. Lorimer"*
Name: James E. Lorimer
Title: Managing Director

CANACCORD CAPITAL CORPORATION

By: *"Justin Bosa"*
Name: Justin Bosa
Title: Director

HSBC SECURITIES (CANADA) INC.

By: *"Nicole Caty"*
Name: Nicole Caty
Title: Director

The foregoing offer is accepted and agreed to as of the date first above written.

Yours very truly,

CHARTWELL SENIORS HOUSING REAL ESTATE INVESTMENT TRUST by its authorized signing authority

By: "*W. Brent Binions*"
Name: W. Brent Binions
Title: President and Chief Executive Officer

(I have authority to bind the trust)

By: "*Vlad Volodarski*"
Name: Vlad Volodarski
Title: Chief Financial Officer

(I have authority to bind the trust)

EXHIBIT I
UNDERWRITER'S CERTIFICATE

In connection with the private placement in the United States of units (the "**Units**") of Chartwell Seniors Housing Real Estate Investment Trust ("**Chartwell**") pursuant to the Underwriting Agreement dated September 23, 2009, between Chartwell and the Underwriters named therein (the "**Underwriting Agreement**"), each of the undersigned does hereby certify for itself, the Underwriters and the respective U.S. affiliates of the Underwriters that sold Units in the United States as follows:

(i) all offers and sales of the Units in the United States were effected by or through [**name of U.S. broker-dealer affiliate**] (the "U.S. Affiliate") in accordance with all U.S. broker-dealer requirements;

(ii) the U.S. Affiliate is a duly registered broker or dealer with the United States Securities and Exchange Commission (the "SEC") and pursuant to Section 15(b) of the U.S. Securities Exchange Act of 1934, as amended, and under the securities laws of each state in which such offers and sales were made (unless exempted from the respective state's broker-dealer requirements) and is a member in good standing with the Financial Industry Regulatory Authority, Inc. on the date hereof;

(iii) each offeree in the United States was provided with a copy of the U.S. private placement memorandum, including the Canadian Final Short Form Prospectus dated September **[●]**, 2009 and the documents incorporated therein by reference, for the offering of the Units in the United States and no other written material was used, other than a Canadian Preliminary Short Form Prospectus together with a U.S. private placement memorandum, in connection with the offer or sale of the Units in the United States;

(iv) immediately prior to our making any offer or solicitation, we had reasonable grounds to believe and did believe that each offeree was a Qualified Institutional Buyer (as defined in Rule 144A) or a Substituted Purchaser who is purchasing Units from Chartwell as an Institutional Accredited Investor (as defined in Rule 501(a)(1), (2), (3) and (7) of Regulation D) and, on the date hereof, we continue to believe that each U.S. person purchasing Units from us is a Qualified Institutional Buyer or an Institutional Accredited Investor;

(v) no form of general solicitation or general advertising (as those terms are used in Regulation D) was used by us, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising, in connection with the offer or sale of the Units in the United States or to U.S. persons;

(vi) the offering of the Units in the United States has been conducted by us in accordance with the Underwriting Agreement; and

(vii) prior to any sale of Units in the United States an executed Subscription Agreement has been obtained from each purchaser in the United States that is an Institutional Accredited Investor.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement.

DATED ●, 2009.

UNDERWRITER	**U.S. AFFILIATE**
By: ______________________________	By: ______________________________
Name: ●	Name: ●
Title: ●	Title: ●

EXHIBIT II
FIRPTA CERTIFICATION

STATEMENT THAT PARTNERSHIP INTEREST IS NOT A U.S. REAL PROPERTY INTEREST FOR WITHHOLDING TAX PURPOSES

1. This Statement is issued by Chartwell Seniors Housing Real Estate Investment Trust, an unincorporated open-ended trust established under the laws of the Province of Ontario, Canada ("Chartwell").

2. Chartwell hereby certifies that as of the date hereof, (A) fifty percent or more of the value of the gross assets of Chartwell does not consist of U.S. real property interests (as defined in Section 897 of the Internal Revenue Code of 1986, as amended), or (B) that ninety percent or more of the value of the gross assets of Chartwell does not consist of U.S. real property interests plus cash or cash equivalents.

3. The undersigned verifies, under penalties of perjury, that this Statement is correct to the undersigned's knowledge and belief.

Date:______________________________

____
Chartwell Seniors Housing Real Estate Investment Trust

Name:
Title:

EXHIBIT A
U.S. SUBSCRIPTION AGREEMENT

[Underwriters] (the "**Agent**")
[U.S. Broker-Dealer] (the "**U.S. Affiliate**")
Chartwell Seniors Housing Real Estate Investment Trust ("**Chartwell**")

Re: Purchase of Units of
<u>Chartwell Seniors Housing Real Estate Investment Trust</u>

1. The undersigned (the "**Subscriber**") hereby irrevocably subscribes for and agrees to purchase from Chartwell the Units set forth in Part I of Annex A hereto. Annex A hereto forms a part of, and is incorporated into, this Subscription Agreement.

2. The Subscriber acknowledges that this Subscription Agreement is subject to acceptance by Chartwell. Chartwell may also accept this Subscription Agreement in part. The Subscriber agrees that if this Subscription Agreement is not accepted in full, any funds related to the portion of this Subscription Agreement not accepted will be returned to the undersigned, without interest.

3. By executing this Subscription Agreement, the Subscriber represents, warrants and covenants (on its own behalf and, if applicable, on behalf of each beneficial purchaser for whom it is contracting hereunder) to Chartwell, the Agent and the U.S. Affiliate (and acknowledges that Chartwell, the Agent and the U.S. Affiliate are relying thereon) that:

(a) it is authorized to consummate the purchase of the Units;

(b) in the case of the purchase by the Subscriber of the Units as agent or trustee for any other person, the Subscriber has due and proper authority to act as agent or trustee for and on behalf of such beneficial purchaser in connection with the transactions contemplated hereby;

(c) it understands and acknowledges that the Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), or any state securities laws, and that the offer and sale of Units to it is being made in reliance on a private placement exemption available under Rule 506 under the 1933 Act ("**Regulation D**") to institutional "accredited investors" as described in Rule 501(a) (1), (2), (3) and (7) of Regulation D ("**Institutional Accredited Investors**");

(d) it is an Institutional Accredited Investor by virtue of meeting the criteria for the category beside which it has placed its initials below **(please initial applicable category)**:

___ Any bank as defined in Section 3(a)(2) of the 1933 Act or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the 1933 Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended; any insurance company as defined in Section 2(a)(13) of the 1933 Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of US$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of US$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are U.S. Accredited Investors;

___ Any private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

___ Any organization described in section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership not formed for the specific purpose of acquiring the Units, with total assets in excess of US$5,000,000; or

___ Any trust with total assets in excess of US$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person (being defined as a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment);

(e) it is acquiring the Units for its own account or, if the Units are to be purchased for one or more accounts for which it is acting as a fiduciary or agent, each such account is an Institutional Accredited Investor on a like basis and it is not acquiring the Units with a view to any resale, distribution or other disposition of the Units in violation of United States federal or applicable state securities laws;

(f) it is not purchasing the Units as a result of any "general solicitation" or "general advertising" (as those terms are used in Rule 502(c) of Regulation D under the 1933 Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising, or in any manner involving a public offering within Section 4(2) of the 1933 Act;

(g) it understands that the Units are "restricted securities" within the meaning of Rule 144(a)(3) under the 1933 Act and that if it decides to offer, sell, pledge or otherwise transfer any of the Units, such Units may be offered, sold, pledged or otherwise transferred only: (i) to Chartwell; (ii) outside the United States in accordance with Rule 904 of Regulation S under the 1933 Act ("**Regulation S**"); (iii) inside the United States in accordance with (A) Rule 144A under the 1933 Act ("**Rule 144A**") to a person who the seller reasonably believes is a Qualified Institutional Buyer that is purchasing for its own account or for the account of one or more Qualified Institutional Buyers and to whom notice is given that the offer, sale, pledge or transfer is being made in reliance on Rule 144A; or (B) the exemption from registration under the 1933 Act provided by Rule 144 thereunder, if available; (iv) pursuant to an effective registration statement under the 1933 Act; or (v) in another transaction that does not require registration under the 1933 Act, and in each case in accordance with any applicable securities laws of any state of the United States or the securities law of any other applicable jurisdiction, and in the case of (iii)(B) or (v) above, upon the provision of a legal opinion of counsel of recognized standing, satisfactory to Chartwell, acting reasonably, to the effect that the sale of such Units is not required to be registered under the 1933 Act;

(h) it understands and acknowledges that upon the original issuance thereof, and until such time as the same is no longer required under the applicable requirements of the 1933 Act or applicable state securities laws, certificates representing the Units and all certificates issued in exchange therefor or in substitution thereof, shall bear the following legend:

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF CHARTWELL SENIORS HOUSING REAL ESTATE INVESTMENT TRUST ("CHARTWELL") THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO CHARTWELL, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (C) INSIDE THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE SECURITIES ACT TO A PERSON THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT IS PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE

OFFER, SALE OR TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A OR (2) RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE, (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR (E) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTION, AND, IN THE CASE OF (C)(2) OR (E) ABOVE, UPON THE PROVISION OF A LEGAL OPINION OF COUNSEL OF RECOGNIZED STANDING, SATISFACTORY TO THE COMPANY, ACTING REASONABLY, TO THE EFFECT THAT SUCH SALE OF SECURITIES IS NOT REQUIRED TO BE REGISTERED UNDER THE SECURITIES ACT.

DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. PROVIDED THAT CHARTWELL IS A “FOREIGN ISSUER” WITHIN THE MEANING OF REGULATION S OF THE SECURITIES ACT AT THE TIME OF THE SALE, A NEW CERTIFICATE, BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA MAY BE OBTAINED FROM COMPUTERSHARE TRUST COMPANY OF CANADA, AS REGISTRAR AND TRANSFER AGENT FOR THESE SECURITIES, OR SUCH OTHER ORGANIZATION OR ENTITY PERFORMING SUCH FUNCTION FOR CHARTWELL (THE “TRANSFER AGENT”) UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE TRANSFER AGENT AND CHARTWELL, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT. THE TRANSFER AGENT MAY ALSO REQUIRE AN OPINION OF COUNSEL IN CONNECTION WITH ANY OFFER, SALE, PLEDGE OR TRANSFER OF THE SECURITIES BY THE HOLDER HEREOF;

provided, that if Units are being sold under paragraph (g)(ii) above, and provided that Chartwell is a "foreign issuer" within the meaning of Regulation S at the time of sale, the legend may be removed by providing a declaration to Computershare Trust Company of Canada, as registrar and transfer agent for the Units, or such other organization or entity performing such function for Chartwell (the "**Transfer Agent**"), as set forth in Exhibit B hereto (or as Chartwell may from time to time prescribe) and, if required by the Transfer Agent, an opinion of counsel of recognized standing satisfactory to the Transfer Agent and Chartwell, that such legend is no longer required under applicable requirements of the 1933 Act or state securities laws;

and provided, further, that, if any such Units are being sold under paragraph (g)(iii)(B) or (g)(v) above, the legend may be removed by delivery to the Transfer Agent of an opinion of counsel, of recognized standing reasonably satisfactory to Chartwell, that such legend is no longer required under applicable requirements of the 1933 Act or state securities laws;

(i) it: (i) has received a copy of the U.S. private placement memorandum (which includes the Canadian prospectus) (the "**U.S. Private Placement Memorandum**") relating to the offering in the United States of the Units, (ii) has had access to such additional information, if any, concerning Chartwell as it has considered necessary in connection with its investment decision to acquire the Units, and (iii) acknowledges that it has been offered the opportunity to ask questions to and receive answers from management of Chartwell concerning the terms and conditions of the offering of the Units, and to obtain any additional information which Chartwell possesses or can acquire without unreasonable effort or expense that is necessary to verify the accuracy of the information contained in the U.S. Private Placement Memorandum;

(j) it acknowledges that no representation or warranty is made by the Agent or the U.S. Affiliate as to the accuracy or completeness of the U.S. Private Placement Memorandum. It further acknowledges that none of Chartwell, the Agent or the U.S. Affiliate has made any representation or given any information to it with respect to Chartwell or the offering or sale of the Units other than the information contained in the U.S. Private Placement Memorandum;

(k) it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Units and is able to bear the economic risks of, and withstand the complete loss of, such investment;

(l) it acknowledges that it has been encouraged to seek independent legal advice concerning the relevant tax, legal, currency and other economic considerations relevant to its investment in the Units and it has made its own assessment and has satisfied itself concerning the relevant tax, legal, currency and other economic considerations relevant to its investment in Units;

(m) it acknowledges the prohibitions and makes each of the representations and agreements set forth under "**Certain ERISA Considerations**" in the U.S. Private Placement Memorandum, it acknowledges that it is not a Benefit Plan Investor, and it further understands that all Units sold in the United States as part of this offering will bear an additional legend to the following effect:

> THE FOLLOWING ENTITIES ARE PROHIBITED FROM PURCHASING OR OTHERWISE ACQUIRING OR HOLDING ANY SECURITIES REPRESENTED HEREBY AT ANY TIME: (A) UNITED STATES EMPLOYEE BENEFIT PLANS SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") (B) UNITED STATES PLANS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND (C) ENTITIES WHICH ARE DEEMED TO HOLD PLAN ASSETS BY REASON OF INVESTMENT IN SUCH ENTITY BY ONE OF THE FOREGOING PLANS FOR PURPOSES OF ERISA OR THE CODE; EACH PURCHASER OR OTHER ACQUIRER OF SUCH SECURITIES AT ANY TIME (INCLUDING ANY SUBSEQUENT PURCHASER OR OTHER ACQUIRER), BY ITS PURCHASING OR ACQUIRING SUCH SECURITIES, WILL BE DEEMED TO MAKE CERTAIN REPRESENTATIONS AND ENTER INTO CERTAIN INDEMNIFICATION AGREEMENTS DESIGNED TO GIVE EFFECT TO SUCH PROHIBITIONS; PROVIDED, HOWEVER, THAT THE TRUSTEES OF CHARTWELL SENIORS HOUSING REAL ESTATE INVESTMENT TRUST MAY FROM TIME TO TIME SUSPEND (OR REINSTATE) THE EFFECTIVENESS OF SUCH PROHIBITIONS AND SUCH DEEMED REPRESENTATIONS AND INDEMNIFICATION AGREEMENTS.

provided, however, that such legend shall also include a statement to the effect that delivery of a certificate so legended may not constitute "good delivery" in settlement of transactions on stock exchanges in Canada, unless a statement to that effect already appears on the certificate; provided, further, that such legend shall be removed in connection with a resale of the Units through the facilities of the Toronto Stock Exchange or otherwise made to a purchaser outside the United States, and may be removed at such other time as the Trustees of Chartwell shall determine;

(n) it is aware of the resale restrictions applicable to the Units and confirms that no representation has been made respecting its ability to resell the Units;

(o) no person has made to the Subscriber any written or oral representations:

(i) that any person will resell or repurchase the Units;

(ii) that any person will refund the purchase price of the Units; or

(iii) as to the future price or value of any of the Units;

(p) it consents to Chartwell making a notation on its records or giving instructions to the Transfer Agent in order to implement the restrictions on transfer set forth and described herein;

(q) the jurisdiction in which the undersigned Subscriber received and accepted the offer to purchase the Units is the address listed in Part II of Annex A hereto;

(r) it understands and acknowledges that Chartwell is not obligated to file and has no present intention of filing with the U.S. Securities and Exchange Commission or with any U.S. state securities commission any registration statement to register resales of the Units;

(s) it understands and acknowledges that Chartwell (i) is not obligated to remain a "foreign issuer" (as defined in Rule 902 of Regulation S), (ii) may not, at the time the Units are resold by it or at any other time, be a foreign issuer, and (iii) may engage in one or more transactions which could cause Chartwell not to be a foreign issuer;

(t) if required by applicable securities laws, regulatory policy, rule or order or by any securities commission, stock exchange or other regulatory authority, it will execute, deliver and file, within the approved time periods, all documentation as may be required thereunder, and otherwise assist Chartwell, the Agent or the U.S. Affiliate in filing reports, questionnaires, undertakings and other documents with respect to the offer and sale of the Units; and

(u) this Subscription Agreement has been duly and validly authorized, executed and delivered by and constitutes a legal, valid, binding and enforceable obligation of the Subscriber.

4. The Subscriber acknowledges that the representations, warranties and agreements contained herein are made by it with the intention that they may be relied upon by Chartwell, its legal counsel and the Agent and the U.S. Affiliate and their legal counsel in determining the Subscriber's eligibility or, if applicable, the eligibility of others on whose behalf it is contracting hereunder, to purchase the Units. The Subscriber further agrees that by accepting delivery of the Units or by having the Agent or U.S. Affiliate accept delivery of the Units on its behalf, it shall be representing and warranting that the representations, warranties, acknowledgements and agreements contained herein are true and correct as at the time of accepting delivery of the Units with the same force and effect as if they had been made by the Subscriber at such time and that the representations and warranties shall survive the purchase by the Subscriber of the Units and shall

continue in full force and effect notwithstanding any subsequent disposition by the Subscriber of the Units. Chartwell and its trustees, officers, employees, shareholders and its legal counsel, and the Agent and the U.S. Affiliate and their respective directors, officers, employees, unitholders and legal counsel shall be entitled to rely on the representations and warranties of the Subscriber contained in this Subscription Agreement, and the Subscriber shall indemnify and hold harmless Chartwell, its legal counsel and the Agent and the U.S. Affiliate and their legal counsel for any loss, costs or damages any of them may suffer as a result of any misrepresentations or any breach or failure to comply with any agreement herein.

5. The Subscriber irrevocably authorizes Chartwell to produce this Subscription Agreement or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

6. The contract arising out of the acceptance of this subscription by Chartwell shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario and represents the entire agreement of the parties hereto relating to the subject matter hereof.

7. Chartwell, the Agent, and the U.S. Affiliate shall be entitled to rely on delivery of a facsimile copy of this Subscription Agreement, and acceptance by Chartwell of a facsimile copy of this Subscription Agreement shall create a legal, valid and binding agreement among the undersigned, Chartwell, the Agent and the U.S. Affiliate in accordance with the terms hereof.

8. A certified check or bank draft made out to Chartwell Seniors Housing Real Estate Investment Trust in the amount of the Subscription Price as set forth in Part I of Annex A below, accompanies this Subscription Agreement or other acceptable payment arrangements have been made.

Signature of Subscriber

Signature of Subscriber (on its own behalf and, if applicable, on behalf of each person for whom it is contracting hereunder):

____

(Full Name of Subscriber)

____

(Authorized Signature)

____

(Name and Official Capacity – PLEASE PRINT)

Acceptance by Chartwell

Chartwell hereby accepts the above subscription as of this_____ day of ___________, 2009.

CHARTWELL SENIORS HOUSING REAL ESTATE INVESTMENT TRUST

____
(Full Name of Subscriber)

____
(Name and title – PLEASE PRINT)

ANNEX A TO SUBSCRIPTION AGREEMENT

Part I:

Particulars of Purchase of Units

Principal Amount of Units subscribed for: ____

Subscription Price = ________________________

Part II:

Subscriber Information

Name of Purchaser ____

Street Address ____

Street Address (2) ____

City and State ____

Zip Code ____

Contact Name ____

Alternate Contact ____

Phone No. ____

Fax No. ____

Part III:

Registration Information

Name ____

Account Reference
(if applicable) ____

Street Address ____

Street Address (2) ____

City and State ____

Zip Code ____

Contact Name ____

Alternate Contact ______________________________

Phone No. ______________________________

Fax No. ______________________________

Part IV:

<u>Delivery Instructions for Certificates (please check the appropriate box)</u>

☐ Deliver certificates representing the Units as set out in Part II

☐ Deliver certificates representing the Units as set out in Part III

☐ Make the certificates representing the Units available to be picked up at the principal office of Chartwell's Registrar and Transfer Agent in the City of Toronto, Ontario.

Part V:

<u>Beneficial Purchaser Information</u>

Name of Beneficial Purchaser ______________________________

Street Address ______________________________

Street Address (2) ______________________________

City and State ______________________________

Zip Code ______________________________

Contact Name ______________________________

Alternate Contact ______________________________

Phone No. ______________________________

Fax No. ______________________________

SCHEDULE

(to the Underwriting Agreement between Chartwell, and the Underwriters dated September 23, 2009)

1. Underwriters:

The Underwriters and their addresses are:	% of Securities being purchased
RBC Dominion Securities Inc. P.O. Box 50 Royal Bank Plaza, South Tower 4th Floor Toronto, ON M5J 2W7 Attention: Carolyn A. Blair Facsimile: 416-842-8910	33.0%
CIBC World Markets Inc. 161 Bay Street BCE Place, P.O. Box 500 Toronto, ON M5J 2S8 Attention: Allan Kimberley Facsimile: 416-956-6320	20.0%
BMO Nesbitt Burns Inc. 1 First Canadian Place 100 King Street West, 5th Floor, P.O. Box 150 Toronto, ON M5X 1H3 Attention: Derek Dermott Facsimile: 416-359-4639	12.0%
Scotia Capital Inc. 40 King Street West P.O. Box 4085, Station A Scotia Plaza, 66th Floor Toronto, ON M5W 2X6 Attention: Bryce Stewart Facsimile: 416-863-7117	12.0%

The Underwriters and their addresses are:	% of Securities being purchased
National Bank Financial Inc. Corporate Finance Department 1155 Metcalfe Street, 5th Floor Montreal, QC H3B 4S9 Attention: Craig J. Shannon Facsimile: 416-869-6411	8.0%
TD Securities Inc. 66 Wellington Street West, 9th Floor Toronto-Dominion Bank Tower P.O. Box 1 Toronto, ON M5K 1A2 Attention: Armen Farian Facsimile: 416-982-2172	8.0%
Blackmont Capital Inc. 181 Bay Street, Suite 900 Bay Wellington Tower Brookfield Place P. O. Box 779 Toronto, ON M5J 2T3 Attention: James E. Lorimer Facsimile: 416-864-9151	3.0%
Canaccord Capital Corporation 320 Bay Street, #1210 Toronto, ON M5H 4A6 Attention: Justin Bosa Facsimile: 416-869-3876	2.0%
HSBC Securities (Canada) Inc. 70 York Street, 4th Floor Toronto, ON M5J 1S9 Attention: Nicole Caty Facsimile: 416-868-7765	2.0%
TOTAL	**100%**

2. Issuer:

Chartwell Seniors Housing Real Estate Investment Trust (**"Chartwell"**)

3. Attributes of the Offering of Units:

Issue:	12,500,000 Units (the **"Units"**).
Issue Price:	$6.00 per Unit (the **"Unit Purchase Price"**).
Size of Offering:	$75,000,000
Use of Proceeds:	The net proceeds from the Unit offering will be utilized by Chartwell to enhance its financial strength and flexibility in order to take advantage of restructuring opportunities relating to certain existing mezzanine financing investments with third party borrowers, including Spectrum Seniors Housing Development LP, Le Group Melior Inc. and others. Possible restructuring alternatives may include the assumption, through foreclosure or otherwise, on a selective basis, of some or all of these borrowers' ownership interests in new and currently operating seniors housing properties. The assumption of any ownership interests may require an equity injection by Chartwell upon the refinancing of assumed construction facilities and a funding of cash flow deficiencies, if any, during remaining lease-up periods. Prior to the deployment of the net proceeds as set forth above, the net cash proceeds will be used by Chartwell to reduce the entire amount currently outstanding under its secured revolving operating credit facility ($27.0 million), with the remainder of the net proceeds to be retained as cash on hand and used by Chartwell for general trust purposes, including, if opportunities arise, to delever its financial position.
Cash Distributions:	Chartwell intends to make monthly cash distributions to unitholders of record on each record date, on or about the 15th day of the month following the record date. The current indicated monthly cash distribution is $0.045 per Unit. The first cash distribution to which purchasers of the Units under this offering will be entitled to participate will be the month of October, with a record date of October 31, 2009 and payment date of November 15, 2009.
Additional Units:	1,875,000 Units (the **"Additional Units"**).
Additional Units Purchase Price:	$6.00 per Additional Unit (the **"Additional Units Purchase Price"**).

Eligibility:	The Units will be eligible for RRSPs, RRIFs, DPSPs, TFSAs and RESPs.
Listing:	The Units are listed on the Toronto Stock Exchange (**"TSX"**) under the symbol "CSH.UN".
Offering Basis:	The Units will be offered publicly in all Provinces of Canada and may be offered on a private placement basis in the U.S. using Rule 144A or such other applicable exemptions as not to require registration.

4. Authorized and Issued Capital of Chartwell:

Authorized	**Issued**
An unlimited number of Units	100,876,038 Units (as of September 22, 2009)
An unlimited number of Special Voting Units	1,976,859 Special Voting Units (as of September 22, 2009)

5. Auditors

KPMG LLP

6. Closing

The Closing shall take place at 8:15 a.m. (Toronto time) (the **"Closing Time"**) on or about October 8, 2009 or such other date as Chartwell and the Underwriters may agree upon in writing or as may be changed in accordance with paragraph 5(c) of the Underwriting Agreement (the **"Closing Date"**) but in any event shall take place by October 22, 2009, (the **"Latest Closing Date"**). The Closing shall take place at the offices of Osler, Hoskin & Harcourt LLP, Toronto, Ontario, or at such other place in Toronto as the Underwriters and Chartwell may agree upon.

7. Additional Units Closing Time

If the Underwriters' exercise the Underwriters' Over-allotment Option, the closing shall take place at 8:15 a.m. (Toronto time) (the **"Additional Units Closing Time"**) on the date selected by the Underwriters but in any event no earlier than 2 Business Days after receipt of notice by Chartwell from the Underwriters. The Additional Units Closing Time shall take place at the offices of Osler, Hoskin & Harcourt LLP, Toronto, Ontario, or at such other place in Toronto as the Underwriters and Chartwell may agree upon.

8. Counsel

Chartwell's Counsel:	Osler, Hoskin & Harcourt LLP
Québec Counsel:	Osler, Hoskin & Harcourt LLP
U.S. Counsel:	Osler, Hoskin & Harcourt LLP
Underwriters' Counsel:	Borden Ladner Gervais LLP

9. Documents Incorporated by Reference:

Documents Incorporated by Reference means collectively Chartwell's:

(a) the material change report of Chartwell dated September 17, 2009 with respect to the Offering;

(b) the unaudited consolidated financial statements of Chartwell, comprised of the consolidated balance sheet, consolidated statements of operations and comprehensive income (loss), consolidated statements of unitholders' equity and consolidated statements of cash flows for the three and six months ended June 30, 2009, together with the notes thereto;

(c) management's discussion and analysis of the results of operations and financial condition of Chartwell for the three and six months ended June 30, 2009;

(d) the management information circular of Chartwell dated April 24, 2009 prepared in connection with the annual and special meeting of unitholders of Chartwell held on May 21, 2009, as amended;

(e) Chartwell's annual information form for the year ended December 31, 2009;

(f) the certificate of Chartwell dated March 17, 2009 with respect to compliance with its undertaking to treat Chartwell Master Care LP as a subsidiary of Chartwell for the purposes of compliance with its reporting issuer obligations;

(g) the audited consolidated financial statements of Chartwell, comprised of the consolidated balance sheets, consolidated statements of operations and comprehensive loss, consolidated statements of unitholders' equity and consolidated statements of cash flows, as at and for the year ended December 31, 2008, and as at and for the year ended December 31, 2007, together with the notes thereto and the report of the auditors thereon; and

(h) management's discussion and analysis of the results of operations and financial condition of Chartwell for the year ended December 31, 2008.

10. Principal Regulator

Ontario Securities Commission

11. Prospectus Qualification Dates

Preliminary Prospectus Date means September 23, 2009.

Final Prospectus Date means October 1, 2009.

12. Qualifying Provinces

All of the provinces of Canada.

13. Transfer Agent

The "Transfer Agent" means Computershare Trust Company of Canada with its principal office in the city of Toronto.

14. Underwriting Fee

4.0% of the gross proceeds from the Units to be paid or caused to be paid by Chartwell to the Underwriters at the Closing Time.