EXECUTION COPY

CDN. $150,000,000
SENIOR SECURED REVOLVING CREDIT FACILITY

CHARTWELL MASTER CARE LP, a limited partnership formed under the laws of the province of Manitoba

(the "**Borrower**")

- and -

CSH TRUST, an unincorporated, open-ended trust established under the laws of the Province of Ontario, Chartwell Benco Inc., GP M Trust, an unincorporated trust established under the laws of the Province of Ontario, Chartwell Master Care Corporation, Chartwell Retirement Residences and the Property Owners

(the "**Guarantors**")

- and -

THE FINANCIAL INSTITUTIONS IDENTIFIED ON THE SIGNATURE PAGES HERETO, as Lenders

(the "**Lenders**")

- and -

ROYAL BANK OF CANADA, as Administrative Agent

(the "**Administrative Agent**")

- and –

RBC CAPITAL MARKETS, as Sole Bookrunner

(the "**Sole Bookrunner**")

- and –

RBC CAPITAL MARKETS and CANADIAN IMPERIAL BANK OF COMMERCE, as Co-Lead Arrangers

(the "**Co-Lead Arrangers**")

- and -

ROYAL BANK OF CANADA, as Swing Line Lender

(the "**Swing Line Lender**")

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of June 1, 2015

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AMENDED AND RESTATED CREDIT AGREEMENT

Amended and Restated Credit Agreement dated as of June 1, 2015, among, CHARTWELL MASTER CARE LP, a limited partnership formed under the laws of the province of Manitoba, as Borrower, CSH TRUST, an unincorporated, open-ended trust established under the laws of the Province of Ontario, Chartwell Benco Inc., GP M Trust, an unincorporated trust established under the laws of the Province of Ontario, Chartwell Master Care Corporation, Chartwell Retirement Residences and the Property Owners, as Guarantors, the financial institutions identified on the signature pages hereto, as Lenders, ROYAL BANK OF CANADA as Administrative Agent, RBC CAPITAL MARKETS as Sole Bookrunner, RBC CAPITAL MARKETS and CANADIAN IMPERIAL BANK OF COMMERCE, as Co-Lead Arrangers and ROYAL BANK OF CANADA as the Swing Line Lender.

WHEREAS by an amended and restated credit agreement (the "**Original Agreement**") made as of June 25, 2010, as amended, the parties hereto established in favour of the Borrower a revolving term operating facility as more particularly described, and upon the terms and conditions set out, in the Original Agreement;

AND WHEREAS the parties hereto wish to amend and restate the Original Agreement as hereinafter set out;

WITNESSES that the parties hereto declare this Agreement to amend, supercede and restate the Original Agreement in all respects and declare themselves to be bound by the provisions hereof.

ARTICLE 1
INTERPRETATION

Section 1.01 ***Defined Terms.*** As used in this Agreement, the following terms have the following meanings:

"**Acceptance Note**" means a non-interest bearing promissory note of the Borrower substantially in the form of Schedule 10 delivered to a Lender in the circumstances set out in Section 2.08.

"Accounting Changes" means changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Canadian Institute of Chartered Accountants, including changes resulting from implementation of the International Financial Reporting Standards to the extent required by the Canadian Accounting Standards Board.

"Actual Gross Annual Rental Income" means, for any Property, actual gross annual rental income of such Property shown on the Borrower's 12 month trailing operating statements for such Property (for greater certainty, adjusted for actual occupancy during such period).

"**Adjusted Consolidated Gross Book Value of Assets**" means, at any time, the aggregate of the then Consolidated Net Book Value of Assets, plus:

(a) the difference between the gross book value of assets calculated under the previous generally accepted accounting principles and IFRS on the IFRS Transition Date;

(b) acquisition related costs in respect of completed property acquisitions that were expensed in the period incurred; and

(c) the then Consolidated Accumulated Depreciation, less the corresponding value of any property for which any obligation has been issued or assumed as the Deferred Purchase Price of Property (or if approved by a majority of the directors of GP M Trust at any time, the appraised value of the assets of the Borrower, CSH Trust, Chartwell RR, and their Subsidiaries).

"**Adjusted Consolidated Unitholders Equity**" means, at any time, Consolidated Unitholders Equity, adjusted to include Class B Units of the Borrower, Trust Units, and Deferred Trust Units, and to exclude the impact on earnings of changes in fair value of financial instruments, including fair value changes of convertible debentures, interest rate swaps, the Long Term Incentive Plan option component, class B Units of the Borrower, Deferred Trust Units, and subscription receipts, all such adjustments to be based on the consolidated financial statements of Chartwell RR.

"**Adjusted Net Operating Income** means, for any Property, the result obtained from the following formula, which shall be based on such Property's 12 month trailing operating statements:

A + B – C – D – E

where:

A is Actual Gross Annual Rental Income for such Property;

B is actual ancillary income derived for such Property;

C is Annual Operating Expenses for such Property;

D is a management allowance calculated as 3% of Actual Gross Annual Rental Income for such Property; and

E is a structural allowance calculated at $300 per Unit for such Property.

"**Administrative Agent**" means Royal Bank of Canada which acts as administrative agent for and on behalf of itself and the Lenders and any successor Administrative Agent appointed pursuant to Section 14.07 of this Agreement.

"**Administrative Questionnaire**" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"**Advance**" means a borrowing by the Borrower by way of a Prime Rate Advance (either directly or deemed by way of overdraft), acceptance by the Lender of a draft or depository bill presented for acceptance as a Bankers' Acceptance, or the issuance of a Letter of Credit by the Swing Line Lender, and any reference relating to the amount of Advances shall mean the sum of the principal amount of all outstanding Prime Rate Advances, whether as a result of an Advance, deemed advance, Conversion or Rollover plus the face amount of all outstanding Bankers' Acceptances, plus the maximum amount payable under Letters of Credit;

"**Advances Outstanding**" means, at any time, the aggregate amount of all Advances outstanding hereunder at such time made to the Borrower by the Lenders. In determining Advances Outstanding, the aggregate amount thereof shall be determined by adding (i) the aggregate principal amount of all outstanding Prime Rate Advances; (ii) the aggregate face amount of all outstanding Bankers' Acceptances; and (iii) the maximum amount payable under Letters of Credit.

"**Affiliate**" has the meaning specified in the *Business Corporations Act* (Ontario) on the date of this Agreement.

"**AFFO**" means Adjusted Funds from Operations as described in the annual information form or management discussion and analysis accompanying the annual financial report of Chartwell RR, and which is currently calculated by adding or subtracting to or from FFO the following:

(a) Straight line adjustment to lease expense;

(b) Unrealized gains and losses on derivative financial instruments and unrealized foreign exchange gains and losses;

(c) Amortization of below market leases;

(d) The principal portion of capital subsidy receivables, including those receivables from health authorities;

(e) Amounts received under income guarantees;

(f) Amortization of debt mark to market adjustments, including accretion on the convertible debentures, and amortization of financing costs;

(g) Financing cost reserve;

(h) Capital maintenance reserves, estimated at 2% of property revenue.

"**Aggregate Lending Value**" means, at any time, (but calculated no less frequently than quarterly within sixty (60) days of the end of each of the four (4) Financial Quarters of each Financial Year of Chartwell RR) the aggregate of the Lending Value of each individual Property which is included in the Secured Asset Pool, and which has satisfied the deliveries, requirements, and conditions set out in Section 6.02.

"**Agreement**" means this amended and restated credit agreement and all schedules thereto, as amended, supplemented or restated from time to time; and the expressions "**Article**" and "**Section**" followed by a number mean and refer to the specified Article or Section of this Agreement.

"**Annual Operating Expenses**" means, for any Property, actual operating expenses, net of management fees (to the extent included therein), shown on the Borrower's 12 month trailing operating statements for such Property.

"**Applicable Canadian Pension Laws**" means any law (statutory or common), rule, regulation, guideline, directive, order or notice of any Canadian federal or provincial (or other political subdivision thereof) Governmental Authority or any entity exercising executive, legislative, quasi-judicial, regulatory or administrative functions pertaining to, having jurisdiction over or affecting any Canadian Pension Plan or Canadian Plan.

"Applicable Commitment Fee Rate" means, at any time, the commitment fee rate in basis points per annum set forth and defined in the row headed **"Commitment Fee/Swing Line Commitment Fee"** as applicable, in Schedule 12 and corresponding to the Total Leverage Ratio at such time. If applicable, the Applicable Commitment Fee Rate shall be adjusted in the manner prescribed by Schedule 12 five Business Days after the date the Administrative Agent receives the relevant Compliance Certificate pursuant to Section 8.01(b)(i) or Section 8.01(b)(ii), as applicable, calculating the Total Leverage Ratio. In the event that the Borrower has not delivered a Compliance Certificate in respect of any Financial Quarter as required pursuant to Section 8.01(b)(i) or Section 8.01(b)(ii), as applicable, the Applicable Commitment Fee Rate shall be the highest rate provided for in any column of Schedule 12 until such time as such Compliance Certificate has been delivered (and thereafter shall correspond to the applicable rate calculated pursuant to the preceding sentences hereof), provided that if a Compliance Certificate is delivered within 15 Business Days of the date required pursuant to Section 8.01(b)(i) or Section 8.01(b)(ii), the Applicable Commitment Fee Rate calculated based on such Compliance Certificate shall be deemed to apply as if such Compliance Certificate had been delivered by the date required in Section 8.01(b)(i) or Section 8.01(b)(ii).

"**Applicable Law**" means each law, statute, ordinance, decree, requirement, order, judgment, treaty, rule, guideline, bulletin, license, permit or regulation, and any applicable determination, interpretation, ruling, order or decree, of any Governmental Authority or arbitrator, which is binding upon or applicable to any of the Lenders, Chartwell RR, the Borrower, any Guarantor or any other Subsidiary of the Borrower, whether presently existing or arising in the future, including without limitation, all guidelines and bulletins issued by OSFI, all Health and Safety Laws, all Environmental Laws and all Seniors Housing Laws.

"Applicable Margin" means, at any time, subject to the following sentences of this definition, the margin in basis points per annum set forth in Schedule 12 corresponding to the Total Leverage Ratio at such time. In respect of (i) Prime Rate Advances, the Applicable Margin shall be the margin referred to in the row **"Prime Rate Advances"** in Schedule 12; (ii) Drawings, the Applicable Margin shall be the margin referred to in the row **"BAs"** in Schedule 12; (iii) Letters of Credit, the Applicable Margin shall be the margin referred to in the row **"Letters of Credit"** in Schedule 12, in each case corresponding to the Total Leverage Ratio at such time. If applicable, each Applicable Margin shall be adjusted in the manner prescribed in Schedule 12 five Business Days after the date the Administrative Agent receives the relevant certificate pursuant to Section 8.01(b)(i) or Section 8.01(b)(ii), as applicable, calculating the Total Leverage Ratio. Such adjusted Applicable Margin shall apply in respect of (a) Prime Rate Advances, from and after such date, (b) Drawings, to Drawings made from and after such date (and shall not affect the Applicable Margin in respect of any outstanding Drawing), and (c) Letters of Credit, to Letters of Credit fees calculated from and after such date. In the event that the Borrower has not delivered a Compliance Certificate in respect of any Financial Quarter as required pursuant to Section 8.01(b)(i) or Section 8.01(b)(ii), as applicable, the Applicable

Margin shall be the highest rate provided for in any column of Schedule 12 until such time as such Compliance Certificate has been delivered (and thereafter shall correspond to the Applicable Margin calculated pursuant to the preceding sentences hereof), provided that if a Compliance Certificate is delivered within 15 Business Days of the date required pursuant to Section 8.01(b)(i) or Section 8.01(b)(ii), the Applicable Margin calculated based on such Compliance Certificate shall be deemed to apply as if such Compliance Certificate had been delivered by the date required in Section 8.01(b)(i) or Section 8.01(b)(ii).

"**Applicable Percentage**" means with respect to any Lender, the percentage of the Total Syndicated Commitment represented by such Lender's Syndicated Commitment.

"**Assets**" means, with respect to any Person, any property, assets and undertakings of such Person of every kind and wheresoever situate, whether now owned or hereafter acquired (and, for greater certainty, includes any equity or like interest of any Person in any other Person).

"**Assignment and Assumption**" means an assignment and assumption agreement entered into by a Lender and an Eligible Assignee and accepted by the Administrative Agent, in substantially the form of Schedule 5 or any other form approved by the Administrative Agent.

"BA Rate" means, for any Drawdown Date, in respect of any Bankers' Acceptances or Drafts to be purchased by (i) a Lender which is a Bank Act (Canada) Schedule I bank, the arithmetic average of the discount rates (calculated on an annual basis and rounded to the nearest one-hundredth of 1%, with five-thousandths of 1% being rounded up) for Canadian Dollar Banker's Acceptances having an aggregate face amount equal to and with a term equal or comparable to such Banker's Acceptances or Drafts that appears on the Reuters Service page CDOR (or such other page as is a replacement page for such banker's acceptances) at approximately 10:00 a.m. (Toronto time) on such date (as adjusted by the Administrative Agent after 10:00 a.m. (Toronto time) to reflect any error in any posted rate or in the posted average annual rate subsequently identified by Reuters); or (ii) any other Lender, the rate specified in (i) plus 0.10%. If the rate in item (i) of this definition of "BA Rate" is not available as at the specified time, then the discount rate in respect of the Banker's Acceptances and Drafts referred to therein shall mean the discount rate (calculated on an annual basis and rounded to the nearest one-hundredth of 1%, with five-thousandths of 1% being rounded up) quoted by the Administrative Agent at approximately 10:00 a.m. (Toronto time) as the discount rate at which the Administrative Agent is offering to purchase, on the relevant Drawdown Date, its own Banker's Acceptances or Drafts having an aggregate face amount equal to and with a term to maturity equal or comparable to the Banker's Acceptances or Drafts to be acquired pursuant to item (i).

"**Bankers' Acceptance**" means a Draft denominated in Canadian Dollars and accepted by a Lender and issued under this Agreement.

"**Borrower**" means Chartwell Master Care LP, a limited partnership formed under the laws of the Province of Manitoba, acting by and through its general partner GP M Trust, a trust formed under the laws of the Province of Ontario acting by and through its sole trustee Chartwell Master Care Corporation, a corporation incorporated under the laws of the Province of Ontario, and any successor(s) and permitted assign(s) thereof.

"**Borrowing**" means a borrowing consisting of one or more Advances.

"**Business Day**" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close in Toronto, Ontario.

"**Canadian Dollars**", and "**Cdn. $**" each mean lawful money of Canada.

"**Canadian Pension Plan**" means each and every registered pension plan established under Canadian federal or provincial law and maintained or contributed to, by or on behalf of either the Borrower or any of the Guarantors for the benefit of any of their respective employees.

"**Canadian Pension Regulator**" means any governmental authority, tribunal, office, government agency or board or any other entity exercising executive, legislative, quasi-judicial, regulatory or administrative functions pertaining to, or relating to, any Applicable Canadian Pension Laws.

"**Canadian Plan**" shall mean any employee benefit plan (other than a Canadian Pension Plan) established or maintained by, or on behalf of either the Borrower or any Guarantor for the benefit of their respective employees.

"**Capital Lease**" shall mean, as to any Person at any time, any lease of (or other agreement conveying the right to use) immovable or real property or movable or personal property, which would be required to be classified and accounted for, at such time, as a capital lease on a balance sheet of such Person under IFRS.

"**Capital Lease Obligation**" shall mean at any time, as to any Person, the obligations of such Person to pay rent or other amounts under a Capital Lease and, for the purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with IFRS at such time.

"**Cash Distributions**" means total Distributions declared, less all non-cash Distributions that are settled by way of reinvestment into the Dividend Reinvestment Plan program, and non-cash Distributions that are applied to outstanding loan balances held under the Long Term Incentive Plan program and the Deferred Unit Plan.

"**Change of Control**" means any Person or related group of Persons shall beneficially own, directly or indirectly, securities of Chartwell RR to which are attached more than 50% of the votes that may be cast to elect the trustee(s) of Chartwell RR.

"**Change in Law**" means the occurrence, after the date of this Agreement, of any of the following: (a) the adopting or taking effect of any Applicable Law, (b) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any Applicable Law by any Governmental Authority.

"**Chartwell RR**" means, unless the context otherwise requires, Chartwell Retirement Residences, an unincorporated open-ended investment trust established under the laws of the Province of Ontario.

"**Chartwell RR Guarantee**" means the guarantee in favour of the Lender by Chartwell RR of all of the obligations of the Borrower under this Agreement and the other Loan Documents to which it is a party.

"**Claim**" means any claim of any nature whatsoever including, without limitation, any demand, liability, obligation, cause of action, suit, proceeding, judgment, award, assessment and reassessment, whether present or future.

"**Code**" means the Internal Revenue Code of 1986.

"**Commitment**" means the commitment by each Lender to make Advances aggregating the amount set out opposite its name in Schedule 6.

"**Compliance Certificate**" means a compliance certificate of the Borrower substantially in the form attached as Schedule 4 or in such other form as may from time to time be reasonably required by the Administrative Agent.

"**Consolidated Accumulated Depreciation**" means, at any time, the accumulated depreciation and amortization of Chartwell RR and its Subsidiaries as shown on Chartwell RR's then most recent consolidated balance sheet prepared in accordance with IFRS.

"**Consolidated Debt**" means, in respect of Chartwell RR and its Subsidiaries, the aggregate amount of all Indebtedness of Chartwell RR and its Subsidiaries determined on a consolidated basis in accordance with IFRS.

"**Consolidated Debt Service Payments**" means, at any time, with respect to Chartwell RR and its subsidiaries, the aggregate of contractual principal and interest paid with respect to indebtedness outstanding on all of their real property, including unsecured debt, if applicable, as reported in the consolidated financial statements of Chartwell RR and its Subsidiaries (including the Borrower).

"**Consolidated Net Book Value of Assets**" means, at any time, the book value of the assets of Chartwell RR and its Subsidiaries, as shown on Chartwell RR's then most recent consolidated balance sheet prepared in accordance with IFRS.

"**Consolidated Net Income**" means, with respect to Chartwell RR and its Subsidiaries, for any period, resident rental and ancillary income, less direct operating expenses, and property lease expenses, determined on a consolidated basis in accordance with IFRS.

"**Consolidated Unitholders' Equity**" means, at any time, consolidated unitholders' equity appearing on the consolidated balance sheet of Chartwell RR at that time and prepared in accordance with IFRS.

"**Contaminant**" means any pollutants, dangerous substances, liquid waste, industrial waste, hauled liquid waste, toxic substances, hazardous wastes, hazardous materials, hazardous substances or contaminants as defined or dealt with in any Environmental Law.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "**Controlling**" and "**Controlled**" have corresponding meanings.

"**Conversion**" means a conversion of an Advance from one type of Advance into another type of Advance.

"**Conversion Date**" means the Banking Day specified by the Borrower on which to convert one type of Advance into another type of Advance.

"**Conversion Notice**" means a notice in the form of Schedule 7 given by the Borrower to the Administrative Agent.

"**Credit Limit**" means, at any time, the Aggregate Lending Value of the Properties at such time included in the Secured Asset Pool.

"**CSH Trust**" means CSH Trust, an unincorporated investment trust established under the laws of Ontario, pursuant to the CSH Trust Declaration, acting by and through the CSH Trustees.

"**CSH Trust Declaration**" means the declaration of trust dated as of September 8, 2003, governed by the laws of the Province of Ontario, pursuant to which CSH Trust was established, as amended up to and including the Tenth Amended and Restated Declaration of Trust dated May 15, 2015, and as further amended, from time to time, with the consent of the Required Lenders, as required by Section 8.02(p) of this Agreement.

"**CSH Trust Notes**" means, collectively, the Series 1 Trust Notes, the Series 2 Trust Notes, the Series 3 Trust Notes and any other trust notes issued from time to time pursuant to the Note Indenture.

"**CSH Trust Unit**" means a trust unit of CSH Trust, each such unit representing an equal undivided beneficial interest therein.

"**CSH Trustees**" means the trustees of CSH Trust from time to time, and "CSH Trustee" means any one of them.

"**Debt Service Coverage Ratio**" means the ratio of Consolidated Net Income divided by Consolidated Debt Service Payments.

"**Declaration of Trust**" means Twelfth Amended and Restated Declaration of Trust of Chartwell RR dated May 15, 2015, and as further amended, from time to time, with the consent of the Required Lenders as required by Section 8.02(p) of this Agreement.

"**Default**" means an event which, with the giving of notice or passage of time, or both, would constitute an Event of Default.

"**Default Interest Rate**" means a rate per annum equal to the Prime Rate plus five percent (5.0%).

"**Deferred Purchase Price of Property**" means the amount of any obligation in respect of any property acquired or to be acquired by the Borrower, CSH Trust, Chartwell RR, or their Subsidiaries, which relates to any portion of the purchase price or consideration to be paid to the vendor on or after the closing of such acquisition, but does not include any vendor-take-back mortgage or other secured deferred obligation in respect of such an acquisition.

"**Deferred Unit Plan**" means the deferred unit plan established by Chartwell RR under which the directors of Chartwell Master Care Corporation, the trustees of CSH Trust, and the trustees of Chartwell RR, and such others as may be eligible from time to time, may elect to receive his or her retainer, and certain meeting fees, in whole or in part in units of Chartwell RR.

“**Designated Account**” means the account of the Administrative Agent at its main branch in Toronto, Ontario as specified by the Administrative Agent to the Borrower and the Lenders from time to time to which advances are to be deposited by the Lenders for disbursement under this Agreement in accordance with the terms hereof, and to which payments by the Borrower are to be deposited for disbursement to the Lenders.

“**Disposition**” means with respect to any Asset of any Person, any direct or indirect sale, lease (where such Person is the lessor of such Asset), assignment, cession, transfer (including any transfer of title or possession), exchange, conveyance, release or gift of such Asset, including by means of a sale-leaseback transaction, or any reorganization, consolidation, amalgamation or merger of such Person pursuant to which such Asset becomes the property of any other Person; and “**Dispose**” and “**Disposed**” have meanings correlative thereto.

“Distributions” has the same meaning for purposes of this Agreement as the meaning set out in Section 5 of the Declaration of Trust.

“**Draft**” means, at any time, (i) a bill of exchange, within the meaning of the *Bills of Exchange Act* (Canada), drawn by the Borrower on the Lender and being otherwise in form and substance as the Lender may require, but which at that time has not been accepted by a Lender; or (ii) a depository bill within the meaning of the *Depository Bills and Notes Act* (Canada).

“**Drawdown**” means

(a) a Prime Rate Advance;

(b) the issue of a Bankers’ Acceptance; or

(c) the issue of a Letter of Credit.

“**Drawdown Date**” means the Banking Day on which a Drawdown is made by the Borrower pursuant to the provisions of this Agreement.

“**Drawdown Notice**” means a notice in the form of Schedule 8 given by the Borrower to the Administrative Agent.

“**Drawing**” means the creation and purchase of Bankers’ Acceptances by the Lenders pursuant to Article 4.

“Drawing Proceeds” means, in respect of any Drawing by the Borrower to be purchased by one or more Lenders on any Drawdown Date, the amount by which (i) the result (rounded to the nearest whole cent, with one-half of one cent being rounded up) obtained by dividing the aggregate face amount of the Drafts by the sum of one plus the product of (x) the BA Rate multiplied by (y) a fraction, the numerator of which is the number of days, inclusive of the first day and exclusive of the last day, in the term to maturity of the Drafts and the denominator of which is 365; exceeds (ii) the applicable aggregate BA Stamping Fee.

"**Eligible Assignee**" means any Person (other than a natural person, any Obligor or any Affiliate of an Obligor), in respect of which any consent that is required by Section 17.01 has been obtained.

"**Encumbrance**" means any mortgage, charge, hypothec, legal hypothec, pledge, security interest, lien or deposit arrangement or any other encumbrance, whether fixed or floating, that in substance secures the payment of any indebtedness or liability or the observance or performance of any obligation, regardless of form and whether consensual or arising by law, statutory or otherwise, on or in, any property, whether immovable or real, movable or personal, or mixed, tangible or intangible or a pledge or hypothecation thereof or any conditional sale agreement or other title retention agreement or equipment trust relating thereto or any lease relating to property which would be required to be accounted for as a Capital Lease on the Borrower's balance sheet.

"**Environmental Activity**" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, production, construction, processing, treatment, stabilization, disposition, handling or transportation, or its release, escape, leaching, dispersal or migration into the natural environment, including the movement through or in the air, land surface or subsurface strata, surface water or groundwater.

"**Environmental Law**" means any and all Applicable Laws including common laws relating to the protection of the environment and employee and public health and safety including any relating to a discharge, spill, emission or other release whether actual or potential of any contaminant (as defined in the *Environmental Protection Act* (Ontario)) and any Environmental Activity and any other applicable legislation, regulation, guideline, policy or by-law as well as any order, directive, or decision rendered by any Governmental Authority.

"**Exchange Agreement**" means the agreement dated November 14, 2003 between, inter alia, Chartwell RR, CSH Trust, Chartwell Master Care LP and GP M Trust, as amended or restated from time to time.

"**Event of Default**" has the meaning specified in Section 9.01.

"**Excluded Taxes**" means, with respect to the Administrative Agent, any Lender, the Swing Line Lender or any other recipient of any payment to be made or on account of any obligation of an Obligor hereunder, (a) taxes imposed on or measured by its net income, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located and (b) any branch profits taxes or any similar tax imposed by any jurisdiction in which a Lender is located and (c) in the case of a Foreign Lender (other than (i) an assignee pursuant to a request by the Borrower under Section 10.03(b), (ii) an assignee pursuant to an Assignment and Assumption made when an Event of Default has occurred and is continuing or (iii) any other assignee to the extent that the Borrower has expressly agreed that any withholding tax shall be an Indemnified Tax), any withholding tax that (A) is not imposed or assessed in respect of a Loan that was made on the premise that an exemption from such withholding tax would be available where the exemption is subsequently determined, or alleged by a taxing authority, not to be available and (B) is required by Applicable Law to be withheld or paid in respect of any amount payable hereunder or under any Loan Document to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in law) to comply with Section 10.02(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from an Obligor with respect to such withholding tax pursuant to Section 10.02(a) and (d) any U.S. federal withholding taxes imposed by FATCA. For greater certainty, for purposes of item (c) above, a withholding tax includes any Tax that a Foreign Lender is required to pay pursuant to Part XIII of the *Income Tax Act* (Canada) or any successor provision thereto.

"**Existing Letters of Credit**" means the Letters of Credit listed in Schedule 13 hereto, provided that the Borrower shall use commercially reasonable efforts to replace the Existing Letters of Credit with Letters of Credit issued by Royal Bank of Canada as soon as reasonably practicable after the date of this Agreement.

"**FATCA**" means Sections 1471 through 1474 of the Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471 (b)(1) of the Code and any law, regulation, rule or practice adopted pursuant to any intergovernmental agreement entered into in connection with such Sections of the Code.

"**Fees**" means the fees payable by the Borrower under this Agreement.

"**FFO**" means Funds from Operations as defined from time to time by the Real Property Association of Canada, which currently defines Funds from Operations as meaning net income, computed in accordance with IFRS, excluding gains (or losses) from sales of depreciable real estate and extraordinary items, plus depreciation and amortization, plus future income taxes and after adjustments for equity accounted for entities and non-controlling interests. Adjustments for equity accounted for entities and joint ventures and non-controlling interests are calculated to reflect Funds from Operations on the same basis as the consolidated properties.

"**Financial Quarter**" means, in respect of the Borrower or Chartwell RR, as applicable, a period of three consecutive months in each Financial Year ending on March 31, June 30, September 30, and December 31, as the case may be, of such year.

"**Financial Year**" means, in respect of the Borrower or Chartwell RR, as applicable, its financial year commencing on January 1 of each calendar year and ending on December 31 of such calendar year.

"**First Mortgage Documents**" means the mortgages (or hypothecs) listed on Schedule 3 in respect of each Second Mortgage Property which forms part of the Secured Asset Pool (and any other mortgage (or hypothec) in respect of any additional Second Mortgage Property included in the Secured Asset Pool in accordance with this Agreement).

"**First Mortgage Properties**" means the Properties identified as first mortgage properties on Schedule 2 and any additional first mortgage property that is added to the Secured Asset Pool in accordance with this Agreement (excluding any such first mortgage property that ceases to be included in the Secured Asset Pool in accordance with this Agreement).

"**Five Year Canada Bond**" means, as of any date, the bond issued by the Government of Canada that matures approximately five years from such date and which is (because of its characteristics), in the judgment of the Administrative Agent, most commonly used in Canadian financial markets as of such date as the benchmark for determining yields on new issues of 5 year Canadian debt securities generally.

"**Foreign Lender**" means any Lender that is not organized under the laws of the jurisdiction in which the Borrower is resident for tax purposes and that is not otherwise considered or deemed in respect of any amount payable to it hereunder or under any Loan Document to be resident for income tax or withholding tax purposes in the jurisdiction in which the Borrower is resident for tax purposes by application of the laws of that jurisdiction. For purposes of this definition Canada and each Province and Territory thereof shall be deemed to constitute a single jurisdiction and the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"**General Partner**" means GP M Trust, a trust formed under the laws of the Province of Ontario in its capacity as the general partner of Master LP, as represented by and acting through its sole trustee, Chartwell Master Care Corporation, and its successors and permitted assigns.

"**Governmental Authority**" means any nation or government, and any political subdivision thereof (including federal, provincial, state, regional or municipal), any governmental or public department thereof, commission, board, bureau or agency and any central bank, agency, court, tribunal or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and includes without limitation, the Ministry of Health and Long Term Care (Ontario), the Ministere de la santé et des services sociaux (Quebec) and any Canadian Pension Regulator.

"**GP M Trust Declaration**" means the trust indenture of GP M Trust dated as of November 14, 2003 governed by the laws of the Province of Ontario pursuant to which GP M Trust was established.

"**Guarantees**" means, with respect to any Person, without duplication, all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other obligations (contingent or otherwise) of such Person: to pay, purchase, provide funds (whether by the advance of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, the indemnification in respect of letters of credit and letters of guarantee issued in respect of indebtedness) for the payment of the obligations of any other Person, or to make Investments in any other Person to fulfill the obligations of another Person, or to maintain the capital, working capital, solvency or general financial condition of any other Person or to indemnify against the consequences of default in the payment of, or otherwise be responsible for, any indebtedness, damages, losses or liabilities of any other Person; and for the purposes of this Agreement the amount of each Guarantee shall be deemed to be an amount equal to the outstanding amount of each primary obligation of the obligor to whom the Guarantee relates, unless the Guarantee is limited to a determinable amount in which case the amount of such Guarantee shall be deemed to be such determinable amount.

"**Guarantors**" means, collectively, Chartwell Master Care Corporation, CSH Trust, Chartwell Benco Inc., GP M Trust, Chartwell RR, each Property Owner party hereto and such other Property Owner that executes and delivers a Joinder Agreement in accordance with

Article 5, and their respective successors and permitted assigns, and "Guarantor" means any one of them as applicable.

"**Health and Safety Laws**" means any and all Applicable Laws relating to the health or safety (or both) of employees of the Borrower and of each of the Guarantors and other Persons including the residents or occupants of any Property.

"**IFRS**" means International Finance Reporting Standards.

"**IFRS Transition Date**" means January 1, 2010.

"**Indebtedness**" means, without duplication, for any Person:

(a) any obligation of such Person for borrowed money;

(b) any obligation of such Person incurred in connection with the acquisition of property, assets or business other than the amount of future income tax liability arising out of indirect acquisitions;

(c) any Capital Lease Obligation of such Person; and

(d) any obligation of the type referred to in clauses (a) through (c) of another Person, the payment of which the Person is question has guaranteed or for which such Person is responsible for or liable;

provided that (A) for the purposes of (a) through (d), an obligation (other than an obligation relating to convertible debentures) will constitute indebtedness only to the extent that it would appear as a liability on the balance sheet of such Person in accordance with IFRS; (B) obligations referred to in clauses (a) through (d) exclude trade accounts payable, distributions payable to unitholders of Chartwell RR and accrued liabilities arising in the ordinary course of business; and (C) convertible debentures will constitute indebtedness to the extent of the principal amount thereof outstanding.

"**Indemnified Taxes**" means Taxes other than Excluded Taxes.

"**Intellectual Property**" means:

(a) trade marks, design marks, logos, service marks, certification marks, official marks, trade names, business names, corporate names, trade dress, distinguishing guises, slogans, domain names, meta tags, and other characters, brand elements or other distinguishing features used in association with wares or services, whether or not registered or the subject of an application for registration and whether or not registrable, and the goodwill associated therewith;

(b) inventions, arts, processes, machines, articles or manufacture, compositions of matter, business methods, trade secrets, know-how, development and improvements, whether or not patented or the subject of an application for patent and whether or not patentable; and

(c) literary works, artistic works, pictorial works, graphic works, musical works, dramatic works, audio-visual works, performances, sound recordings and signals and any compilations of any of the foregoing, whether or not registered or the subject of an application for registration and whether or not registrable.

“**Interest Payment Date**” means with respect to each Prime Rate Advance, the first Banking Day of each calendar month or as otherwise agreed by the Administrative Agent and the Borrower.

“**Interest Period**” means,

(a) with respect to any Prime Rate Advance, the period commencing on the applicable Drawdown Date or Conversion Date, as the case may be, and terminating on the date selected by the Borrower for the Conversion of that Advance into another type of Advance or for the repayment of that Advance;

(b) with respect to any Bankers’ Acceptance, the period selected by the Borrower and being of one, two, three or six months duration commencing on the Drawdown Date, Rollover Date or Conversion Date of that Advance; and

(c) with respect to any Letter of Credit, the period commencing on the date of issuance of that Letter of Credit and terminating on the last day on which that Letter of Credit is outstanding;

provided that in any case the last day of each Interest Period shall be also the first day of the next Interest Period, and further provided that if the last day of any Interest Period selected by the Borrower is not a Banking Day, the Borrower shall be deemed to have selected an Interest Period the last day of which is the Banking Day next following the last day of the Interest Period otherwise selected, unless that next following Banking Day falls in the next calendar month, in which event the Borrower shall be deemed to have selected an Interest Period the last day of which is the Banking Day next preceding the last day of the Interest Period otherwise selected, and further provided that the last Interest Period under this Agreement shall expire on or prior to the Repayment Date.

“**Investment**” means any loan, advance, deposit, extension of credit, capital contribution or subscription (by subscription for equity or other ownership units or interests, exchange of equity or other ownership units or interests or otherwise) or investment to or in any Person, or any purchase or other acquisition for a consideration of any evidences of Indebtedness, capital stock or other securities of any Person or the acquisition of assets of another Person or the entering into of a partnership or joint venture with another Person or Persons but shall not include cash or cash equivalents.

“**Joinder Agreement**” means an agreement in the form of

Schedule 1 hereto.

"**LC Disbursement**" means a payment made by the Swing Line Lender pursuant to a Letter of Credit.

"**LC Notice**" means a Notice given by the Borrower to the Swing Line Lender.

"**Lenders**" means, collectively, the financial institutions and other Persons set forth on the signature pages hereof as Lenders, and any Eligible Assignee thereof upon such Eligible Assignee becoming a party to this Agreement as lenders in accordance with the terms of this Agreement.

"**Lending Value**" means, at any time, with respect to each individual Property included in the Secured Asset Pool, the lesser of:

(i) 70% of the value of such Property identified on the most recent Property Valuation delivered to and accepted by the Administrative Agent, less, for any Second Mortgage Property, the principal amount of any first mortgage in respect of such Second Mortgage Property; and

(ii) the Mortgageability Amount, less, for any Second Mortgage Property, the principal amount of any first mortgage in respect to such Second Mortgage Property.

"**Letter of Credit**" means a documentary or standby letter of credit, a letter of guarantee or similar instrument issued by the Swing Line Lender pursuant to the Revolving Term Facility at the request, and for the account, of the Borrower under this Agreement, and "**Letter of Credit**" means any one thereof.

"**Letter of Credit Fee**" has the meaning ascribed to that term in Section 4.02(4).

"**Loan Document**" or "**Loan Documents**" means this Agreement, the Security, the Joinder Agreements, the Chartwell RR Guarantee and all other documents, certificates, instruments and agreements executed and delivered to the Administrative Agent by the Borrower or any Guarantor in connection hereunder or thereunder.

"**Loss**" means any loss whatsoever, whether direct or indirect, including expenses, costs, damages, judgments, penalties, fines, charges, claims, demands, liabilities and any and all legal fees and disbursements, except any such loss representing loss of profit.

"**Master LP**" means Chartwell Master Care LP, a limited partnership formed under the laws of the Province of Manitoba.

"**Master LP Partnership Agreement**" means the Tenth Amended and Restated Limited Partnership Agreement dated May 14, 2012, governed by the laws of the Province of Manitoba between GP M Trust as the sole general partner thereof, and CSH Trust, as the initial limited partner thereof pursuant to which the Borrower was established, and is now governed.

"**Material Adverse Effect**" means the result or consequence of any event, act or omission by or affecting the Borrower, or Chartwell RR, or any of the Guarantors individually or in the aggregate, which result or consequence has materially impaired or could reasonably be expected to materially impair the ability of (i) Chartwell RR or the Borrower and its Subsidiaries, taken as a whole, to carry on their existing business or (ii) any of the Borrower or any Guarantor to perform its obligations and covenants in this Agreement or the Security or any other Loan Document to which it is a party; or (iii) any of the Borrower or any Guarantor to own or operate any of the Properties comprised in the Secured Asset Pool in the ordinary course of business.

"**Material Contracts**" means collectively (i) the Declaration of Trust, the CSH Trust Declaration, the Master LP Partnership Agreement, the Note Indenture and the Exchange Agreement; (ii) the First Mortgage Documents; and (iii) all of the contracts or agreements now or hereafter entered into by the Borrower or any of the Guarantors either between themselves or with any other Person in connection with acquisition, ownership or the operation of any one or more of the Properties comprised in the Secured Asset Pool, the loss or termination of which would have a Material Adverse Effect (excluding employment contracts).

"**Maximum Principal Amount**" has the meaning ascribed to that term in Section 2.01.

"**Minor Title Defects**" means title defects, restrictions, irregularities or Encumbrances which are of a minor nature and are not insured against under any title insurance policies in favour of the Administrative Agent and in the aggregate will not substantially impair the use, value or marketability of the property affected by such title defect, restriction, irregularity or Encumbrances for the purposes for which it is held by the owner thereof.

"**MOHLTC**" means the Ontario Ministry of Health and Long-Term Care.

"**Mortgageability Amount**" means, for any Property, the notional principal amount, from time to time, calculated (or, where applicable, allocated, estimated or adjusted) to the satisfaction of the Administrative Agent, acting reasonably, that can be serviced (in blended monthly payments of principal and interest) by the quotient obtained by dividing the Adjusted Net Operating Income for the previous four Financial Quarters by 1.25 and assuming: (i) a 20 year amortization (or a 25 year amortization for any Property which is 15 years old or less); and (ii) an annual interest rate, compounded semi-annually, equal to the greater of: (a) the then Five Year Canada Bond rate plus 2.5%; and (b) 6% per annum.

"**Net Proceeds**" means any one or more of the following: (i) with respect to any Disposition of any of the Properties, the amount equal to the aggregate amount received in cash by the Borrower or any of its Subsidiaries (including any cash received by way of deferred payment pursuant to a note, receivable, other non-cash consideration or otherwise, but only as and when such cash is so received) in connection with such Disposition, less the sum of (x) reasonable fees (including, without limitation, reasonable legal fees), commissions and other out-of-pocket expenses and taxes (as evidenced by supporting documentation provided to the Lender upon request therefor by the Lender) incurred or paid for by the Borrower or any of its Subsidiaries in connection with such Disposition, (y) with respect to any Second Mortgage Property, the principal amount plus accrued and unpaid interest plus any other amount payable in respect of any first mortgage on such Property repaid from such Net Proceeds, and (z) the amount required to be paid in respect of any Permitted Encumbrance ranking in priority to the Security; and (ii) with respect to any insurance proceeds in respect of any Property comprised in the Secured Asset Pool, the net amount payable to the Borrower or any of its Subsidiaries thereunder less, in respect of any Permitted Encumbrance ranking in priority to the Security, any amount required to be applied to repay any such prior ranking Permitted Encumbrance.

"**Note Indenture**" means the trust indenture dated November 14, 2003 made between CSH Trust as issuer and Computershare Trust Company of Canada as trustee thereunder providing for the issuance by CSH Trust of the Series 1 Trust Notes, Series 2 Trust Notes, Series 3 Trust Notes and other trust notes.

"**Notice**" means a Drawdown Notice, a Conversion Notice or a Rollover Notice.

"**Obligations**" has the meaning specified in Section 5.03.

"**Obligors**" means, collectively, the Borrower and each of the Guarantors.

"**Original Currency**" has the meaning specified in Section 22.04.

"**Other Currency**" has the meaning specified in Section 22.04.

"**Other Taxes**" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"**Participant**" has the meaning assigned to such term in Section 17.01(d).

"**Permitted Encumbrances**" means, as at any time, any one or more of the following:

(a) reservations in any original grants from the Crown of any land or interest therein, statutory exceptions to title and reservations of mineral rights in any grants from the Crown or from any other predecessors in title;

(b) servitudes or easements or rights of way or similar rights for purposes of public utility, or for encroachments, rights of view or otherwise which will not materially and adversely impair the use, occupation or operation thereof, including without in any way limiting the generality of the foregoing, the sewers, drains, gas and water mains, steam transport, electric light and power or telephone and telegraph conduits, poles and cables, pipelines or zoning restrictions affecting the use of any Property and agreements with the relevant municipality or region or utility supplier relating to the development of any Property comprised in the Secured Asset Pool;

(c) any Encumbrance for taxes, assessments or other governmental charges or levies not yet due or, if due, the time for payment of which without penalty has not yet expired or the validity of which is being contested diligently and in good faith by or on behalf of Chartwell RR or the Borrower or any Guarantor, provided no enforcement proceedings or actions have been taken in respect thereof (or if taken have been and are being stayed) and adequate provision has been made for the payment thereof in accordance with IFRS;

(d) any Encumbrance relating to any judgment rendered or claim filed against Chartwell RR or the Borrower or any Guarantor, which it shall be contesting diligently and in good faith, provided no seizure, attachment or other enforcement proceedings or actions have been taken in respect thereof (or if taken have been and are being stayed) and adequate provision has been made for the payment thereof in accordance with IFRS;

(e) any Encumbrance in favour of any craftsman, workman, builder, contractor, supplier of materials, architect, engineer or subcontractor or any other similar Encumbrance related to the construction or the renovation of any property, provided that such Encumbrance does not permit any other unregistered Encumbrance to shelter thereunder (unless the sheltered unregistered Encumbrance is also permitted hereunder) and secures an obligation whose term has not expired or that Chartwell RR or the Borrower or any Guarantor is not in default to perform same, or if its term has expired or Chartwell RR or the Borrower or any Guarantor is in default to perform same, provided that it commences action, within thirty (30) days of notice or registration of such Encumbrance, from or by the relevant claimant or otherwise, of its registration or publication, to cause its cancellation or extinguishment or to diligently and in good faith to contest it and provided adequate provision has been made for the payment thereof in accordance with IFRS;

(f) Minor Title Defects;

(g) the pledges or deposits made pursuant to Applicable Laws relating to workmen's compensation, employment insurance, other social security legislation or similar Applicable Laws, or deposits made in good faith in connection with offers, tenders, leases or contracts (excluding, however, the borrowing of money or the repayment of money borrowed), deposits of cash or securities in order to secure appeal bonds or bonds required in respect of judicial proceedings;

(h) undetermined or inchoate Encumbrances, arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with Applicable Laws or of which written notice has not been duly given in accordance with Applicable Laws or which, although filed or registered, relate to obligations not due or delinquent;

(i) Encumbrances registered against title to any one or more of the Properties as of the date hereof summarized in Schedule 3 hereto and Encumbrances on personal property related thereto to which the Lender has consented in writing;

(j) the Security in favour of the Administrative Agent;

(k) purchase money security interests on equipment or other personal property to be situated on or used in connection with any Property;

(l) any replacement security or other Encumbrance granted in connection with any refinancing of any of the indebtedness secured by any Permitted Encumbrances, provided that the then outstanding principal amount secured thereby does not increase or the Administrative Agent has provided its prior written consent thereto, which consent shall not be unreasonably withheld;

(m) any Encumbrance which is not an exception to coverage under the title insurance policy issued in respect of the applicable Property which is included in the Secured Asset Pool; or

(n) any other Encumbrances hereafter consented to in writing by the Administrative Agent.

"**Person**" means a natural person, partnership, corporation, company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns that have a similarly extended meaning.

"**Potential Preferred Claims**" means at any time the aggregate of all amounts payable, or to be remitted, by the Borrower and each of the Guarantors with respect to unemployment insurance, Canada Pension Plan premiums, income tax, employee withholdings, goods and services and retail sales taxes, realty tax, assessments, and all other payables under any federal or provincial or municipal statute in respect of which any statutory lien or trust could arise over or in respect of any of the property, assets or undertaking of the Borrower or any Guarantor.

"**Prime Rate**" means, at any time, the rate of interest per annum equal to the greater of (i) the rate which the principal office of the Administrative Agent in Toronto, Ontario then quotes, publishes and refers to as its "**prime rate**" and which is its reference rate of interest for loans in Canadian Dollars made in Canada to Canadian borrowers; and (ii) the average rate for Canadian Dollar bankers' acceptances having a term of one month that appears on the Reuters Screen CDOR Page (or such other page as is a replacement page for such bankers' acceptances) as of 10:00 a.m. (Toronto time) on the date of determination, as reported by the Administrative Agent, plus 1.00% *per annum*, adjusted automatically with each quoted, published or displayed change in such rate, all without necessity of any notice to the Borrower or any other Person.

"**Prime Rate Advance**" means an overdraft in the Swing Line Account or an Advance made by the Lenders to the Borrower and with respect to which the Borrower has specified that interest is to be calculated by reference to the Prime Rate.

"**Property Owners**" means, collectively, 1231436 Ontario Limited, 1187655 Ontario Limited, 1192473 Ontario Limited, 1179298 Ontario Limited, Société en commandite Le Duplessis, CSH Barclay House Inc., CSH Glacier Ridge Inc., CSH Collegiate Heights Inc., 1081195 Ontario Inc., CSH Bridlewood Inc., CSH Royal Oak LTC Inc., Guelph Retirement Home Inc., CSH Select Thunder Bay Inc., CSH Southwind Retirement Residence Inc., CSH Carrington House Inc., CSH Aurora Resthaven Inc., CSH Bon-Air Inc., CSH North York LTC Inc., CSH Colonel Belcher Inc., CSH Eau Claire Inc., CSH (Isabella) Inc., and any other wholly-owned subsidiary of Borrower which is the legal or beneficial owner (other than the Borrower) of a Property included in the Secured Asset Pool, and, individually, any one of them.

"Property Valuation" means, for any Property, the appraised value thereof as determined by an appraiser, or valuator, acceptable to the Lenders, which appraised value is acceptable to the Required Lenders.

"**Properties**" means, collectively, the First Mortgage Properties and the Second Mortgage Properties, and "**Property**" means any one of them.

"**Related Parties**" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

"**Repayment Date**" means June 1, 2018, or such later date as may be agreed to by the Lenders in accordance with Section 2.15.

"**Required Lenders**" means Lenders whose aggregate Commitments exceed 60% of the Total Commitment.

"**Retirement Residence**" means an income producing property legally and beneficially owned, directly or indirectly, by the Borrower or a Property Owner (or beneficially owned by the Borrower or a Property Owner, legal title to which is held by a Guarantor as title nominee for the Borrower or a Property Owner) in the form of hotel style rooms and suites that are rented to residents who are senior citizens on a monthly basis and for whom meals and other services are provided (which services can range from light degree of care to full care and supervision with nursing support).

"**Revolving Term Facility**" has the meaning specified in Section 2.01.

"**RHRA**" means the Retirement Homes Regulatory Authority of Ontario.

"**Rollover**" means a rollover of a maturing Bankers' Acceptance into a new Bankers' Acceptance.

"**Rollover Date**" means the date of commencement of a new Interest Period applicable to a Bankers' Acceptance that is being rolled over.

"**Rollover Notice**" means a notice in the form of Schedule 9 given by the Borrower to the Administrative Agent.

"**Second Mortgage Properties**" means the Properties identified as a second mortgage property on Schedule 2 and any additional second mortgage property that is added to the Secured Asset Pool in accordance with this Agreement (excluding any such second mortgage property that ceases to be included in the Secured Asset Pool in accordance with this Agreement).

"**Secured Asset Pool**" means, collectively, at any time, the Properties which have satisfied the conditions precedent set out in Section 6.02 and in respect of which the Administrative Agent continues to hold Security as provided for therein.

"**Security**" means, collectively, the debentures, hypothecs, debenture delivery agreements, general security agreements, general assignment of rents and leases and other security documents executed and delivered to the Administrative Agent by the Borrower or any Guarantor in connection with this Agreement or any other Loan Document.

"**Seniors Housing Laws**" means all present and future laws, statutes, ordinances, decrees, requirements, orders, rules, guidelines, bulletins, licences, permits and regulations of any province or of any other Governmental Authority including without limitation the *Long-Term Care Homes Act* (Ontario), *Homes for the Aged and Rest Homes Act* (Ontario), *Homes for Special Care Act* (Ontario) and an Act respecting Health Services and Social Services (Quebec) pertaining to housing facilities and nursing or other health and social services for senior citizens (including, without limitation, Independent Living Facilities, Retirement Homes and Long Term Care Facilities).

"**Subsidiary**" means, at any time, as to any Person, any corporation, company or other Person, if at such time the first mentioned Person owns, directly or indirectly, securities or other ownership interests in such corporation, company or other Person having ordinary voting power to elect a majority of the board of directors or persons performing similar functions for such corporation, company or other Person.

"**Swing Line Account**" means the account of the Borrower with the Swing Line Lender to which Prime Rate Advances may be made without notice from the Borrower by way of overdraft.

"**Swing Line Commitment**" means the Commitment by the Swing Line Lender to make Advances under the Swing Line Portion in the amount set out opposite its name in Schedule 6.

"**Swing Line Lender**" means Royal Bank of Canada (and for purposes of the Existing Letters of Credit only, Canadian Imperial Bank of Commerce).

"**Swing Line Portion**" means a portion of the Revolving Term Facility in a principal amount of up to $10,000,000 (a portion of which shall be allocated to Canadian Imperial Bank of Commerce in respect of the Existing Letters of Credit).

"**Syndicated Commitment**" means the commitment by each Lender to make Advances under the Syndicated Portion aggregating the amount set out opposite its name in Schedule 6.

"**Syndicated Portion**" means a portion of the Revolving Term Facility in a principal amount of up to One Hundred and Forty Million Dollars ($140,000,000.00).

"**Taxes**" means all present or future taxes, levies, imports, duties, deductions, withholdings, assessments, fees or other charges imposed by any Government Authority including any interest, additions to tax or penalties applicable thereto.

"**Total Commitment**" means the aggregate of the Commitments of all Lenders.

"Total Leverage Ratio" has the meaning ascribed to that term in Section 9.01(q).

"**Total Syndicated Commitment**" means the aggregate of the Syndicated Commitments of the Lenders.

"Unit" means a hotel style room or suite located in a Retirement Residence or long term care facility.

Section 1.02 ***Gender and Number.*** Any reference in the Loan Documents to gender includes all genders, and words importing the singular number only include the plural and vice versa.

Section 1.03 ***Interpretation not Affected by Headings, etc.*** The provisions of a table of contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement.

Section 1.04 ***Currency.*** All references in the Loan Documents to dollars or $, unless otherwise specifically indicated, are expressed in Canadian currency.

Section 1.05 ***Certain Phrases, etc.*** In any Loan Document (i) (y) the words "including" and "includes" mean "including (or includes) without limitation" and (z) the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of", and (ii) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to (or until) but excluding".

Section 1.06 ***Accounting Terms.*** All accounting terms not specifically defined in this Agreement shall be interpreted in accordance with IFRS. In the event that there are changes in IFRS that affect any of the covenants set out in this Agreement, such covenants shall be amended to reflect the changes in IFRS.

Section 1.07 ***Non-Business Days.*** Whenever any payment or report is stated to be due on a day which is not a Business Day, such payment or report shall be made on the next succeeding Business Day, and such extension of time shall be included in the computation of interest or Fees, as the case may be.

Section 1.08 ***Incorporation of Schedules.*** The schedules attached to this Agreement shall, for all purposes of this Agreement, form an integral part of it.

ARTICLE 2
REVOLVING TERM FACILITY

Section 2.01 ***Revolving Term Facility.*** Subject to the terms and conditions, and during the term, of this Agreement, the Lenders establish in favour of the Borrower a revolving term operating facility (the "**Revolving Term Facility**") in a maximum principal amount (the "**Maximum Principal Amount**") not to exceed the lesser of:

(a) $150,000,000.00 or such greater amount as the Lenders and the Borrower may unanimously agree upon; and

(b) the Credit Limit.

Section 2.02 ***Lenders' Obligations.*** The obligations of each of the Lenders under this Agreement are several, and the failure by any Lender to perform its obligations shall not,

(a) render any other Lender liable or responsible for the obligations of that Lender; or

(b) relieve any other party from any of its obligations under the Loan Documents, and in particular shall not relieve any other Lender of its obligation to perform its obligations under this Agreement.

Section 2.03 ***Lender Advances.*** Subject to and in accordance with the terms and conditions of this Agreement, the Borrower may utilize the Revolving Term Facility as it elects from time to time in accordance with this Agreement, and each Lender shall advance its Applicable Percentage of the Syndicated Portion in accordance with the Drawdown made by the Borrower and the procedure set out with respect thereto under this Agreement, but in no event shall the Lenders be obliged to make advances in excess of the Maximum Principal Amount of the Credit Facility and all advances under the Revolving Term Facility shall at all times be subject to the terms and conditions of this Agreement. Prime Rate Advances outstanding at the date of this Agreement shall remain outstanding and the Administrative Agent shall record the amount thereof in its records from and after the date of this Agreement (and any accrued interest in respect of such Prime Rate Advances outstanding as at the date of this Agreement shall be calculated by Canadian Imperial Bank of Commerce in its capacity as former Administrative Agent and the Borrower shall make payment of such accrued interest to Canadian Imperial Bank of Commerce on the date of this Agreement in a corresponding amount (for distribution to the applicable Lenders)). Any Bankers' Acceptances outstanding as at the date of this Agreement shall remain outstanding and the Administrative Agent shall record the amount thereof in its records from and after the date of this Agreement. The Administrative Agent and the Lenders acknowledge and agree that as at the date of this Agreement all Advances to the Lenders may not be outstanding in the rateable amount thereof based on the Lenders Applicable Percentage thereof and the Administrative Agent shall rebalance the Advances outstanding after the date hereof as soon as reasonably practicable (having regard to the maturity date of outstanding Bankers' Acceptances such that each Lender's share thereof is consistent with its Applicable Percentage).

Section 2.04 ***Manner of Borrowing*.**

(1) The Borrower may make Drawdowns, Conversions and Rollovers as applicable under the Revolving Term Facility.

(2) The Borrower shall also have the option of borrowing under the Swing Line Portion without notice to the Swing Line Lender by way of overdraft, such that the debit balance in the Borrower's Swing Line Account with the Swing Line Lender from time to time will be deemed to be a Prime Rate Advance for the purposes of this Agreement.

(3) The Borrower shall have the option, subject to the terms and conditions of this Agreement, to determine which types of Advances shall be drawn down under the Revolving Term Facility and in which combinations or proportions, provided that the aggregate amount of Advances by way of issuance of Letters of Credit does not exceed $10,000,000.00.

Section 2.05 ***Purpose of Revolving Term Facility.*** Advances under the Revolving Term Facility shall only be used for the following purposes:

(a) for general corporate purposes;

(b) to finance acquisitions; and

(c) for the issuance of letters of credit.

Section 2.06 ***Drawdown Procedure*.**

(1) At its election, the Borrower may take Drawdowns under the Syndicated Portion by way of:

(a) Prime Rate Advance, or

(b) Bankers' Acceptances,

and under the Swing Line Portion by way of:

(c) the issue of Letters of Credit, or

(d) overdraft

in each case as specified by the Borrower and in every such case the Drawdowns shall bear interest at the rates specified in this Agreement.

(2) The Revolving Term Facility may be drawn down, repaid and redrawn on a revolving basis in accordance with the terms of this Agreement.

(3) Each Drawdown other than under the Swing Line Portion shall be in a minimum principal amount of $3,000,000 or an integral multiple of $500,000 for Drawdowns in excess of $3,000,000.

(4) As a condition precedent to any Drawdown, Conversion or Rollover (other than by way of overdraft under the Swing Line Portion), the Borrower shall deliver to the Administrative Agent a Drawdown Notice, Conversation Notice or Rollover Notice, as the case may be (other than in the case of an Advance by way of Letter of Credit, in which case such Notice shall be delivered to the Swing Line Lender) with respect to a specified type of Advance that is to be drawn, converted or rolled over, as the case may be, that Notice (subject to Section 2.10) to be received by the Administrative Agent or Swing Line Lender no later than 10:00 a.m. one Banking Day prior to the proposed Drawdown Date, Conversion Date or Rollover Date, as the case may be, except that upon receipt of a Notice in respect of any proposed Advance by way of Letter of Credit, the Swing Line Lender shall notify the Borrower to the extent that it requires additional time to sufficiently review the proposed form of Letter of Credit, in which case the Swing Line Lender, if the Borrower is otherwise entitled to an Advance by way of Letter of Credit, shall issue the Letter of Credit as soon as the Swing Line Lender is satisfied in its sole discretion, acting reasonably, with the form of the Letter of Credit to be issued.

(5) Upon receipt of a Notice (other than an LC Notice) under subsection (4) the Administrative Agent shall forthwith notify the Lenders of the proposed Drawdown, Rollover or Conversion and of each Lender's Applicable Percentage of the Drawing or Drawing Proceeds thereof, as applicable, and in the case of a Drawdown identifying the Designated Account to which each Lender shall credit its Applicable Percentage.

(6) Where the Drawdown is in the form of a Prime Rate Advance or Banker's Acceptance, each of the Lenders shall deposit to the Designated Account its Applicable Percentage of the Drawdown in the case of Prime Rate Advances and its Applicable Percentage of the Drawing Proceeds in the case of Banker's Acceptances, in each case, on or before the Drawdown Date.

(7) Subject to subsections (8) and (9), on the Drawdown Date, the Administrative Agent shall disburse the amount of a Drawdown in accordance with the Drawdown Notice relating to that Drawdown, but the obligation of the Administrative Agent shall be limited to taking such steps as are commercially reasonable to implement those instructions.

(8) Where the Administrative Agent has not received the full amount payable by the Lenders in respect of a Drawdown the Administrative Agent's obligation to make disbursement under subsection (6) shall be limited to the amount actually received by it, and where the Administrative Agent has disbursed an amount corresponding to the Lender's Applicable Percentage as provided in subsection (7) and that Lender has not paid the Administrative Agent the amount so disbursed as required under that subsection after demand therefor, the Borrower shall repay to the Administrative Agent that amount immediately upon demand by the Administrative Agent, without prejudice to the right that the Borrower may have against such Lender.

(9) A Drawdown Notice, Rollover Notice or Conversion Notice is irrevocable and obliges the Borrower to take on the relevant date all actions with respect thereto that are required under this Agreement.

Section 2.07 ***Bankers' Acceptances.*** Where a Drawdown is requested by the Borrower in the form of the issue and acceptance by the Lenders of Bankers' Acceptances, the following rules apply:

(1) Upon the receipt of a Drawdown Notice, Rollover Notice or Conversion Notice with respect to the Bankers' Acceptance, the Administrative Agent shall notify the Lenders of the proposed Drawdown Date, Rollover Date or Conversion Date, and of each Lender's Applicable Percentage of the principal amount at maturity of the proposed Bankers' Acceptance.

(2) Subject to compliance by the Borrower with this section, on the Drawdown Date each Lender shall deposit to the Designated Account an amount equal to the Applicable Percentage of the Drawing Proceeds in respect of the Drafts that are to be purchased and accepted by the Lender under the Drawdown Notice.

(3) In respect of each Banker's Acceptance,

(a) the aggregate principal amount at maturity of each such Bankers' Acceptance shall be $100,000 or an integral multiple thereof;

(b) each draft of a Bankers' Acceptance delivered to the Lender shall mature on the last day of the Interest Period with respect thereto;

(c) the provisions of this Agreement shall govern the relationship between the Borrower and each Lender, in the place of the provisions contained in any Lender's standard form of agreement with respect to the issue of Bankers' Acceptances;

(d) the Lender shall keep all Bankers' Acceptances delivered to it in blank in safe care as if such Bankers' Acceptances were the property of the Lender;

(e) no Lender shall be liable for its failure to accept a Bankers' Acceptance where the cause of that failure is in whole or in part caused by the failure of the Borrower to provide to such Lender a sufficient quantity of Bankers' Acceptances duly executed in blank.

(4) The Borrower shall,

(a) deposit, on or before the maturity date of the Bankers' Acceptance, an amount equal to the principal amount of the Bankers' Acceptance in the Designated Account for payment to the Lenders; or

(b) deliver to the Administrative Agent at least one Banking Day prior to the maturity date,

(i) a Rollover Notice for the issue and acceptance on the maturity date of a new Bankers' Acceptance in the same amount, or

(ii) a Conversion Notice, for the conversion of the Bankers' Acceptance into another form of Advance.

(5) Where the Borrower fails to comply with subsection (4), on the maturity date the Borrower shall be deemed to have elected to convert the Bankers' Acceptance to a Prime Rate Advance.

(6) Where the Borrower elects to rollover a Bankers' Acceptance, at the time of accepting the new Bankers' Acceptance, each Lender may receive and retain for its own account any amount realized through the sale or other disposition of the new Bankers' Acceptance and on the maturity date of the maturing Bankers' Acceptance, the Borrower shall pay the Lenders an amount equal to the difference between the principal amount of the maturing Bankers' Acceptance and the Drawing Proceeds in respect of the new Bankers' Acceptance.

(7) Where a Bankers' Acceptance is converted into another form of Advance, the amount of that Advance shall be deemed to be the principal amount of the maturing Bankers' Acceptance.

(8) The Drawdown Notice in respect of any Drawdown under this section shall be delivered at least one Banking Day in advance of the proposed Drawdown Date.

Section 2.08 ***Special Provision Relating to Acceptance Notes*.**

(1) Each Borrower and each Lender hereby acknowledges and agrees that from time to time certain Lenders which are Non-Schedule I Lenders may not be authorized to or may, as a matter of general corporate policy, elect not to accept or purchase Bankers' Acceptance drafts, and the Borrower and each Lender agree that any such Lender may purchase Acceptance Notes of the Borrower in accordance with the provisions of Section 2.07 in lieu of creating Bankers' Acceptances for its account.

(2) In the event that any Lender described in Section 2.08(1) above is unable to, or elects as a matter of general corporate policy not to, accept or purchase Bankers' Acceptances hereunder, such Lender shall not be required to accept or purchase Bankers' Acceptances

hereunder, but rather, if the Borrower requests the acceptance of such Bankers' Acceptances, the Borrower shall deliver to such Lender an Acceptance Note or Acceptance Notes of the Borrower having the same maturity as the Bankers' Acceptances to be accepted and in an aggregate principal amount equal to the face amount of such Bankers' Acceptances which would otherwise have been accepted by such Lender. Each such Lender hereby agrees to purchase Acceptance Notes from such Borrower at a purchase price equal to the Drawing Proceeds which would have been applicable if a Bankers' Acceptance draft had been accepted by it and such Acceptance Notes shall be governed by the provisions of this Article 2 and Article 4 applicable to Bankers' Acceptances as if they were Bankers' Acceptances.

Section 2.09 ***Letters of Credit.*** Where a Drawdown is required by the Borrower in the form of the issue by the Swing Line Lender of Letters of Credit, the following rules apply:

(1) Subject to this section, a Letter of Credit may be issued to any person at arm's length to the Borrower.

(2) As a condition of issuing letters of credit, the Borrower shall complete the Swing Line Lender's standard form letter of credit application, but the provisions of this Agreement shall govern the relationship between the Borrower and the Swing Line Lender, in the place of the provisions contained in any such standard form of application or in any standard form of agreement with respect to the issue of Letters of Credit to the extent that such provisions are in conflict with each other.

(3) Every Letter of Credit issued under this section shall be in form and on such terms as determined by the Swing Line Lender in its sole discretion acting reasonably.

(4) The principal amount of every Letter of Credit issued under this Agreement shall be deemed to be an advance to the Borrower and, while outstanding, shall be subtracted, without duplication, from the available amount of the Swing Line Portion and of the Revolving Term Facility.

(5) The Borrower shall deliver to the Swing Line Lender no later than three Banking Days prior to the proposed Drawdown Date or Conversion Date of a Letter of Credit a Drawdown Notice or a Conversion Notice requesting the issuance of a Letter of Credit setting out particulars of the Letter of Credit to be issued including the name and address of the beneficiary thereof, the date of issuance and of expiry, the amount thereof and such other information as shall be necessary to issue the Letter of Credit.

(6) The Swing Line Lender shall at all times be entitled, and is irrevocably authorized by the Borrower, to make any payment under any Letter of Credit for which a request or demand has been made in the required form, without any further reference to the Borrower or any investigation or enquiry, and the Swing Line Lender need not concern itself with the propriety or validity of any claim made or purported to be made under the terms of any Letter of Credit (except as to compliance with the payment conditions of any Letter of Credit), and shall be entitled to assume that any Person expressed in a Letter of Credit as being entitled to make demand or receive payments thereunder is so entitled. Accordingly, so long as a request or demand has been made in the proper form it shall not be a defence to any demand made of the Borrower under this Agreement, nor shall the Borrower's Obligations be impaired, by the fact that the Swing Line Lender was or might have been justified in refusing payment, in whole or in part, of the amounts so claimed.

(7) A certificate of the Swing Line Lender as to the amounts paid by the Swing Line Lender pursuant to this Section 2.09, or the amount paid out under any Letter of Credit shall, in the absence of manifest error, be conclusive evidence of the existence and amount of such payment in any legal action or proceeding arising out of or in connection with such Letter of Credit.

(8) If the Swing Line Lender is obligated to advance funds under a Letter of Credit, the Borrower shall immediately reimburse such LC Disbursement to the Swing Line Lender by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 11:00 a.m. Toronto time on the date that such LC Disbursement is made if the Borrower has received notice of such LC Disbursement prior to 10:00 a.m. Toronto time on such date or if such notice has not been received by the Borrower prior to such time on such date, then not later than 11:00 a.m., Toronto time on the Business Day that the Borrower receives such notice and, in the absence of such reimbursement, the LC Disbursement immediately and automatically shall be deemed to be a Prime Rate Advance hereunder and thereafter shall bear interest at the rate then applicable to Prime Rate Advances. To the extent that an LC Disbursement is deemed to be a Prime Rate Advance hereunder, the Borrower's obligation to reimburse such LC Disbursement shall be discharged and replaced by the resulting Prime Rate Advance. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Swing Line Lender.

Section 2.10 ***Prime Rate Advances.*** Where a Drawdown request is made by the Borrower in the form of a Prime Rate Advance, the following rules apply:

(1) The Drawdown Notice in respect of any Drawdown under this section shall be delivered no later than 10:00 a.m. on the Banking Day next preceding the Banking Day on which the Drawdown is proposed to be made.

Section 2.11 ***Lenders' Obligations With Respect to Advances***. Subject to the terms and conditions of this Agreement, prior to 1:00 p.m. (Toronto time) on the Drawdown Date, Conversion Date or Rollover Date, as the case may be, specified by the Borrower in a notice in respect of a Drawdown, Rollover or Conversion, the Lenders shall make available to the Borrower the full amount so specified in that notice.

Section 2.12 ***Evidence of Drawdowns.*** The Administrative Agent shall open and maintain books of account to evidence all Advances and all other amounts owing by the Borrower to the Lenders under this Agreement. The Administrative Agent shall enter in those books details of all amounts from time to time owing, paid or repaid by the Borrower, and this information shall constitute *prima facia* evidence of the Obligations of the Borrower to the Lenders under this Agreement with respect to all Advances and all other amounts owing by the Borrower to the Lenders under this Agreement. After a request by the Borrower, the Lenders shall promptly advise the Borrower of any entries made in the Administrative Agent's books of account.

Section 2.13 ***Mandatory Repayments.*** Subject to Section 2.15, unless the Advances Outstanding in respect of the Revolving Term Facility are required to be repaid at any earlier date pursuant to the terms hereof, the Borrower shall repay all Advances Outstanding in connection with the Revolving Term Facility, including the outstanding principal amount of all Advances thereunder together with all accrued interest, fees and other amounts then unpaid by it with respect to such Advances (which, for greater certainty, shall include all amounts payable by the Borrower to the Lenders under Section 4.01 with respect to any Bankers' Acceptances outstanding on the Repayment Date and all amounts payable by the Borrower to the Swing Line Lender under Section 4.02 with respect to Letters of Credit outstanding on the Repayment Date) in full on the Repayment Date and the Revolving Term Facility shall be automatically terminated on the Repayment Date.

Section 2.14 ***Mandatory Payments***.

(1) In the event of a Disposition of any of the Properties included in the Secured Asset Pool, an amount equal to the Net Proceeds from such Disposition shall be applied within two (2) Business Days of receipt thereof to the prepayment of Advances Outstanding, unless (and to the extent) the Credit Limit calculated after such Property has been removed from the Secured Asset Pool exceeds the Advances Outstanding. The security in respect of any of the Properties included in the Secured Asset Pool shall be released upon any disposition thereof, provided that the foregoing is complied with.

(2) An amount equal to the Net Proceeds of any insurance policy(ies) maintained in respect of any Property included in the Secured Asset Pool shall be applied forthwith after receipt thereof by the Borrower or any of its Subsidiaries (unless (i) such proceeds or amount not less than such proceeds shall have been expended or committed by the Borrower or any of its Subsidiaries for the repair or replacement of such Property within ninety (90) days of receipt of such Net Proceeds, (ii) the Borrower shall have furnished to the Administrative Agent evidence satisfactory to the Administrative Agent of such expenditure commitment and (iii) the Borrower shall have confirmed in a manner satisfactory to the Administrative Agent that such proceeds are subject to a first priority security interest in favour of the Administrative Agent subject only to Permitted Encumbrances ranking in priority) to the prepayment of Advances Outstanding (and the Credit Limit shall be permanently reduced by such amount).

Section 2.15 ***Extension of Repayment Date***.

(a) Between the 90th and the 60th day preceding the Repayment Date, the Borrower may, upon giving formal written notice thereof to the Administrative Agent, request from the Lenders an extension of the Repayment Date for a further period of 364 days. If all Lenders having Commitments under the Revolving Term Facility agree to such extension within 30 days from the receipt of such notice, the Administrative Agent shall notify the Borrower of such agreement and the Repayment Date shall be extended accordingly (for greater certainty, such extension shall commence at the expiration of the previous 364 day period). Subject to Section 2.15(b) and Section 2.15(c), unless all Lenders agree to the extension within such 30-day period, the Repayment Date shall not be extended and the Administrative Agent shall notify the Borrower of such and, notwithstanding any other provisions of this Agreement, no additional amounts shall be advanced under the Revolving Term Facility on or after the Repayment Date, the Revolving Term Facility shall cease to be revolving on and after the Repayment Date and all amounts under the Revolving Term Facility shall be repayable on the date which is 60 days after the Borrower receives notification from the Administrative Agent that the Lenders do not agree to the requested extension.

(b) If a group of Lenders whose Commitments amount in the aggregate to more than 50% of the Revolving Term Facility shall have agreed to an extension of the Repayment Date within the 30-day period specified in Section 2.15(a), the Administrative Agent shall notify the Borrower of such agreement specifying the names of the Lenders which shall have not agreed to the extension (the "**Dissenting Lenders**"). After receipt of such notice and until the tenth Business Day prior to the Repayment Date, the Borrower shall be entitled to exercise any of the following options:

(i) the Borrower may require that each Dissenting Lender assign its rights under the Revolving Term Facility to another Lender or Eligible Assignee which has agreed to assume the Commitments of the Dissenting Lenders and to consent to the extension which assignment shall be effective as of the then existing Repayment Date, provided that no such assignment and assumption shall be effective unless all amounts owed to the Dissenting Lenders in respect of the Revolving Term Facility are paid to the latter by the assignee or the Borrower. Article 17 shall apply *mutatis mutandis* to such assignment and assumption; or

(ii) the Borrower may cancel in its entirety the Commitment of each Dissenting Lender in respect of the Revolving Term Facility which cancellation shall be effective as of the then existing Repayment Date, provided that no such cancellation shall be effective unless all amounts owed to the Dissenting Lenders in respect of the Revolving Term Facility are paid to the latter by the applicable Borrower.

(c) If the Commitments of all Dissenting Lenders in respect of the Revolving Term Facility have been assumed or cancelled in accordance with Section 2.15(b) within the period of time therein specified, the Administrative Agent shall notify the Lenders of such assumption or cancellation and the Revolving Term Facility shall be extended accordingly. However, if the Commitments of all Dissenting Lenders in respect of the Revolving Term Facility have not been assumed or cancelled in accordance with Section 2.15(b) within such period of time, the Repayment Date shall, so long as the non-Dissenting Lenders hold no less than 60% of the Revolving Term Facility, be extended only in respect to the portion of the Revolving Term Facility held by the Lenders other than the Dissenting Lenders and the Administrative Agent shall notify the Borrower and the Lenders of such and of the fact that the Advances owing to the Dissenting Lenders under the Revolving Term Facility shall be repaid on the current Repayment Date. The Repayment Date will not be extended in respect to any portion of the Revolving Term Facility if all amounts owing to the Dissenting Lenders whose Commitments have not been assumed are not paid in full on the then existing Repayment Date.

Section 2.16 ***Payments Under this Agreement*.**

(1) Unless otherwise expressly provided in this Agreement, the Borrower shall make any payment required to be made by it to the Administrative Agent by depositing the amount of

the payment to the Designated Account not later than 1:00 p.m. (Toronto time) on the date payment is due. The Borrower shall make each such payment in Canadian Dollars.

(2) Unless otherwise expressly provided in this Agreement, the Lenders shall make Advances and other payments to the Borrower under this Agreement by crediting the Designated Account with the amount of the Advance or payment not later than 12:00 noon (Toronto time) on the date the payment is to be made and the Administrative Agent shall make the funds available to the Borrower by crediting the applicable account of the Borrower no later than 1:00 p.m. (Toronto time) on the Drawdown Date.

(3) The Borrower hereby authorizes the Administrative Agent, if and to the extent any payment owed to the Lenders by the Borrower is not made to the Lenders when due, to charge from time to time any amount due against any or all of the Borrower's accounts with the Administrative Agent.

Section 2.17 ***Application of Payments.*** All amounts received by the Administrative Agent from or on behalf of the Borrower and not previously applied pursuant to this Agreement shall be applied by the Administrative Agent as follows: (i) first, in reduction of the Borrower's obligation to pay any unpaid interest and any Fees which are due and owing; (ii) second, in reduction of the Borrower's obligation to pay any claims or losses referred to in Article 12; (iii) third, in reduction of the Borrower's obligation to pay any amounts due and owing on account of any unpaid principal amount of Advances which are due and owing; (iv) fourth, in reduction of the Borrower's obligation to pay any other unpaid advances outstanding which are due and owing; (v) fifth, in reduction of any other obligation of the Borrower under this Agreement; and (vi) sixth, to the Borrower or such other Persons as may lawfully be entitled to or directed to receive the remainder.

Section 2.18 ***Further Borrowing on an Unsecured Basis.*** The Borrower agrees to notify the Administrative Agent in the event that Chartwell RR or any of its Subsidiaries intends to arrange and/or borrow any funds on an unsecured basis from any lender, provided that the failure of the Borrower to do so shall not constitute a Default or an Event of Default for the purposes of this Agreement.

Section 2.19. ***Accordion***

(1) At any time after the date of this Agreement and subject to any Commitment reductions provided for in this Agreement, the Borrower may by written notice to Administrative Agent elect to request, not later than 6 months prior to the Repayment Date an increase to the existing Lenders' Commitment (such increase, the "**Additional Credit Commitments**"), in an amount per increase (for all Lenders) of at least five million dollars ($5,000,000) and no more than fifty million dollars ($50,000,000) in the aggregate (which if the maximum additional amount is requested and advanced, and there have been no reductions in the Commitment, will result in the Commitment then being Two Hundred Million Dollars ($200,000,000)). Each such notice shall specify the date (each, an "**Increased Amount Date**") on which the Borrower proposes that the Additional Credit Commitments shall be effective, which shall be a date not less than ten (10) Business Days after the date on which such notice is delivered to Lenders, <u>provided</u> that each Lender shall have the right to provide a portion of any Additional Credit Commitments on a pro rata basis having regard to its Commitment at such time and that each Lender may elect or decline, in its sole discretion, to provide such commitment (provided that any amount of the Additional Credit Commitment that has not been provided by any existing Lender may be

provided by a new Lender that is satisfactory to the Borrower and the Administrative Agent, acting reasonably.

(2) Such Additional Credit Commitments shall become effective, as of such Increased Amount Date; provided that (1) the Advances Outstanding shall at no time exceed the Credit Limit; (2) no Default or Event of Default shall exist on such Increased Amount Date before or after giving effect to such Additional Credit Commitments, as applicable; (3) the representations and warranties in Article 7 shall be true and correct in all respects as if made on the date of such increase (except for any such representations and warranties which are specifically expressed to have been given only as at the date of this Agreement), (4) each of the Obligors is and will be, on and after the date of such increase, in compliance with all of its obligations and covenants under the Loan Documents, including the financial covenants set out in this Agreement, (5) since the date of this Agreement, no Material Adverse Effect shall have occurred, (6) both before and after giving effect to the making of any Additional Credit Commitments, each of the conditions set forth in Section 6.03 shall be satisfied (to the extent not covered in this Section 2.19); (7) the Additional Credit Commitments will have substantially identical terms and conditions under this Agreement as the Lender's Commitments (it being anticipated that Additional Credit Commitments will be documented as an increase of the Lender's Commitments); (8) the Additional Credit Commitments, as applicable, shall be effected pursuant to one or more joinder agreements (each a "**Joinder Agreement**") executed and delivered by the relevant Lender or Additional Lender, the Borrower and the Administrative Agent; (9) the Borrower shall make any payments of Fees required pursuant to Section 3 or otherwise in connection with the Additional Credit Commitments, as applicable, including, without limitation, the payment of an upfront fee of 25 bps on the Additional Credit Commitment payable on a pro rata basis to the relevant Lender and/or Additional Lenders; (10) the Additional Credit Commitments shall rank *pari passu* in right of payment and of security with the Commitment; and (11) the Borrower shall deliver or cause to be delivered any legal opinions or other documents reasonably requested by the Administrative Agent in connection with any such transaction, it being acknowledged and agreed that such legal opinions or other documents (including consents required by the Lenders) will be reasonably similar in scope to the legal opinions and documents delivered hereunder on or before the date of this Agreement (an "**Additional Lender**").

(3) Prior to offering any Person other than the Lenders the opportunity to participate in any Additional Credit Commitment, Borrowers shall offer the existing Lenders the opportunity to provide any such Additional Credit Commitment consistent with the Applicable Percentage and each such Lender shall have fifteen (15) Business Days to determine whether it wishes to participate in such Additional Credit Commitment.

(4) On any Increased Amount Date on which Additional Credit Commitments are effected, subject to the satisfaction of the foregoing terms and conditions, (i) (A) each of the Lenders shall assign to each of the relevant Lenders and/or Additional Lenders, and each of the relevant Lenders and/or Additional Lenders shall purchase from each of the Lenders, at the principal amount thereof (together with accrued interest), such interests in the Advances Outstanding on such Increased Amount Date and (B) each of the Lenders shall assign to each of the relevant Lenders and/or Additional Lenders, such interests in the unused Lender's Commitments on such Increased Amount Date, such that, in the case of clauses (A) and (B), after giving effect to all such assignments and purchases, such Accommodations and unused Lender's Commitments will be held by the existing Lenders and Additional Lenders rateably in accordance with their Lender's Commitments after giving effect to the addition of such Additional Credit Commitments to the Lender's Commitments, (ii) each Additional Credit

Commitment shall be deemed for all purposes a Lender's Commitment and each Advance made thereunder shall be deemed, for all purposes, an Advance and (iii) each Additional Lender shall become a Lender with respect to the Additional Credit Commitment and all matters relating thereto.

(5) Administrative Agent shall notify Lenders promptly upon receipt of Borrowers' notice of each Increased Amount Date and in respect thereof (i) the Additional Credit Commitments and Additional Lenders, and (ii) in the case of each notice to any Lender, the respective interests in such Lender's Revolving Term Facility, in each case subject to the assignments contemplated by this Section 2.19.

(6) Each Joinder Agreement may, without consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of Administrative Agent, to effect the provisions of this Section 2.19.

ARTICLE 3
PAYMENTS OF INTEREST AND FEES

Section 3.01 *Interest on Prime Rate Advances*.

(1) The Borrower shall pay interest on each Prime Rate Advance during each applicable Interest Period at a rate per annum equal to:

(a) to the extent that the Advances Outstanding do not exceed the Credit Limit or there has not been an occurrence of an Event of Default, the Prime Rate in effect from time to time during that Interest Period plus the Applicable Margin, calculated daily and payable in arrears (i) on the first Business Day of each month in each year; and (ii) on the day on which such Prime Rate Advance becomes due and payable in full pursuant to the provisions hereof;

(b) upon the occurrence of an Event of Default, the Default Interest Rate; or

(c) to the extent that the Advances Outstanding exceed the Credit Limit, the Default Interest Rate.

Each determination by the Administrative Agent of the Prime Rate applicable from time to time during an Interest Period shall, in the absence of manifest error, be binding upon the Borrower.

(2) Interest shall be payable in arrears on each Interest Payment Date for each Prime Rate Advance for the period from and including the Drawdown Date or the preceding Conversion Date or Interest Payment Date, as the case may be, for the Advance, to and including the day preceding that Interest Payment Date, and shall be calculated on the principal amount of the Prime Rate Advance outstanding during that period and on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be. Changes in the Prime Rate shall cause an immediate adjustment of the interest rate applicable to an Advance without the necessity of any notice to the Borrower.

Section 3.02 ***General Interest Rules*.**

(1) All interest payments to be made under this Agreement shall be paid without allowance or deduction for deemed re-investment or otherwise, both before and after maturity and before and after default and/or judgment, if any, until payment, and interest shall accrue on overdue interest, if any, compounded on each Interest Payment Date.

(2) Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest or rate of fees "**per annum**" or a similar expression is used, such interest or fees will be calculated on the basis of a calendar year of 365 days or 366 days, as the case may be, and using the nominal rate method of calculation, and will not be calculated using the effective rate method of calculation or on any other basis that gives effect to the principle of deemed re-investment of interest.

(3) For the purposes of the *Interest Act* (Canada) and disclosure under such Act, whenever interest to be paid under this Agreement is to be calculated on the basis of a year of 365 or 366 days or any other period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by either 365 or 366 or such other period of time, as the case may be.

(4) In calculating interest or fees payable under this Agreement for any period, unless otherwise specifically stated, the first day of a period shall be included and the last day of a period shall be excluded.

Section 3.03 ***Maximum Interest Rate*.**

(1) In the event that any provision of this Agreement would oblige any Person to make any payment of interest or any other payment which is construed by a court of competent jurisdiction to be interest in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by a Lender of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)), then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted *nunc pro tunc* to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of interest at a criminal rate, such adjustment to be effected, to the extent necessary as follows:

(a) firstly, by reducing the amount or rate of interest required to be paid under Section 3.01 of this Agreement; and

(b) thereafter by reducing any fees, commissions, premiums and other amounts which would constitute interest for the purposes of Section 347 of the *Criminal Code* (Canada);

(2) If, notwithstanding the provisions of clause (1) of this Section and after giving effect to all adjustments contemplated thereby, a Lender shall have received an amount in excess of the maximum permitted by such clause, then such excess shall be applied by such Lender to the reduction of the principal balance of the outstanding Advances and not to the payment of interest or if such excessive interest exceeds such principal balance, such excess shall be refunded to the Borrower.

Section 3.04 ***Commitment Fees****.* ***(i) Revolving Facility:*** The Borrower shall pay to the Administrative Agent for the benefit of the Lenders a commitment fee (the "**Commitment Fee**"), calculated at a rate equal to the Applicable Commitment Fee Rate on the amount by which the daily average of the aggregate of all Advances outstanding under the Revolving Term Facility during the applicable month is less than the Total Commitment available under the Revolving Term Facility at that time in accordance with Section 2.01. The Commitment Fee shall be determined daily beginning on the date of this Agreement and shall be calculated on the basis of a calendar year of 365 or 366 days, as the case may be, and shall be payable by the Borrower monthly in arrears on the last Banking Day of each calendar month (as well as on the Repayment Date and on any date that the Revolving Term Facility is permanently reduced) for the month then ending (or portion thereof) beginning with the first of such dates to occur after the date of this Agreement. (ii) **Swing Line Portion:** The Borrower shall pay to the Swing Line Lender, for its own account, a commitment fee (the "**Swing Line Commitment Fee**") calculated at a rate equal to the Applicable Commitment Fee Rate on the amount by which the daily average of the aggregate of all Advances and Letters of Credit outstanding under the Swing Line Portion of such Swing Line Lender during the applicable month is less than the aggregate amount of the Swing Line Portion of such Swing Line Lender Total Commitment at that time. The Swing Line Commitment Fee shall be determined daily beginning on the date of this Agreement and shall be calculated on the basis of a calendar year of 365 or 366 days, as the case may be, and shall be payable by the Borrower monthly in arrears on the last Banking Day of each calendar month (as well as on the Repayment Date and on any date that the Revolving Term Facility is permanently reduced) for the month then ending (or portion thereof) beginning with the first of such dates to occur after the date of this Agreement.

Section 3.05 ***Overdue Principal and Interest.*** If all or part of any Prime Rate Advance is not paid when due and payable (whether at its stated maturity, by acceleration or otherwise), the overdue amount shall bear interest (before as well as after judgment), payable on demand, at a rate per annum equal to the rate of interest applicable under this Agreement to Prime Rate Advances, calculated from the date of non-payment until it is paid in full.

Section 3.06 ***Interest on Other Amounts.*** If any fee or other amount owed by any Person to the Lender under any of the Loan Documents is not paid when due and payable, and there is no other provision in any Loan Document specifying the interest payable on that overdue amount, that overdue amount shall bear interest (as well after as before judgment), payable on demand at a rate per annum equal at all times to the Default Interest Rate from the date of non-payment until it is paid in full.

Section 3.07 ***Letter of Credit Fee.*** In consideration of the issuance of Letters of Credit hereunder, the Borrower agrees to pay to the applicable Swing Line Lender a Letter of Credit Fee as contemplated in Section 4.02(4) in respect of Letters of Credit issued and outstanding to such Swing Line Lender.

ARTICLE 4
ADDITIONAL PROVISIONS WITH RESPECT TO BANKERS' ACCEPTANCES AND LETTERS OF CREDIT

Section 4.01 ***Bankers' Acceptances***.

(1) **Maturity Limitation**. A maturity date for a Draft to be accepted may not (i) be after the Repayment Date or (ii) conflict, in the opinion of the Lender, with any scheduled or mandatory repayment for the Revolving Term Facility.

(2) **Stamping Fee**. The Borrower will, upon acceptance of each Draft, pay a stamping or acceptance fee (the "**BA Stamping Fee**") in an amount equal to the Applicable Margin (which BA Stamping Fee shall be deducted from the proceeds of the corresponding Draft as provided in the definition of Drawing Proceeds). The BA Stamping Fee will be calculated on the face amount of that Draft for the number of days to elapse until its maturity (exclusive of days of grace) based on a year of 365 days.

(3) **Facility Cancellation**. If the Revolving Term Facility is terminated or cancelled for any reason, the Administrative Agent may require the Borrower to pay to the Lenders immediately on demand an amount with respect to each Bankers' Acceptance then outstanding under the Revolving Term Facility equal to the total of the face amounts of the Bankers' Acceptances then outstanding. After making this payment, (i) the Borrower will have no liability in respect of that Bankers' Acceptance and (ii) the Lenders will be entitled to all benefits of, and be responsible for all payments under, that Bankers' Acceptance.

(4) **Presigned Draft Forms**. The Borrower hereby irrevocably appoints each Lender as its attorney to sign and endorse on its behalf, manually or by facsimile or mechanical signature, any Banker's Acceptance or Acceptance Note necessary to enable each Lender to make Advances in the manner specified in Article 2 and in this Article 4. All Banker's Acceptances or Acceptance Notes signed or endorsed on behalf of the Borrower by a Lender shall be binding on the Borrower, all as if duly signed or endorsed by the Borrower. Each Lender shall (i) maintain a record with respect to any Banker's Acceptance or Acceptance Note completed in accordance with this Section 4.01(4), voided by it for any reason, accepted and purchased or purchased or exchanged, and cancelled at its respective maturity; and (ii) retain such records in the manner and for the statutory periods provided by Applicable Law and make such records available to the Borrower acting reasonably. On request by the Borrower, a Lender shall cancel and return to the possession of the Borrower all Banker's Acceptances or Acceptance Notes which have been pre-signed or pre-endorsed on behalf of the Borrower and which are held by such Lender and are not required to make Advances in accordance with Article 2

(5) **Waiver**. The Borrower will not claim any days of grace for the payment of a Bankers' Acceptance. The Borrower waives any defence to payment which might otherwise exist if for any reason a Bankers' Acceptance is held by a Lender in its own right at its maturity.

Section 4.02 ***Letters of Credit***.

(1) Each Letter of Credit shall be made available by the Swing Line Lender under the Swing Line Portion of the Revolving Term Facility, provided however, the aggregate amount of Advances by way of issuance of Letters of Credit shall not at any time exceed $10,000,000.00.

(2) No Letter of Credit may be issued for a period in excess of 365 days or beyond the Repayment Date (unless collateralized by cash or other security acceptable to the Swing Line Lender on the Repayment Date), but may be renewed or extended by mutual agreement between the Swing Line Lender and the Borrower.

(3) The Borrower shall indemnify and hold harmless the Swing Line Lender from and against all liabilities and costs in connection with any Letter of Credit (including, without limitation, any costs incurred in funding any amount which falls due from the Swing Line Lender, under any Letter of Credit) to the extent that such liabilities or costs are not satisfied or compensated by the payment of interest on sums due pursuant to this Agreement, except where such liabilities or costs result from the gross negligence or wilful misconduct of the Swing Line Lender.

(4) Upon the issuance or renewal of a Letter of Credit, the Borrower shall pay in advance to the applicable Swing Line Lender, a fee (the "**Letter of Credit Fee**") equal to the Applicable Margin (minimum charge of $500 per Letter of Credit) of the face amount of such Letter of Credit.

(5) In addition to the Letter of Credit Fee, the Borrower agrees to pay to the Swing Line Lender, on the issuance of each Letter of Credit, the prevailing fees and charges assessed by the Swing Line Lender in connection with the issuance, administration, amendment and payment or cancellation of letters of credit in accordance with the usual practices of the Swing Line Lender.

(6) The full face amount of each Letter of Credit issued by the Swing Line Lender on behalf of the Borrower shall be deemed to be an Advance under the Swing Line Portion of the Revolving Term Facility, which Advance shall be retired upon the earlier of:

(a) the return of the Letter of Credit to the Lender for cancellation;

(b) the expiry date of the Letter of Credit; or

(c) the Repayment Date, as extended or modified under Section 2.15(a).

(7) If any Letter of Credit is outstanding upon the occurrence of an Event of Default or on the Repayment Date, the Borrower agrees to pay to the Swing Line Lender forthwith an amount (the "**deposit amount**") equal to the undrawn principal amount of the outstanding Letter of Credit, which deposit amount shall be held by the Swing Line Lender for application against the indebtedness owing by the Borrower to the Swing Line Lender in respect of any draw on the outstanding Letter of Credit. In the event that the Swing Line Lender is not called upon to make full payment on the outstanding Letter of Credit prior to its expiry date, the deposit amount, or any part thereof as has not been paid out, shall, so long as no Event of Default then exists, be returned to the Borrower.

(8) The obligations of the Borrower with respect to Letters of Credit shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, the following circumstances:

(a) any lack of validity or enforceability of this Agreement or the Letters of Credit;

(b) any amendment or waiver of or any consent to or actual departure from this Agreement;

(c) the existence of any claim, set-off, defence or other right which any obligor may have at any time against any beneficiary or any transferee of a Letter of Credit (or any Person for which any such beneficiary or any such transferee may be acting), the Lenders, the Swing Line Lender or any other Person or entity, whether in connection with this Agreement, the transactions contemplated in this Agreement or in any other agreements or any unrelated transactions;

(d) any statement or any other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect except for non-compliance with the payment conditions of such Letter of Credit; or

(e) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

(9) The Borrower assumes all risks of the acts or omissions of the beneficiary of each Letter of Credit with respect to such Letter of Credit. It is understood and agreed that the Swing Line Lender shall not have any liability for, and that the Borrower assumes all responsibility for:

(a) the genuineness of any signature;

(b) the form, validity, genuineness, falsification and legal effect of any draft, certification or other document required by a Letter of Credit or the authority of the Person signing the same;

(c) the failure of any instrument to bear any reference or adequate reference to a Letter of Credit or the failure of any Persons to note the amount of any instrument on the reverse of a Letter of Credit or to surrender a Letter of Credit;

(d) the good faith or acts of any Person other than the Swing Line Lender or a Lender and their agents and employees;

(e) the existence, form or sufficiency of, or breach or default under, any agreement or instruments of any nature whatsoever;

(f) any delay in giving, or failure to give, any notice, demand or protest; and

(g) any error, omission, or delay in, or non-delivery of, any notice or other communication, however sent.

The determination as to whether the required documents are presented prior to the expiration of a Letter of Credit and whether such other documents are in proper and sufficient form for compliance with a Letter of Credit shall be made by the Swing Line Lender in its sole discretion, acting reasonably, which determination shall be conclusive and binding upon the Borrower absent manifest error. It is agreed that the Swing Line Lender may honour, as complying with the terms of a Letter of Credit and this Agreement, any documents otherwise in order and signed or issued by the beneficiary thereof. Any action, inaction or omission on the part of the Swing Line Lender under or in connection with the Letters of Credit or any related instruments or documents, if in good faith and in conformity with such Applicable Law or commercial or banking customs as an issuer of Letters of Credit may reasonably deem to be applicable, shall be binding upon the Borrower, and shall not affect, impair or prevent the vesting of any of the Swing Line Lenders' rights or powers under this Agreement, or the Borrower's obligation to make full reimbursement of amounts drawn under the Letters of Credit. Notwithstanding this Section 4.02(9), the Borrower shall not be responsible for, and no Person shall be relieved of responsibility for, any gross negligence or wilful misconduct of that Person.

(10) It is acknowledged and agreed by the parties hereto that (i) each of the Existing Letters of Credit which remain outstanding on the date of this Agreement, shall, from and after the date of this Agreement, constitute a Letter of Credit issued under this Agreement. The face amount of each Existing Letter of Credit and the expiry date therefor is set forth on Schedule 13 and as of the date of this Agreement, the aggregate face amount of all Existing Letters of Credit shall be deemed to constitute Advances Outstanding under this Agreement. The Administrative Agent and Royal Bank of Canada, as Swing Line Lender, shall automatically assume at any time for purposes of making other calculations of availability under this Agreement that each Existing Letter of Credit remains outstanding in the face amount thereof indicated on Schedule 13 unless otherwise notified in writing by Canadian Imperial Bank of Commerce that such Existing Letter of Credit is no longer outstanding or such Existing Letter of Credit has been replaced by the issuance of Letter of Credit hereunder by Royal Bank of Canada.

ARTICLE 5
SECURITY AND GUARANTEES

Section 5.01 ***Security Required.***

(1) Any Property in respect of which the Borrower has (i) satisfied the conditions precedent set out in Section 6.02; and (ii) delivered or caused to be delivered the following (in each case, in form and substance satisfactory to the Administrative Agent), may be included in the Secured Asset Pool for purposes of calculating the Credit Limit, it being acknowledged that such conditions and deliveries have been satisfied with respect to existing Properties in the Secured Asset Pool under the Original Agreement:

(a) the applicable Property Owner or legal owner, as the case may be, in respect of such Property shall have executed this Agreement or executed and delivered to the Administrative Agent a Joinder Agreement and the certificates, opinions and other documents that would otherwise have been required pursuant to Section 6.01 in respect of such Property Owner or legal owner, as the case may be, if it had been an original party to this Agreement;

(b) if the Property Owner is not the beneficial owner, the applicable Property Owner and beneficial owner of such Property shall have executed and delivered to the Administrative Agent a nominee agreement with respect to such Property;

(c) in respect of any Second Mortgage Property, the applicable Property Owner shall have executed and delivered to the Administrative Agent a second ranking fixed and floating debenture (or immovable hypothec) with respect to its fee simple interest in such Property and all of the personal property located at and used exclusively in connection with such property in a principal amount of $225,000,000 (or corresponding security in a form registrable in Quebec), provided that any second-ranking debenture (or hypothec) e registered prior to the date of this Agreement does not need to be increased beyond the amount specified therein as at the date of this Agreement;

(d) in respect of any First Mortgage Property, the applicable Property Owner shall have executed and delivered to the Administrative Agent a first-ranking fixed and floating debenture (or immovable hypothec) with respect to its fee simple interest in such Property and all of the personal property located at and used exclusively in connection with such property in a principal amount of $225,000,000 (or corresponding security in a form registrable in Quebec), provided that any first-ranking debenture (or hypothec) registered prior to the date of this Agreement does not need to be increased beyond the amount specified therein as at the date of this Agreement;

(e) the applicable Property Owner (or legal owner) shall have delivered a debenture delivery agreement in favour of the Administrative Agent in respect of the debenture specified in (c) or (d) above, as applicable;

(f) in respect of any Second Mortgage Property, the Borrower shall have delivered a written consent addressed to the Administrative Agent from the first-ranking mortgagee (and any other Person whose consent is required) to the second-ranking security referred to in this Agreement if such consent is required pursuant to the security granted to such first-ranking mortgagee;

(g) in respect of any Second Mortgage Property, the Borrower shall have delivered to the Administrative Agent a mortgage statement from the first-ranking mortgagee as to the outstanding balance owing to such first-ranking mortgagee in respect of such Property;

(h) in respect of any Second Mortgage Property, the Borrower shall have delivered to the Administrative Agent a certificate of insurance listing the Administrative Agent as second mortgagee and second loss-payee under such insurance policy(s) with standard mortgage clause;

(i) in respect of any First Mortgage Property, the Borrower shall have delivered to the Administrative Agent a certificate of insurance listing the Administrative Agent as first mortgagee and first loss-payee under such insurance policy(s);

(j) delivery of title insurance policy in favour of the Administrative Agent in respect of such Property with mortgage endorsements;

(k) the debenture or corresponding security delivered pursuant to (c) and (d) above and any other security interest specified above, as applicable, shall have been registered, filed, or recorded (financing statements or notices in respect thereof) in all offices where such registration, filing or recording is, in the opinion of the Administrative Agent or its counsel, necessary or to the advantage to the creation, perfection or preservation of the security interests, mortgages, charges and assignments arising pursuant thereto;

(l) receipt of legal opinion of counsel to the applicable Property Owner and the beneficial owner (if any) in respect of the Security executed and delivered in accordance with the foregoing;

(m) if required by the Administrative Agent, in respect of any Property located in Ontario, the Borrower, the applicable Property Owner or legal owner, as the case may be, shall have executed and delivered to the Administrative Agent an assignment of any development agreement with the MOHLTC, and its license with the MOHLTC, or the RHRA, as the case may be; and

(n) such other documents and other instruments as may be requested by the Administrative Agent, acting reasonably.

(2) The Borrower may, with the consent of the Lenders, not to be unreasonably withheld, add properties to the Secured Asset Pool or replace Properties in the Secured Asset Pool with other properties, provided that in each and every case the conditions of Section 6.02 are satisfied.

(3) The documents constituting the Security shall secure the present and future indebtedness, obligations and other liabilities of the Borrower or applicable Guarantor specified therein to the Administrative Agent and the Lenders under the Loan Documents to which the Borrower or applicable Guarantor is a party, and all such present and future indebtedness, obligations and other liabilities shall rank *pari passu* with each other and any proceeds from any realization of the collateral shall be applied to the Obligations rateably in accordance with Section 9.03 (whether such collateral is in the name of the Administrative Agent or in the name of any one or more of the Lenders and without regard to any priority to which any Lender may otherwise be entitled under applicable law).

Section 5.02 ***Registration.*** The Administrative Agent may, at the expense of the Borrower, register or cause to be registered, filed or recorded the Security or financing statements or notices in respect thereof in all offices where such registration, filing or recording is, in the opinion of the Administrative Agent or its counsel, necessary or of advantage to the creation, perfection or preservation of the security interests, mortgages, charges, hypothecs and assignments arising pursuant thereto. The Administrative Agent may, at the Borrower's expense, renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect. Each of the Borrower and each Guarantor acknowledges that the forms of Security have been prepared based on the laws in effect at the date of execution thereof and that such laws may change, and that the laws of other jurisdictions may require the execution and delivery of different forms of security instruments in order to grant to the Administrative Agent the rights intended to be granted by the Security. Each of the Borrower and each Guarantor shall, on request from the Administrative Agent from time to time, execute and deliver to the Administrative Agent and the Borrower shall cause all

Property Owners hereafter to execute and deliver to the Administrative Agent, such additional security instruments and related documents and will amend or supplement any security theretofore provided to the Administrative Agent:

(a) to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise; or

(b) to facilitate the registration of appropriate forms of security or other documents in all appropriate jurisdictions where properties in the Secured Asset Pool are situated; or

(c) to provide Security to the Administrative Agent over properties added to the Secured Asset Pool in accordance with the provisions of this Agreement; or

(d) to evidence the change of Administrative Agent to Royal Bank of Canada;

(e) in each case in order to confer (or to continue to confer) upon the Administrative Agent such security interests, mortgages, charges and assignments with such priority, as are intended to be created by the Security.

Section 5.03 ***Guarantee*.**

(a) Chartwell RR, CSH Trust, GP M Trust, Chartwell Master Care Corporation and Chartwell Benco Inc. and each of the Property Owners that is a signatory hereto as of the date hereof (and each other Guarantor upon its execution and delivery of a Joinder Agreement) hereby unconditionally severally, each as to 100%, guarantees payment to the Lenders forthwith upon demand by the Administrative Agent, of all present and future debts, liabilities and obligations of the Borrower pursuant to this Agreement and the other Loan Documents together with all costs and expenses incurred by the Administrative Agent in connection with the preservation or enforcement of its respective rights and remedies hereunder (the "**Obligations**"). This guarantee shall be a continuing guarantee and shall secure repayment of the Obligations of the Borrower and any ultimate balance thereof, notwithstanding that the Borrower may from time to time satisfy the Obligations in whole or in part and thereafter incur further Obligations.

(b) In addition to the guarantee provided in subparagraph (a) above, and as a separate and distinct obligation, each Guarantor hereby jointly and severally agrees to indemnify and save harmless the Lenders forthwith on demand by the Administrative Agent, from and against all direct and indirect claims, demands, losses, damages, liabilities, charges, obligations, payments and expenses of any nature or kind, howsoever or whenever arising, which it may suffer or incur in any way relating to or arising from the failure of the Borrower to pay and satisfy the Obligations; provided however that any payment actually made by any Guarantor to or for a Lender under subparagraph (a) shall reduce the liability of the Guarantor under this paragraph (b) by the same amount.

(c) All monies, advances, renewals or credits in fact borrowed or obtained from the Lenders by the Borrower under or pursuant to this Agreement shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of status or power, any incapacity or disability of the Borrower or its directors, officers, employees or agents, or that such borrowing or obtaining of monies, advances, renewals or credits or the execution and delivery of any agreement or document by or on behalf of the Borrower is in excess of the powers or capacity of the Borrower or any of its directors, officers, employees or agents or is in any way irregular, defective, fraudulent or informal. Neither the Administrative Agent nor the Lenders shall have an obligation to enquire into the powers or capacity of the Borrower or any of its directors, officers, employees, trustees, general partners or agents acting or purporting to act on its behalf, and shall be entitled to rely on this provision notwithstanding any imputed knowledge regarding any of the foregoing matters.

(d) The several liability of the Guarantors hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by:

(i) the lack of validity or enforceability of the Obligations in whole or in part for any reason whatsoever, including without limitation, by reason of prescription, by operation of law or as a result of any applicable statute, law or regulation;

(ii) any prohibition or restriction imposed in respect of the rights and remedies of the Administrative Agent or the Lenders in respect of the Obligations, specifically including, without limitation, any court order which purports to prohibit or suspend the acceleration of the time for payment of any of the Obligations, the payment by the Borrower of any of the Obligations or the rights and remedies of the Administrative Agent or the Lenders against the Borrower in respect of the Obligations;

(iii) the lack of validity or enforceability in whole or in part of: (i) this Agreement or any other agreement made from time to time between the Borrower and the Administrative Agent and/or the Lenders in connection with the Obligations; (ii) any security given by the Borrower in favour of the Administrative Agent and/or the Lenders from time to time in connection with the Obligations; (iii) any guarantee given by any Person in favour of the Administrative Agent and/or the Lenders from time to time in connection with or relating to the Obligations; or (iv) any security given by any such guarantor in favour of the Administrative Agent and/or the Lenders from time to time in connection with the Obligations;

(iv) any change in the corporate, trust, or partnership existence (as applicable), structure, ownership or control of Chartwell RR, the Borrower or any Guarantor (including any of the foregoing arising from any merger, consolidation, amalgamation, reorganization or similar transaction); any change in the name, objects, capital stock, ownership of units, constating documents or by-laws of the Borrower, Chartwell RR or any Guarantor; or the dissolution, winding-up, liquidation, termination, partition, or other distribution of the assets of Chartwell RR, the Borrower or any Guarantor, whether voluntary or otherwise or the appointment of a trustee, receiver or receiver manager of the affairs or the property and assets of any one or more of them;

(v) Chartwell RR, the Borrower or any Guarantor becoming insolvent or bankrupt or subject to any proceeding under the provisions of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the arrangement provisions of applicable corporate or trust or limited partnership legislation, any legislation similar to the foregoing in any other jurisdiction, or any legislation enacted substantially in replacement of the foregoing, or the Administrative Agent voting in favour of any proposal, arrangement or compromise in connection with any of the foregoing;

(vi) the failure or neglect of the Administrative Agent and/or the Lenders to demand payment of the Obligations from the Borrower or any guarantor of the Obligations or any other Person;

(vii) any right or alleged right of set-off, counterclaim, deduction, abatement, appropriation or application or any claim or demand that the Borrower or any Guarantor may have or may allege to have against any Lender; or

(viii) any other circumstances which might otherwise constitute a legal or equitable defence available to, or complete or partial discharge of, the Borrower in respect of the Obligations or of any Guarantor in respect of this Agreement except for payment and satisfaction in full of all the Obligations.

(e) The several liability of the Guarantors hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by anything done, suffered or permitted by the Administrative Agent and/or any Lender in connection with the Borrower or the Obligations. For greater certainty and without limiting the generality of the foregoing, without releasing, discharging, limiting or otherwise affecting in whole or in part the liability of the Guarantors hereunder, and without notice to, or the consent of the Guarantors, the Administrative Agent and/or any Lender may from time to time:

(i) make advances and extend credit to the Borrower, convert from one type of Advance to another, increase or decrease the amount of credit available to the Borrower and receive repayments in respect of the Obligations;

(ii) increase the interest rates, fees and charges applicable to all or any portion of the Obligations from time to time;

(iii) amend, renew, restate waive, release or terminate any Loan Document or any provisions thereof in whole or in part from time to time (specifically including, without limitation, any provisions relating to interest rates, fees, conditions for the extension of credit and the determination of the amount of credit available, positive and negative covenants, the application of payments received by or on behalf of the Borrower, and events of default);

(iv) extend, renew, settle, compromise, waive, release or terminate the Obligations in whole or in part in the preamble;

(v) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower;

(vi) take, refrain from taking or release security from the Borrower and/or guarantees from other Persons in respect of the Obligations;

(vii) accept compromises or arrangements from the Borrower, any Guarantor or any other guarantor of the Obligations or any other Person;

(viii) refrain from demanding payment from or exercising any rights or remedies in respect of the Borrower, any Guarantor or any other guarantor of the Obligations;

(ix) apply all monies received from the Borrower, any Guarantor or any other Person or from the proceeds of any security upon such part of the Obligations as the Administrative Agent may see fit, or change any such application in whole or in part from time to time, notwithstanding any direction which may be given regarding application of such monies by the Borrower, any Guarantor or any other guarantor of the Borrower or any other Person; and

(x) otherwise deal with the Borrower, any Guarantor or any other guarantor of the Obligations or any other Person and any security held by the Administrative Agent in respect of the Obligations, as the Administrative Agent may see fit in its absolute discretion.

(f) The Guarantors acknowledge and agree that they are each entering into this Agreement on the express understanding that neither the Administrative Agent nor any Lender has any obligation to obtain any security from the Borrower or from others to secure payment or performance of the Obligations.

(g) If at any time all or any part of any payment previously received and applied by the Administrative Agent or a Lender to any portion of the Obligations is rescinded or returned by the Administrative Agent or such Lender for any reason whatsoever, whether voluntarily or involuntarily (including, without limitation, as a result of, or in connection with the insolvency, bankruptcy or reorganization of the Borrower or the

Guarantors, or any allegation that the Administrative Agent or a Lender received a payment in the nature of a preference) then, to the extent that such payment is rescinded or returned, such portion of the Obligations shall be deemed to be reinstated and to have continued in existence notwithstanding such initial application, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such portion of the Obligations as though such payment had not been made.

(h) From and after the date of an Event of Default hereunder and a demand for payment of the Obligations having been made by the Administrative Agent on the Borrower none of the Guarantors shall demand or require payment of, or redemption of, and shall not receive any payment of principal, interest, redemption proceeds or any other amounts in respect of all or any portion of any present or future Indebtedness or any other amounts otherwise payable to any of them by any of the others of them nor shall they make any payments or distributions to Chartwell RR in respect of any notes or units until the Obligations have been paid and satisfied in full and, in furtherance thereof, the payment of all such present and future amounts from and after such date (the "**Postponed Indebtedness**"), and their respective entitlement to receive same, shall be and is hereby postponed and subordinated in right of payment to the prior payment in full of the Obligations to the Administrative Agent and as additional collateral security for the Guarantor's obligations and liabilities hereunder, such Postponed Indebtedness is hereby assigned to the Administrative Agent and the Administrative Agent is hereby granted a security interest therein. If any portion of the Postponed Indebtedness is paid in contravention of this Agreement, the Guarantors agree to hold such amount in trust for the Administrative Agent and immediately pay such amount to the Administrative Agent. Nothing in this Section 5.03(h) shall limit or restrict the rights of Chartwell RR or CSH Trust to redeem units in Chartwell RR (subject to the $50,000 aggregate monthly limit) including *in specie* redemptions, in accordance with the Declaration of Trust, the CSH Trust Declaration and the Note Indenture.

(i) Each of the Guarantors agrees not to exercise or enforce any right of exoneration, contribution, reimbursement, recourse or subrogation available to the Guarantors against the Borrower or any other guarantor of the Obligations, or as to any security therefor, unless and until the Obligations have been paid and satisfied in full and the Lenders have no further obligation to extend credit to the Borrower. The Guarantors have no right to be subrogated hereunder unless: (i) the Guarantors have paid to the Administrative Agent an amount equal to all of the Obligations; (ii) any other Person having a potential right of subrogation has waived such right and consented to the assignment of the Obligations and any security held by the Administrative Agent to the Guarantors; (iii) the Administrative Agent has received from the Borrower and each Guarantor a release of all claims and demands which the Borrower and each Guarantor may have against the Administrative Agent and the Lenders, including any obligation to grant additional credit to the Borrower (other than claims arising from the gross negligence or wilful misconduct of the Administrative Agent to any Lender); and (iv) the Guarantors have executed and delivered to the Administrative Agent a release of any claims which the Guarantors may have against the Administrative Agent and the Lenders in respect of the Obligations or this Agreement (other than claims arising from the gross negligence or wilful misconduct of the Lender). Any assignment of loans and security by the Administrative Agent to the Guarantors shall be on an "as is, where is" basis without representations, warranties or conditions, and without recourse to the Administrative Agent. All documents listed above shall be in form and substance satisfactory to the Administrative Agent.

ARTICLE 6
CONDITIONS OF LENDING

Section 6.01 ***Conditions Precedent to the Effectiveness of this Agreement.*** This Agreement (and the obligations of the Borrower and the Administrative Agent and each Lender herein) shall be effective on the date that the Borrower shall have satisfied the following conditions precedent:

(a) delivery to and satisfactory review by the Administrative Agent of a certified copy (certified by a senior officer without personal liability) of the Master LP Partnership Agreement, Declaration of Trust, CSH Trust Declaration, GP M Trust Declaration and the articles of incorporation and by-laws of Chartwell Master Care Corporation, Chartwell Benco Inc. and CSH (Isabella) Inc.;

(b) delivery to and satisfactory review by the Administrative Agent of a certified copy (certified by a senior officer without personal liability) of the resolutions, minutes of meetings, or other necessary enabling authorizations of the board of directors or trustees or general partner (as relevant) of the Borrower, Chartwell RR, GP M Trust, Chartwell Master Care Corporation, CSH Trust, Chartwell Benco Inc. and CSH (Isabella) Inc. approving and authorizing the execution, delivery and performance by each of them of this Agreement and the other Loan Documents;

(c) delivery to and satisfactory review by the Administrative Agent of a certificate of status or good standing with respect to each of Chartwell Master Care Corporation, Chartwell Benco Inc. and the Property Owners who are party hereto and a certified copy of the registration of Master LP under the *Partnership Act* (Manitoba) issued by the appropriate Governmental Authority of the jurisdiction of its incorporation or formation;

(d) delivery to and satisfactory review by the Administrative Agent of a certificate of incumbency of a senior officer of each of the Borrower, Chartwell RR, GP M Trust, Chartwell Master Care Corporation, CSH Trust, Chartwell Benco Inc. and CSH (Isabella) Inc., certifying without personal liability as to the names and true signatures of the officers of each such Person authorized to sign this Agreement and the other Loan Documents;

(e) payment of all fees and costs due and payable by the Borrower to the Administrative Agent and/or the Lenders;

(f) this Agreement duly executed and delivered by all of the parties hereto;

(g) delivery of legal opinions from counsel for each of Chartwell RR, the Borrower, CSH Trust, GP M Trust, Chartwell Benco Inc., Chartwell Master Care Corporation and CSH (Isabella) Inc. with respect to inter alia corporate status, or partnership, trust or other status, power, capacity, the due authorization, execution, delivery and enforceability of this Agreement and the Security, issued and outstanding capital and no conflict with, as applicable, the articles and by-laws, declarations of trust or limited partnership agreement of each such party, the laws of the Provinces of Ontario or Manitoba and Canada applicable in such Provinces or any First Mortgage Document, in form and substance satisfactory to the Administrative Agent;

(h) the absence of any material adverse change in the business or financing condition of Chartwell RR and its Subsidiaries, taken as a whole, since December 31, 2014;

(i) the absence of any material litigation or other claims against Chartwell RR or any of its Subsidiaries or any of the Properties listed in Schedule 2; and

(j) delivery to and satisfactory review by the Administrative Agent of a Compliance Certificate (demonstrating pro forma compliance with the financial covenants herein).

Section 6.02 ***Conditions Precedent to the Inclusion/Removal of any Property in the Secured Asset Pool.***

(1) The inclusion of any Property in the Secured Asset Pool and the inclusion of any Property for purposes of calculating the Credit Limit shall be conditional on (i) delivery of the Security in respect thereof required by Section 5.01; and (ii) the following:

(a) in respect of any Property, satisfactory completion of all due diligence investigations required by the Majority Lenders in respect of such Property including, without limitation, (i) the satisfactory determination by the Majority Lenders that, upon inclusion of such property in the Secured Asset Pool, the Secured Asset Pool provides adequate geographic and market diversification; (ii) confirmation that all property taxes and interim instalments have been paid; (iii) confirmation that such Property lies within its property lines as confirmed by a certificate from a licenced surveyor (unless the title insurance policy for a Property obtained for the Administrative Agent pursuant to s.5.01(1)(j) includes full survey coverage for the Administrative Agent); and (iv) satisfactory insurance review with respect to such Property;

(b) in respect of any Property, satisfaction of the Majority Lenders that (i) the Property is located in Canada; (ii) the Property is owned by Chartwell RR or a Subsidiary of Chartwell RR that is a Guarantor or agrees to become a Guarantor; (iii) the Property is a Retirement Residence or a long-term care facility; and (iv) the owner of such Property holds a freehold ownership interest (or in the case of Colonel Belcher Retirement Residence, a leasehold interest);

(c) in respect of any Property, delivery to and satisfaction of the Majority Lenders with (i) property level operating statements in respect of such Property, to the extent available, for the Financial Years ending 2012, 2013 and 2014, the Financial Quarter ending March 31, 2015 and any completed Financial Quarter thereafter (or such other financial information as agreed to by the Administrative Agent); and (ii) 12 month cash flow projection, and rent roll;

(d) in respect of any Property, receipt and satisfactory review by the Majority Lenders of a Property Valuation in respect of each of such Property addressed to the Lenders (or together with a reliance letter in favour of the Administrative Agent) and dated as of a date acceptable to the Majority Lenders;

(e) in respect of any Property, receipt and satisfactory review of a Phase 1 environmental study from an engineer acceptable to the Majority Lenders addressed to the Administrative Agent (or together with a reliance letter addressed to the Administrative Agent) and dated as of a date acceptable to the Majority Lenders;

(f) in respect of any Property, evidence satisfactory to the Majority Lenders that eighty per cent (80%) of the Units in the Property are occupied, with the tenant or resident paying rent and, after inclusion in the Secured Asset Pool, that the level of occupancy has not fallen below eighty per cent (80%) in any Financial Quarter based on the occupancy level of each such Property at the end of such Financial Quarter;

(g) in respect of any Property, receipt and satisfactory review by the Majority Lenders of a building condition report in respect of each such Property from an engineer or other qualified entity acceptable to the Majority Lenders addressed to the Administrative Agent (or together with a reliance letter addressed to the Administrative Agent) and dated as of a date acceptable to the Majority Lenders;

(h) confirmation that, upon the inclusion of any Property in the Secured Asset Pool, no more than 15% of the Lending Value of the Properties in the Secured Asset Pool is derived from any one individual Property, and no more than 17% of the Lending Value of the Properties in the Secured Asset Pool is derived from long term care facilities;

(i) confirmation that, upon the inclusion of any Property in the Secured Asset Pool, at least 40% of the Lending Value of the Properties in the Secured Asset Pool are First Mortgage Properties;

(j) evidence satisfactory to the Majority Lenders that the Property holds all required licenses and/or contracts for the operation of such Property;

(k) delivery to the Majority Lenders, with respect to any Properties in the Secured Asset Pool, of the most recent inspection reports prepared no earlier than the previous 12 to 14 months from the MOHLTC, or the RHRA, as the case may be;

(l) delivery to the Administrative Agent of an updated calculation of the Aggregate Lending Value; and

(m) payment to the Administrative Agent of a fee of $5,000.

(2) The removal of any Property from the Secured Asset Pool shall be conditional on the following:

(a) consent from all Lenders of such removal;

(b) delivery to the Administrative Agent of an updated calculation of the Aggregate Lending Value; and

(c) satisfaction of the Administrative Agent that no Event of Default has occurred and is continuing.

Section 6.03 ***Conditions Precedent to All Advances and Conversions.*** The obligation of the Lenders to make Advances or otherwise give effect to any Notice hereunder in respect of the Revolving Term Facility shall be subject to the conditions precedent that on the date of such Notice and Advance, and immediately after giving effect thereto and to the application of any proceeds therefrom:

(a) the Advances Outstanding do not and shall not exceed the Credit Limit;

(b) all of the representations and warranties of the Borrower herein are true and correct on and as of such date as though made on and as of such date (except as disclosed to and accepted by the Administrative Agent);

(c) no event or condition has occurred and is continuing, or would result from such Advance or giving effect to such Notice, which constitutes a Default or an Event of Default; and

(d) such Advance, or otherwise giving effect to such Notice, will not violate any Applicable Law then in effect.

Each of the giving of any Notice by the Borrower and the acceptance by the Borrower of any Advance shall be deemed to constitute a representation and warranty by the Borrower that, on the date of such Notice or Advance, as the case may be, and after giving effect thereto and to the application of any proceeds therefrom, the statements set forth in this Section 6.03 are true and correct (except as disclosed to and accepted by the Administrative Agent).

Section 6.04 ***No Waiver.*** The making of an Advance or otherwise giving effect to any Notice hereunder, without the fulfilment of one or more conditions set forth in Section 6.01, Section

6.02 or Section 6.03, shall not constitute a waiver of any such condition, and the Administrative Agent reserves the right to require fulfilment of such condition in connection with any subsequent Notice or Advance.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES

Section 7.01 ***Representations and Warranties by the Borrower and each Guarantor.*** The Borrower and each Guarantor hereby represents and warrants severally, as to itself, and not jointly and severally, to the Administrative Agent and to each Lender, acknowledging that the Administrative Agent and each Lender are relying thereon without independent inquiry in entering into this Agreement and making Advances from time to time and providing the Revolving Term Facility hereunder, that:

(a) **Organization and Qualification**. Master LP is a limited partnership validly created under, and is governed by, the laws of the Province of Manitoba, each of Chartwell RR, CSH Trust and GP M Trust is a trust duly settled and formed under, and is governed by, the laws of the Province of Ontario and each of Chartwell Master Care Corporation, Chartwell Benco Inc. and each of the Property Owners that is a signatory hereto is a corporation or partnership duly incorporated and organized or formed under, and is governed by the laws of its jurisdiction of incorporation or formation and in each case validly existing and in good standing and up-to-date in the filing of all corporate, trust, partnership, financial and other returns as applicable under the laws of the jurisdiction of its incorporation, or formation; it is duly authorized to do business wherever the nature of its properties or activities requires authorization; and it has the full corporate or partnership or trust or other power, authority and capacity required to: (i) own and lease its properties and assets and to conduct the business in which it is presently engaged, including and without limitation the ownership and operation of the Properties comprised in the Secured Asset Pool; (ii) borrow money and to enter into and perform its obligations under this Agreement, the Security, and other Loan Documents to which it is a party; and (iii) in the case of Chartwell RR to be the sole unitholder of CSH Trust, in the case of GP M Trust to be the sole general partner of Master LP, in the case of Chartwell Master Care Corporation to act as sole trustee of GP M Trust and in the case of Chartwell Benco Inc. to be the sole beneficiary of GP M Trust, and it has delivered to the Lender a complete and up-to-date copy of its articles of incorporation and by-laws or, as applicable, the CSH Trust Declaration, GP M Trust Declaration, Declaration of Trust and Master LP Partnership Agreement or other partnership agreement, in each case, as amended to the date of such delivery, and there have been no amendments to any such charter or constating documents or by-laws other than as have been disclosed in writing to the Lender on or before the date hereof.

(b) **Authorization, No Conflict with Other Instruments or Applicable Laws**. The execution, delivery and the performance by it of this Agreement, the Security and the other Loan Documents to which it is a party: (i) have been duly authorized by all necessary corporate, trust, partnership, or other required action, (ii) do not contravene, breach or result in any default of any provision of its articles, by-laws, declaration of trust, partnership agreement, any unanimous shareholders agreement, or any Applicable Law applicable to it, (iii) will not constitute a default or contravention of, or result in a breach of, or be in conflict with, any Material Contract, and (iv) will not result in, require or permit (A) the imposition of any Encumbrance upon or with respect to any assets now owned or hereafter acquired by it (other than the Security), (B) the acceleration of the maturity of any Indebtedness of, binding on or affecting it or any of its assets, or (C) any third party to terminate or acquire rights under any Material Contract or accelerate any obligation thereunder.

(c) **Authorization, Governmental Approvals, etc**. All consents, authorizations, approvals from Governmental Authorities and other Persons that are required to have been obtained by it, and all filings with or notices to all Governmental Authorities that are required, with respect to the due execution, delivery and performance by it of this Agreement, the Security and the other Loan Documents to which it is a party, and the registration of the Security, have been duly obtained or given (as applicable) and are in full force and effect and all conditions of each such consent and authorization have been complied with. No registration, qualification, designation, declaration or filing with any Governmental Authority is or was necessary to enable or empower it to enter into and to perform its obligations under this Agreement, the Security and the other Loan Documents to which it is a party except such as have been made or obtained and are in full force and effect, unamended.

(d) **Due Execution and Legality, Validity and Enforceability**. This Agreement, the Security and the other Loan Documents to which it is a party have each been duly executed and delivered by it and each is a legal, valid and binding obligation of it enforceable against it in accordance with its terms, except to the extent such enforcement may be restricted by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and subject to the discretion of a court in regard to equitable remedies, including the remedy of specific performance.

(e) **Compliance with Applicable Laws and Material Contracts**. It is not in violation of any Applicable Laws, including, without limitation, any applicable Environmental Law or any Seniors Housing Laws and it has received and is currently holding all certificates, consents, permits, licences and other approvals and authorizations required to be held by it under all applicable Environmental Laws, Seniors Housing Laws and other Applicable Laws for the ownership, maintenance and operation of its properties and assets and to conduct its business and without limiting the generality of the foregoing, to own and operate the Properties included in the Secured Asset Pool owned by it (or legal title to which is held by it) and is in compliance with the terms and conditions of all Applicable Laws; it has not, except as hereinafter disclosed in writing to the Administrative Agent, received any notice of proceedings or action relating to the termination, revocation or modification of any such permit, licence or approval; it is in compliance with all indentures, leases, agreements, collective agreements and all instruments binding upon it or its property, assets and undertaking, including, without limitation, all Material Contracts except in each case to the extent that any such violation or failure has not had or could not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(f) **No Event of Default**. No Default or Event of Default has occurred.

(g) **Litigation and Other Proceedings**. There is no litigation, action or other legal proceeding (whether civil, quasi-criminal or criminal), arbitration or other dispute settlement procedure, or any investigation or inquiry, by or before any Governmental Authority under way or, to its knowledge pending or threatened against it or any of the Properties included in the Secured Asset Pool which has not been advised in writing to the Administrative Agent and in respect of which an appropriate reserve has not been made, which is reasonably likely to be adversely determined and if determined adversely to it, would have, or could reasonably be expected to have, a Material Adverse Effect.

(h) **Financial Statements**. The consolidated financial statements of Chartwell RR and its Subsidiaries (including the Borrower) for the fiscal year ending December 31, 2014 and notes thereto have been prepared in good faith and present fairly the consolidated financial condition of Chartwell RR and its Subsidiaries (including the Borrower) as at the date thereof, and no event has occurred since that date which has had or could reasonably be expected to have a Material Adverse Effect.

(i) **Absence of Judgments, etc.** There are no outstanding judgments, writs of execution, work orders or notices of deficiency capable of resulting in work orders, injunctions or directives against it or any of the Properties comprised in the Secured Asset Pool which exceed individually or in aggregate $5,000,000 or which have had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(j) **Title to Assets**. Each of the Property Owners identified in Schedule 2 has good and marketable registered legal title in fee simple to the Property included in the Secured Asset Pool identified opposite its name on Schedule 2 hereto, either as beneficial owner thereof or as bare trustee and title nominee for the Person identified in Schedule 2 and the Person identified in Schedule 2 as beneficial owner has good and marketable beneficial title in fee simple to all such Properties identified in Schedule 2 (indirectly, in the case of The Parkway Retirement Centre) and good legal and beneficial title to all of the related personal property and assets situate thereon or used in connection therewith or derived therefrom, subject only to Permitted Encumbrances. Notwithstanding the foregoing, with respect to any Property or Property Owner in respect of which a Joinder Agreement is delivered, this paragraph shall be subject to such modifications (if any) as may be agreed between the Administrative Agent and the Borrower and as set forth in such Joinder Agreement, at such time as the subject Property becomes included in the Secured Asset Pool.

(k) **Insurance**. The Borrower has obtained or caused to be obtained and is maintaining or causing to be maintained in good standing, a policy of insurance or policies of insurance in compliance with the requirements of Section 8.01(e) and all such policies are in full force and effect and the premiums therefor have been paid to date.

(l) **Tax Matters**. It has filed all tax returns which are required to be filed and has paid all taxes, interest and penalties, if any, which have become due pursuant to such returns or pursuant to any assessment received by it and which are due in respect of each Property comprised in the Secured Asset Pool except any such payment which it is diligently contesting in good faith by appropriate proceedings and for which appropriate reserves have been provided on its books as the case may be, and as to which, in each case, neither any Encumbrance (other than a Permitted Encumbrance of the type described in clause (c) of the definition of Permitted Encumbrances in Section 1.01) has attached nor any foreclosure, distraint, seizure, attachment, sale or other similar proceedings have been commenced, except when the failure to do so has not had or could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. To the best of its knowledge, there are no actions, audits, assessments, reassessments, suits, proceedings, investigations or claims pending or threatened against it or any of its Subsidiaries in respect of any taxes or any matters under discussion with any Governmental Authority relating to any taxes which is reasonably likely to be determined adversely and, if determined adversely, is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

(m) **Ownership of CSH Trust, Chartwell Benco Inc. and the Other Guarantors**. Each of Chartwell Master Care Corporation and CSH Trust is a wholly-owned Subsidiary of Chartwell RR; Chartwell Benco Inc. is a wholly-owned Subsidiary of CSH Trust; Chartwell Benco Inc. is the sole beneficiary of GP M Trust; CSH Trust holds all of the issued and outstanding Class “A” Master LP Units of Master LP; each of the Property Owners who are party hereto is a wholly-owned Subsidiary of Master LP; Chartwell Master Care Corporation is the sole trustee of GP M Trust; GP M Trust is the sole general partner of Master LP.

(n) **Canadian Pension Plans and Canadian Plans**. (i) All Canadian Pension Plans and Canadian Plans applicable to it are, and have been, established, operated and administered in all respects, in compliance with Applicable Canadian Pension Laws and the terms of such plans, and there are no outstanding defaults or violations thereunder; (ii) there are no corporately funded defined benefits Canadian Pension Plans; (iii) all necessary governmental approvals have been obtained in respect of the operation of each of the Canadian Pension Plans and Canadian Plans and no notice or proposal to terminate or de-register any Canadian Pension Plan has been issued by any Person or Governmental Authority and no actions, suits, claims or proceedings are pending or to its knowledge reasonably expected to be asserted against any Canadian Pension Plan or Canadian Plan or the assets of any such Canadian Pension Plan or Canadian Plan and the Canadian Pension Plans and Canadian Plans are funded pursuant to their most recent actuarial valuations filed with the applicable Governmental Authority and in accordance with Applicable Canadian Pension Laws and all contributions, payments or premiums required to be made to each of the Canadian Pension Plans and each of the Canadian Plans have been timely made and all post-retirement liabilities, if any, under any Canadian Plans have been properly identified in the Borrower's Consolidated financial statements except where the failure to do so individually or in the aggregate has not had or could not reasonably be expected to have a Material Adverse Effect.

(o) **Labour Disputes and Casualties**. Neither the Properties comprised in the Secured Asset Pool nor the business nor the properties of the Borrower or any Guarantor relating thereto are affected by any strike, lockout or other labour dispute, or by any fire, accident or other casualty which has not been advised to the Administrative Agent in writing.

(p) **Solvency**. It is solvent, able to pay its debts as they mature, has sufficient capital to carry on its business and has assets the fair market value of which exceeds its liabilities, and it will not be rendered insolvent, under-capitalized or unable to pay debts generally as they become due by the execution or performance of this Agreement, the Security or any other Loan Document to which it is a party.

(q) **Material Contracts**. As of the date of this Agreement, there is no default or breach under any of the Material Contracts.

(r) **Secured Asset Pool**. The most recent operating financial statements provided to the Administrative Agent for each of the Properties comprised in the Secured Asset Pool present fairly the financial condition of those properties as at such date and the results of the operations of such Properties for the period ended on such date and no event has occurred since that date which has had, or could reasonably be expected to have, a Material Adverse Effect. All Applicable Laws relating to the construction, development, use, ownership, occupancy and operation of the Properties comprising the Secured Asset Pool have been and are being complied with by the Borrower or the Guarantors as relevant, except to the extent that any failure to so comply, individually or in aggregate has not had or could not reasonably be expected to have a Material Adverse Effect. Each of the Properties comprised in the Secured Asset Pool is being operated in the ordinary course of business. None of the Properties included in the Secured Asset Pool has become subject to any notice or proceeding of expropriation or condemnation, and each is being serviced by all required municipal and private or public utilities and enjoys unfettered access to appropriate public rights of way, and all buildings and improvements located thereon are in compliance with all local, municipal, land use and zoning by-laws and regulations, except to the extent that any failure to so operate, or any such notice or proceeding or failure to be serviced or have such access or any failure to comply, individually or in the aggregate, has not had, or could not reasonably be expected to have, a Material Adverse Effect. The legal descriptions for each of the Properties comprising the Secured Asset Pool provided to the Administrative Agent and set out in the Security are complete, accurate and up-to-date.

(s) **Environmental Management Policy**. Each of the Borrower and the Property Owners has in place a comprehensive environmental management policy with respect to each of the Properties comprised in the Secured Asset Pool owned by it and the Borrower and the Property Owners are in compliance with all applicable Environmental Laws affecting or pertaining to each such Property, except to the extent that the failure to have any such policy in place or the failure to so comply, has not had or could not reasonably be expect to have, either individually or in the aggregate, a Material Adverse Effect.

(t) **No Encumbrances**. There are no Encumbrances on any of the Properties or any personal property and assets situated thereon or used in connection therewith or derived therefrom comprised in the Secured Asset Pool except for Permitted Encumbrances.

(u) **Existing Undertakings**. Each of the Borrower and the Guarantors has performed all of its obligations under all undertakings (if any) given to any Governmental Authority or other Person in connection with the acquisition, ownership, occupancy and operation of each Property comprised in the Secured Asset Pool, except to the extent such failure to perform has not had, or could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(v) **Intellectual Property**. The Borrower or each Property Owner is the owner or licensee of, or otherwise has rights to use, all of the Intellectual Property used in connection with or pertaining to each Property comprised in the Secured Asset Pool and the Borrower's or the applicable Guarantor's ownership and use thereof does not infringe any rights of any Person except to the extent that any such failure or infringement has not had or could not reasonably be expected to have either individually or in the aggregate a Material Adverse Effect.

(w) **Chartwell RR**. Chartwell RR does not own, legally or beneficially, any Property and owns no material assets or property other than all of the CSH Trust Units and the CSH Trust Notes and all of the issued and outstanding shares of Chartwell Master Care Corporation and carries on no business.

(x) **Constating Documents**. The Administrative Agent has been given a complete and up to date copy of the final version of each of the CSH Trust Declaration, GP M Trust Declaration, the Declaration of Trust, the

Master LP Partnership Agreement and the articles of incorporation or partnership agreement of each of Chartwell Master Care Corporation, Chartwell Benco Inc. and each of the Property Owners signatory hereto as of the date hereof and of the constating documents of each other Guarantor (if any) and none has been amended, restated or terminated except as permitted in Section 8.02(a) and Section 8.02(p).

(y) **Properties**. All of the buildings, structures and fixed improvements located on, in or under each of the Properties included in the Secured Asset Pool and all fixed equipment, improvements and fixtures contained in or on any such building, structures and improvements (collectively, the "**Buildings**") and the operation and maintenance thereof, as now operated and maintained, comply with all Applicable Laws, except where such non-compliance has not had or could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or where such non-compliance constitutes a Permitted Encumbrance; none of the Buildings encroaches upon any land not owned by the relevant Property Owner, except for such encroachments which constitute a Permitted Encumbrance; there are no restrictive covenants, municipal by laws or other laws which in any way restrict or prohibit the use of such Buildings as currently operated to its knowledge, except in compliance with Environmental Laws or where such non-compliance constitutes a Permitted Encumbrance, no Buildings contain any friable asbestos or any other substance containing asbestos or deemed hazardous by any Environmental Laws applicable to it or any of the Properties included in the Secured Asset Pool; to its knowledge none of the Properties included in the Secured Asset Pool has been and is now not being used as a landfill or a waste disposal site nor to its knowledge has any hazardous substance or contaminant been deposited in or disposed of on, in, under or at any of the Properties included in the Secured Asset Pool in breach of any Environmental Laws; and to its knowledge there has not been any release, spill, emission or discharge of any contaminant on or at any of the Properties included in the Secured Asset Pool which would give rise to any action or claim by a third party or a Governmental Authority relating to any violation or any material liability under any such Environmental Laws, in each case that has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(z) **Full Names**. The full name of Master LP is "Chartwell Master Care LP" and it does not have a French version of such name. The full name of Chartwell RR is "Chartwell Retirement Residences" and it does not have a French version of such name. The full name of CSH Trust is "CSH Trust" and it does not have a French version of such name and the CSH Trustees as of the date hereof are/is Mike Harris, Sydney Robinson and Thomas Schwartz. The full name of GP M Trust is "GP M Trust" and it does not have a French version of such name. The sole beneficiary of GP M Trust is Chartwell Benco Inc. and the sole trustee of GP M Trust is Chartwell Master Care Corporation.

Section 7.02 ***Survival of Representations and Warranties.*** The representations and warranties herein set forth or contained in any certificates or documents delivered to the

Administrative Agent and/or to the Lenders pursuant hereto shall be deemed to be repeated on each Advance and shall survive the execution and delivery hereof and any Advance hereunder and any investigation at any time made by or on behalf of any Lender.

ARTICLE 8
COVENANTS

Section 8.01 ***Affirmative Covenants.*** From and after the date hereof and so long as any amount owing by the Borrower under this Agreement remains outstanding or any Lender shall have any obligation hereunder, the Borrower and each of the Guarantors shall, individually or collectively, as provided for below, perform or comply with the following covenants:

(a) **Payment and Performance of Obligations to Lenders**. The Borrower and the Guarantors shall each duly and punctually pay all sums of money due by it under the terms of this Agreement (whether for principal, interest, fees or otherwise) at the times and places and in the manner provided for by this Agreement and shall duly and punctually perform and observe all other obligations on its part to be performed or observed hereunder at the times and in the manner provided for herein.

(b) **Financial Reporting Requirements**. The Borrower shall furnish to the Administrative Agent:

(i) as soon as available and in any event within sixty (60) days after the end of each of the first three (3) Financial Quarters of each Financial Year of Chartwell RR (commencing with the Financial Quarter ending June 30, 2015): (A) unaudited consolidated financial statements of Chartwell RR (including consolidated balance sheet, consolidated income statement, consolidated statement of cash flows and consolidated statement of unitholders' equity), all prepared in accordance with IFRS; (B) a Compliance Certificate setting forth the required information for or as at the end of, as applicable, the most recently completed fiscal quarter of Chartwell RR and confirming that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action which the Borrower proposes to take with respect thereto; (C) the net operating income statements and occupancy reports of each Property included in the Secured Asset Pool, over which the Lenders hold security which shall also be forwarded to the Administrative Agent within sixty (60) days after the end of the fourth Financial Quarter; and (D) statement of AFFO and Cash Distributions, as prepared by the management of Chartwell RR.

(ii) as soon as available: (A) and in any event within ninety (90) days after the end of each Financial Year of Chartwell RR the audited consolidated financial statements of Chartwell RR for such year prepared in accordance with IFRS (including consolidated balance sheet, consolidated income statement, consolidated statement of cash flows and statement of unitholders' equity, as well as, in each case, notes to consolidated financial statements, certified without qualification by independent chartered accountants of recognized international standing); (B) and in any event within ninety (90) days after the end of each Financial Year of Chartwell RR a Compliance Certificate setting forth the required information as at the end of such year and confirming that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action which the Borrower proposes to take with respect thereto; (C) and in any event within one hundred and fifty (150) days after the end of each Financial Year of Chartwell RR the consolidated financial statements of the Borrower prepared on an engagement basis (including consolidated balance sheet, consolidated income statement and consolidated statement of changes in financial position); (D) and in any event within ninety (90) days after the end of each Financial Year of Chartwell RR a mortgage statement from the first mortgagee on each Property included in the Secured Asset Pool over which the Lender has second ranking Security confirming the principal amount outstanding under such first ranking mortgage on such Property and confirming that such first mortgage is in good standing; (E) in any event within ninety (90) days after the end of each financial year of Chartwell RR, rent rolls for each of the Properties included in the Secured Asset Pool; and (F) statement of AFFO and Cash Distributions, as prepared by the management of Chartwell RR.

(iii) as soon as available and in any event within one hundred and fifty (150) days after the end of each Financial Year of the Borrower, the Borrower will provide the Lender with a copy of Chartwell RR's annual business plan and financial forecasts in respect of the then current Financial Year;

(iv) as soon as available a copy of each notice, report or filing sent by Chartwell RR to its unitholders;

(v) such other information and reports respecting the Borrower and the Guarantors as the Administrative Agent may from time to time reasonably request.

(c) **Notice of Litigation, etc.** The Borrower and each Guarantor shall (without duplication) give notice to the Administrative Agent of any litigation, proceeding or dispute affecting it or any of its Subsidiaries or its or their property before any court, tribunal, commission or other administrative agency as soon as possible if such litigation, proceeding or dispute involves a claim against it exceeding $5,000,000 and in any event within five (5) Business Days following a determination that, such litigation, proceeding or dispute is reasonably likely to be adversely determined and, if adversely determined, has had or could reasonably be expected to have a Material Adverse Effect. From time to time, the

Borrower and each Guarantor shall (without duplication) provide all reasonable information requested by the Administrative Agent concerning the status of any such litigation, proceeding or dispute.

(d) **Payment of Taxes, etc**. The Borrower and each of the Guarantors shall promptly cause to be paid and discharged all lawful Taxes assessed against it or imposed upon the income and profits of, or upon any property belonging to it before the same shall become in default, and they each shall cause to be paid and remitted when due, all Potential Preferred Claims and all lawful and material claims for labour, materials and supplies which, if unpaid, might become an Encumbrance (other than a Permitted Encumbrance) upon any of the Properties comprised in the Secured Asset Pool or any part thereof and upon request by the Administrative Agent, unless the failure to so pay and remit has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and will provide proof of such payment or remittance, and provided, however, that the Borrower and the Guarantors shall not be required to cause to be paid and discharged any such Tax or claim as long as the amount or validity thereof shall be contested in good faith by appropriate proceedings and it shall have set aside on its books reserves with respect thereto that it and the independent chartered accountants who are at the time employed to audit its books and accounts consider adequate.

(e) **Maintenance of Insurance**. The Borrower and each of the Guarantors shall at all times cause to be carried and maintained types and amounts of insurance that are customarily carried by Persons engaged in substantially the same business respectively as the Borrower and its Guarantors and in accordance with prudent industry practice.

(f) **Keeping of Books**. The Borrower and each of the Guarantors shall at all times keep true and complete books and records and accounts in accordance with IFRS and maintain separate books, records and accounts for each Property included in the Secured Asset Pool.

(g) **Preservation of Corporate/Partnership/Trust Existence, etc**. Except as permitted by Section 8.02(a), at all times each of the Borrower and the Guarantors shall do or cause to be done all things necessary to (i) preserve and keep in full force and effect its existence in accordance with all Applicable Laws and (ii) maintain up-to-date registrations, permits and licences and filings of all corporate, partnership or trust (as relevant) financial and other returns under the laws of all jurisdictions where it owns any assets or carries on its business, and (iii) maintain full corporate, partnership, trust (or other, as applicable) right, power and authority to perform its obligations under each of the Loan Documents to which it is a party and (iv) maintain, full corporate, partnership, trust (or other, as applicable) right, power and authority to own and operate each Property legally or beneficially owned by it and included in the Secured Asset Pool and (v) full corporate, partnership, trust (or other as applicable) right power and authority to own and operate its other respective assets and to carry on its respective businesses and manage and operate its respective business or cause its respective business to be managed and operated in accordance with prudent industry practice in all respects and in compliance in all respects with the terms and provisions of all Applicable Laws, leases, contracts and agreements except in the case of subparagraphs (ii), (iv) and (v) above where the failure to do so has not had, or could not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(h) **Governmental and Other Approvals**. The Borrower and each Guarantor shall, (without duplication), at all times apply for, obtain and maintain in effect, as applicable, all authorizations, consents, approvals, permits, licenses, qualifications, exemptions, filings, declarations and registrations (whether with a Governmental Authority or otherwise) which are necessary in connection with the execution, delivery and performance by each of them of this Agreement, the Security and other Loan Documents and as required to carry on the business of each, as applicable, except where the failure to do so has not had or could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(i) **Compliance with Constating Documents and Applicable Laws**. The Borrower and each Guarantor shall comply in all respects with the requirements, restrictions and other terms of all Applicable Laws applicable to it or any of its property, assets and undertaking, including, without limitation, all Environmental Laws and Seniors Housing Laws, and shall comply with its respective constating and charter documents and, without limiting the generality of the foregoing: the Borrower shall so comply with the Master LP Partnership Agreement; Chartwell RR shall so comply with the Declaration of Trust; GP M Trust shall so comply with the GP M Trust Declaration and, in its capacity as General Partner, so comply with the Master LP Partnership Agreement; Chartwell Master Care Corporation shall so comply with its articles of incorporation and by-laws and, in its capacity as sole trustee of GP M Trust, shall so comply with the GP M Trust Declaration and Master LP Partnership Agreement and each of the Property Owners and Chartwell Benco Inc. shall so comply with its respective articles of incorporation and bylaws or partnership agreement, as applicable, except in each case where the failure to do so has not had or could not reasonably be expected to have individually or in the aggregate a Material Adverse Effect.

(j) **Notice of Default or Event of Default**. The Borrower and each Guarantor shall (without duplication) give the Administrative Agent prompt written notice of the occurrence of any Default or any Event of Default applicable to it, together with a detailed statement specifying the nature thereof and the steps being taken by it to cure such Default or Event of Default.

(k) **Other Information**. The Borrower and each Guarantor shall promptly furnish to the Administrative Agent such information respecting it, in addition to that otherwise required by this Agreement and the other Loan

Documents, as the Administrative Agent may from time to time reasonably request.

(l) **Canadian Pension Plans and Canadian Plans**. The Borrower and each of the Guarantors shall, without limiting the generality of Section 8.01(i) above, operate and administer the Canadian Pension Plans and the Canadian Plans in compliance with Applicable Canadian Pension Laws and the terms of such plans and maintain all necessary governmental approvals which are material in respect of the operation of the Canadian Pension Plans and Canadian Plans and comply, in all respects, with its obligations under all Canadian Pension Plans and Canadian Plans and Applicable Canadian Pension Laws, and without limiting the generality of the foregoing, make all contributions required to be made under each Canadian Pension Plan and Canadian Plan, under any applicable valuation report and under Applicable Canadian Pension Laws, except to the extent that the failure to do so has not had or could reasonably be expected not to have, individually or in the aggregate, a Material Adverse Effect.

(m) **Notification of Certain Events**. The Borrower and each of the Guarantors shall furnish to the Administrative Agent promptly after it learns of the receipt or occurrence of any of the following, a certificate signed by one of its senior officers without personal liability, specifying: (i) any notice of any violation, possible violation, non-compliance or possible non-compliance, or claim made by any Governmental Authority pertaining to any of the Properties included in the Secured Asset Pool which has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (ii) the receipt of any notice from, or the taking of any other action by, the holder of any Indebtedness in excess of $5,000,000 with respect to an actual or alleged default, together with a detailed statement specifying the notice given or other action taken by such holder and the nature of the claimed default and what action it is taking or proposes to take with respect thereto, (iii) any event or condition not previously disclosed in writing to the Lender, which violates or could reasonably be expected to violate any Environmental Law or Seniors Housing Laws pertaining to or affecting one or more Properties included in the Secured Asset Pool which has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (iv) any notice of any proposed cancellation, and any actual cancellation, of any insurance policy required to be maintained pursuant hereto, unless a replacement insurance policy which complies with the requirements hereof is contemporaneously obtained, (v) any default under or breach of any covenant in the Note Indenture, the Declaration of Trust, the CSH Trust Declaration, the GP M Trust Declaration, the Master LP Partnership Agreement or any Material Contract, or (vi) any change in the funding requirements for any Canadian Pension Plan or any Canadian Plan which could reasonably be expected, whether taken individually or in the aggregate, to have a Material Adverse Effect; (vii) any proposed termination or dissolution of CSH Trust; (viii) any change in the method of determination of Distributions pursuant to Section 5 of the Declaration of Trust; (ix) any proposed termination or dissolution of Chartwell RR; (x) any proposed termination or dissolution of GP M Trust; (xi) any other event, development or condition in its business or condition, financial or otherwise, or of any loss, destruction or damage to any of its properties and assets or of any other event, or circumstance which has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(n) **Change of Location**. The Borrower and each of the Guarantors shall give the Administrative Agent at least fifteen (15) days prior written notice of (i) any proposed change of the location of their respective head offices and chief executive offices; or (ii) any proposed change of the location of any of their assets subject to the Security out of the current jurisdiction of such location; or (iii) any proposed change of name by the Borrower or any Guarantor.

(o) **Right to Inspect**. At reasonable times during business hours from time to time and on reasonable prior notice (but all without prejudice to the Administrative Agent's rights and remedies hereunder and under the Security upon the occurrence and during the continuance of an Event of Default to inspect and take possession at any time as contemplated in Section 9.02) each of the Borrower or Guarantor, as applicable, shall allow the Administrative Agent and its respective representatives or agents to:

(i) visit and inspect each of the Properties comprising the Secured Asset Pool;

(ii) inspect and make extracts from and copies of its business and financial books and records; and

(iii) discuss with its principal officers its businesses, assets, liabilities, financial positions, results of operations and business prospects;

and the reasonable costs and expenses of the Administrative Agent (and its representatives and agents) in exercising such rights to visit and inspect described in this subparagraph shall be for the account of the Borrower or Guarantor, as applicable.

(p) **Further Assurances**. The Borrower and each Guarantor shall, at its cost and expense, upon request of the Administrative Agent, duly execute and deliver, or cause to be duly executed and delivered, to the Administrative Agent all such further agreements, instruments, documents and other assurances and do and cause to be done all such further acts and things as may be necessary or desirable in the reasonable opinion of the Administrative Agent to carry out more effectually the provisions and purposes of this Agreement or any of the other Loan Documents.

(q) **Material Contracts and Permitted Encumbrances**. The Borrower and each Guarantor shall (without duplication): (i) upon entering into a Material Contract after the date of this Agreement pertaining to any Property comprised in the Secured Asset Pool, promptly notify the Administrative Agent in writing of that fact, together with a certified true and complete copy of such Material Contract; and (ii) abide by, perform and comply with all covenants and other obligations to be performed or complied with by the Borrower (or any Guarantor as relevant) under each Material Contract except where the failure to do so has not had or could not reasonably be expected to have, individually or in aggregate, a Material Adverse Effect; and (iii) promptly provide written notice to the Administrative Agent of any default, notice of default, cancellation, notice of cancellation, amendment or notice of amendment, served by, or received by, the Borrower or any Guarantor under any Material Contract except where the failure to do so has not had or could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; and (iv) promptly provide written notice to the Administrative Agent of any default or notice of default served by or received by the Borrower or any Guarantor under any Permitted Encumbrance, except where the failure to do so has not had or could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(r) **To Repair.** Each of the Borrower and each of the Guarantors, as applicable, shall, at all times cause to be repaired and kept in repair and good order and condition (ordinary wear and tear excepted), all buildings, erections, plant, machinery and equipment, used in, or in connection with, each of the Properties comprised in the Secured Asset Pool and will at all times cause to be renewed and replaced, all and any of the same which may become worn, dilapidated, unserviceable, damaged or destroyed.

(s) **Work Orders and Liens.** The Borrower and each Guarantor (without duplication) shall deliver to the Administrative Agent within five (5) days of receipt of notice thereof, complete details in writing of any construction lien, work order, notice of violation or deficiency notice received by it relating to any of the Properties comprised in the Secured Asset Pool, together with written confirmation of the manner in which the Borrower or such Guarantor intends to comply with or discharge the lien, work order, notice of violation or deficiency notice which confirmation shall, in form and substance, be satisfactory to the Lender.

(t) **Lender's Subordination.** The Administrative Agent hereby covenants and agrees that it shall, at the request and at the expense of the Borrower, execute and deliver such acknowledgement of continuing subordination as may be reasonably required by the Borrower in connection with any refinancing of a mortgage or other security that is permitted by subsection (l) of the definition of Permitted Encumbrances and which constitutes a first ranking mortgage or other security on a Property included in the Secured Asset Pool and over which the Administrative Agent holds a second ranking mortgage and Security.

(u) **Operating Statements and Appraisal Updates.** The Borrower shall furnish to the Administrative Agent, as soon as available, and in any event within 90 days after the end of each Financial Year of Chartwell RR, operating statements for each of the Properties in the Secured Asset Pool for such year, together with appraisal update reports for each such Property from a valuator acceptable to the Administrative Agent addressed to the Administrative Agent (or together with a reliance letter in favour of the Administrative Agent) and dated as of a date acceptable to the Administrative Agent.

(v) **Updated Appraisal Reports**. The Borrower shall furnish to the Administrative Agent, at least once every 3 years, a Property Valuation in respect of each Property in the Secured Asset Pool addressed to the Administrative Agent (or together with a reliance letter in favour of the Administrative Agent) and dated as of a date acceptable to the Administrative Agent.

(w) **Insurance Consultant**. The Borrower shall provide to the Administrative Agent, at the Administrative Agent 's request (but not more frequently than once per year at the time of the renewal of insurance, unless there has been a material change regarding insurance coverage) and the Borrower's cost, a report in form and substance satisfactory to the Administrative Agent and from an insurance consultant acceptable to the Administrative Agent, regarding the insurance coverage maintained by the Borrower on each of the Properties in the Secured Asset Pool.

Section 8.02 ***Negative Covenants.*** From and after the date hereof and so long as any amount owing by the Borrower under this Agreement remains outstanding or any Lender shall have any obligation hereunder, the Borrower and each of the Guarantors covenant and agree with the Administrative Agent and each Lender that without the prior written consent of the Required Lenders:

(a) **Reorganizations**. It shall not wind up, liquidate, dissolve or amalgamate, or enter into any transaction (whether by way of reconstruction, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale, lease or otherwise) whereby all or substantially all of its business, property and assets would become the property of any other Person, or in the case of any such amalgamation, arrangement (if applicable) or merger, of the continuing company, trust, limited partnership or other Person resulting therefrom, unless:

(i) such other Person or continuing company is a corporation, trust or partnership (herein called the "**Successor Entity**") duly organized and existing under the laws of Canada or a province thereof;

(ii) prior to or contemporaneously with the consummation of such transaction, the Successor Entity shall have expressly assumed (if the Successor Entity is not the Borrower), at no cost or expense to the Administrative Agent, the performance of all of the obligations of the Borrower (or Guarantor, as applicable) under this Agreement on the terms and conditions set forth herein pursuant to a legally valid, binding and enforceable agreement ("**Assumption Acknowledgement**") for the benefit of the Administrative Agent and the Lenders;

(iii) immediately prior to the consummation of such transaction, no Default or Event of Default shall have occurred and be continuing;

(iv) no condition or event shall exist in respect of the Successor Entity after giving full effect to such transaction and as a result thereof which constitutes a Default or an Event of Default hereunder;

(v) the consummation of the transaction shall not result in a material change in:

(A) the nature or value of the assets and undertakings of Chartwell RR, the Borrower or such Guarantor;

(B) the tax status of Chartwell RR or its successor entity as a mutual fund trust for purposes of the *Income Tax Act* (Canada); or

(C) the continuance of Chartwell RR or its successor entity as a real estate investment trust listed on The Toronto Stock Exchange; and

(vi) the Required Lenders have determined, in their discretion, applying normal credit review process, that the Successor Entity is at least as creditworthy as its predecessor which was a signatory hereto or to any of the other Loan Documents.

(b) **Applicable Laws**. It shall not engage in or permit any Environmental Activity in relation to any of the Properties included in the Secured Asset Pool which violates or could reasonably be expected to violate any Environmental Law and it shall not violate any Applicable Law (including, without limitation, any applicable Environmental Laws and Seniors Housing Laws) if any such violation has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) **Negative Pledge**. It shall not create, incur, assume or suffer or permit to exist any Encumbrance (other than the Security) on any one or more of the Properties comprised in the Secured Asset Pool or any of the issued and outstanding shares of any of the Property Owners, other than Permitted Encumbrances.

(d) **Securitizations**. It shall not securitize any rights to receive payment under any of the Material Contracts or in respect to any accounts receivable originating from any of the Properties comprised in the Secured Asset Pool.

(e) **Accounting Methods and Fiscal Year**. It shall not change its fiscal year and even if the Administrative Agent has provided its prior written consent to any change in fiscal year, notwithstanding such change of fiscal year (i) all repayments and other payments required pursuant to the terms of this Agreement shall be paid and calculated as if such change of fiscal year had not occurred, (ii) all covenants pursuant to Section 8.02 shall be performed, construed and applied as if such change of fiscal year had not occurred and, in addition, all such covenants pursuant to Section 8.02

shall be performed, construed and applied as if such change of fiscal year had not occurred, (iii) none of the rights or remedies of the Administrative Agent and/or the Lenders under this Agreement shall be reduced, diminished or otherwise adversely affected by such change of fiscal year, and (iv) the Borrower shall furnish to the Administrative Agent in a timely manner all necessary reconciliations required as a result of or to give effect to the provisions of this Section 8.02(e) or to enable the Lender to determine compliance by the Borrower with this Section 8.02(e).

(f) **Asset Dispositions**. Subject to Section 8.02(a) hereof and except for the sale or disposal of obsolete, redundant or immaterial assets in the ordinary course of business, it shall not Dispose of the whole or any part of any of its properties, assets or undertaking comprising any part of the Secured Asset Pool (whether by way of absolute sale or otherwise) or any of the issued and outstanding shares (or as applicable units) of each of the Property Owners unless (i) no Default or Event of Default has occurred and is continuing or would result therefrom; and (ii) it complies with Section 2.14(1).

(g) **Material Contracts**. It shall not cancel or terminate or permit the cancellation or termination (except at the natural expiry of the term thereof) of any Material Contract, or any services or other contract with any operator of any Property comprised in the Secured Asset Pool nor permit any material amendment thereto if such termination or amendment has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(h) **Upstream Payments by Subsidiaries**. It shall not grant, agree to, or permit to exist at any time (except pursuant to this Agreement), any express prohibition or restriction which could prevent or limit the ability of any Guarantor to pay, distribute or remit funds or transfer assets to the Borrower.

(i) **Repair or Improvement Work**. It shall not enter into any contract for work on any of the Properties comprised in the Secured Asset Pool, whether for repairs, capital improvements, construction, capital expenditures or otherwise in any fiscal year, in an amount for each Property which exceeds $1,000,000 and which could result in a lien on such property without the prior written consent of the Administrative Agent, such consent not to be unreasonably withheld.

(j) **Investments**. CSH Trust shall not make any Investments other than the subscription for and holding of Class A Master LP units in the Borrower and the shares in the capital stock of Chartwell Benco Inc. and loans and advances to the Borrower. Chartwell RR shall not make any Investments other than the subscription for and holding of units of CSH Trust, CSH Notes and shares of Chartwell Master Care Corporation.

(k) **Payments or Distributions by CSH Trust**. CSH Trust shall not make cash payments or other cash distributions to Chartwell RR in excess of amounts necessary to enable Chartwell RR to meet its expenses and

Taxes incurred in the ordinary course, and to make distributions to the unitholders of Chartwell RR in an amount not exceeding, in respect of any Financial Year commencing with the Financial Year ending December 31, 2008, 100% of Chartwell RR's AFFO for such period and the amounts required to be paid in connection with the redemption of units in Chartwell RR (subject to the $50,000 aggregate monthly limit on the payment of redemption proceeds with cash) as provided for in Section 6.3 and Section 6.4 of the Declaration of Trust. From and after an Event of Default and demand by the Lender on the Borrower for payment pursuant to Section 9.01(ii), CSH Trust, Chartwell Benco Inc., the Borrower and each of the other Guarantors shall not make any payments (whether on account of Indebtedness, redemptions, dividends, fees or otherwise) directly or indirectly to or for the benefit of Chartwell RR and all amounts so payable or distributable shall be held in trust for and immediately upon demand by the Lender, paid over to the Lender. Nothing in this Agreement shall limit or restrict the ability of Chartwell RR to redeem it units or the ability of CSH Trust to redeem its units or notes under the Note Indenture in connection with a redemption of units in Chartwell RR (subject to the $50,000 aggregate monthly cash limit referred to above), including in specie redemptions in accordance with the Declaration of Trust, CSH Trust Declaration and Note Indenture.

(l) **Note Indenture**. Without limiting Section 5.03(h) or Section 8.02(j) hereof (including the reservations of rights set out in those sections), CSH Trust shall not make any payment or prepayment or redeem any notes under the Note Indenture from and after an Event of Default and demand by the Administrative Agent on the Borrower pursuant to Section 9.01.

(m) **Indebtedness**. None of the Property Owners shall incur or assume any Indebtedness, other than the obligations hereunder and any Indebtedness secured by a Permitted Encumbrance. None of Chartwell RR or any of its Subsidiaries shall incur or assume any Indebtedness if, after giving effect to the incurring or assumption of such Indebtedness, (i) the Consolidated Debt, excluding convertible debentures, would be more than 60% of the Adjusted Consolidated Gross Book Value of Assets; or (ii) the Consolidated Debt, including convertible debentures, would be more than 65% of the Adjusted Consolidated Gross Book Value of Assets. Any Indebtedness secured by Properties comprising the Secured Asset Pool shall not exceed 70% of the aggregate fair market value of the Properties comprising the Secured Asset Pool. At no time shall more than 15% of the total consolidated Indebtedness of Chartwell RR and its Subsidiaries (other than trade payables, accrued expenses and distributions payable) be at floating interest rates or have maturities of less than one year, not including debt falling due in the next 12 months.

(n) **Change in Nature of Business**. It shall not change the nature of its business.

(o) **Termination or Amendment of Contracts**. It shall not consent to or permit:

(i) any termination (except at the expiry of its term) of any Material Contract or of any contract with an operator of any Property comprised in the Secured Asset Pool if such termination could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; or

(ii) any amendment of any Material Contract or of any contract with an operator of a Property comprised in the Secured Asset Pool if such amendment has had, or could reasonably be expected to have, a Material Adverse Effect.

(p) **No Amendments to Constating Documents**. It shall not amend, as applicable, its articles, by laws, declarations of trust, limited partnership agreement or other constating and other organizational documents, including, without limitation, the CSH Trust Declaration, the Declaration of Trust the GP M Trust Declaration, and the Master LP Partnership Agreement with respect to:

(i) permitted investments;

(ii) redemption of units; and

(iii) any other provision or matter therein, if the effect or result thereof can be reasonably be expected to have, or has actually had, individually or in the aggregate, a Material Adverse Effect.

(q) **Transactions with Affiliates**. Except amongst the Borrower and any one or more of the Guarantors, it shall not enter into any contract or other agreement with the Borrower or any Guarantor or any affiliate except upon terms, including payment, consistent with an arms length transaction.

(r) **Acquisition of Real Property**. None of Chartwell RR or any of its Subsidiaries shall acquire any interest in a single real property if, after giving effect to the proposed acquisition, the cost of such acquisition (net of the amount of acquisition debt) will exceed 15% of the Adjusted Consolidated Gross Book Value of Assets.

(s) **Investment in Raw Land**. None of Chartwell RR or any of its subsidiaries shall invest in raw land for development purposes except in accordance with paragraphs 4.1(h), 4.1(l) and 4.2(c) of the Seventh Amended and Restated Declaration of Trust of Chartwell RR dated May 20, 2010.

(t) **Investment in Mortgages, etc**. None of Chartwell RR or any of its Subsidiaries shall invest in mortgages, mortgage bonds, mezzanine loans or vendor-take-back mortgages if at the time of the investment the aggregate of all such investments will exceed 20% of the Adjusted Consolidated Gross Book Value of Assets calculated at the time of such investment, as more particularly described in the Investment Restrictions set out in Sections 4.1(i), (j), (k) and (l) of the Declaration of Trust.

All the financial covenants in this Section 8.02 are to be based on the consolidated financial statements of Chartwell RR and its Subsidiaries. The financial covenants set forth herein will be tested quarterly based on the IFRS applicable from time to time. In the event that any Accounting Change shall occur, and such change results in a breach of any financial covenant, then the Borrower and the Lenders shall enter into negotiations in good faith in order to amend such financial covenant so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the financial condition of Chartwell RR and its Subsidiaries shall be substantially the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment is effected with the approval of the Lenders, the financial covenants shall continue to be calculated or construed as if such Accounting Changes had not occurred.

ARTICLE 9
ACCELERATION

Section 9.01 ***Events of Default*.** If any one or more of the following events (each an "**Event of Default**") shall occur and be continuing then the Administrative Agent, on behalf of and with the approval of the Required Lenders, may: (i) terminate the Lenders' obligations to make any further Advances under the Revolving Term Facility and terminate the Revolving Term Facility, and (ii) (at the same time or at any time after such termination) declare the Advances Outstanding, all accrued interest and Fees and all other amounts payable under this Agreement to be immediately due and payable in full:

(a) the Borrower shall fail to make any principal payment of Advances Outstanding when due and payable; or

(b) the Borrower shall fail to make any payment when due of interest or any Fees or other payment (other than a payment of principal referred to in Section 9.01(a)) due and payable under this Agreement within three (3) Business Days after it is due, whether due by acceleration or otherwise; or

(c) any representation, warranty, written statement or certificate made or delivered pursuant to this Agreement proves to have been incorrect or misleading in any material respect at the time made or deemed made (other than (i) a breach of the specific representations and warranties set out in all or portions of Section 7.01(e), Section 7.01(g), Section 7.01(k), Section 7.01(l), Section 7.01(n), Section 7.01(r), and Section 7.01(y) in respect of which there is a corresponding covenant in Article 8 and for which the thirty (30) day grace period provided for in Section 9.01(e) shall apply and (ii) a breach of a representation and warranty pertaining to a Property in respect of which Section 9.04 applies); or

(d) the Borrower or any Guarantor shall fail to perform, observe or comply with any portion or portions of subsections (v), (vii), (ix) or (x) of Section 8.01(m) or Section 8.02(a), Section 8.02(d), Section 8.02(g), Section 8.02(i), Section 8.02(j), and Section 8.02(l); or

(e) the Borrower or any Guarantor shall fail to perform, observe or comply with any other term, covenant or agreement contained in this Agreement on its part to be performed, observed or complied with and where such failure or default is capable of being remedied, such failure shall remain unremedied for a period of thirty (30) days following notice thereof by the Lender to the Borrower; or

(f) the Borrower or any Guarantor shall fail to pay any of its Indebtedness (other than that referred to in Section 9.01(a) and Section 9.01(b) hereof) when due (whether at scheduled maturity or by required prepayment, acceleration, demand or otherwise) the amount of which individually or in the aggregate at any time exceeds $5,000,000 and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness; or any other default which has not been cured within any applicable grace period or waived under any agreement or instrument relating to any such Indebtedness of the Borrower or any Guarantor or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event would be to permit the acceleration of the maturity of such Indebtedness, the amount of which individually or in the aggregate at any time exceeds $25,000,000; or

(g) a final non-appealable judgment or order for the payment of money for $5,000,000 or more shall be rendered against the Borrower, Chartwell RR or any Guarantor and such judgment or order shall continue unsatisfied and unstayed (or shall not have been vacated) for a period of sixty (60) consecutive days; or

(h) the Borrower, Chartwell RR or any other Guarantor (i) is dissolved or terminated or wound up (other than as permitted by Section 8.02(a)); (ii) admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of bankruptcy or any other relief under any bankruptcy law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation and a period of thirty (30) days has elapsed since the institution of such proceeding or presentation of such petition without such judgment or order having been reversed or set aside or (B) is not dismissed, discharged, permanently stayed or restrained in each case within thirty (30) days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than as permitted by Section 8.02(a)); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or similar official for it or for all or substantially all its assets and, in the case of any such appointment not sought by it, such appointment remains in effect for a period of thirty (30) days without being dismissed, discharged, or permanently stayed or restrained; (vii) has a secured party take possession of any Property included in the Secured Asset Pool or all or substantially all its other assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such process is not dismissed, discharged, permanently stayed or restrained within thirty (30) days thereafter without being dismissed, discharged, permanently stayed or restrained; (viii) causes or is subject to any event with respect to it which under Applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (vii) (inclusive) and, in the case of any such event not caused by it or consented to by it, such event which has an analogous effect to any of the events specified in (iv) or (vi) or (vii) or (viii) continues for a period of thirty (30) days without being dismissed, discharged, permanently stayed or restrained; or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(i) if (A) any of the Security ceases to be a valid and enforceable Security maintaining the same original priority ranking (as a first or second ranking charge on any Property included in the Secured Asset Pool in accordance with Section 5.01 hereof) unless (i) cured, or (ii) the Security is replaced, or (iii) there is a paydown of Advances Outstanding, in each case within ten (10) Business Days following notice thereof by the Lender to the Borrower in an amount equal to the Lending Value of such Property, or (B) the Borrower or any Guarantor disputes the validity, enforceability or priority ranking thereof, or any Guarantor purports or attempts to determine or terminate its guarantee liability; or

(j) if Chartwell RR fails to maintain a listing on the Toronto Stock Exchange or trading in the units of Chartwell RR is suspended or halted for a period exceeding forty-eight (48) hours; or

(k) any default occurs under the Note Indenture and as a result thereof, the trustee or noteholders thereunder initiate any enforcement steps or proceedings against CSH Trust; or

(l) any breach or default occurs under the Declaration of Trust, the CSH Trust Declaration or the Master LP Partnership Agreement (as any of such constating documents may be amended or restated) which has a Material Adverse Effect and has not been cured within ten (10) Business Days following notice thereof by the Lender to the Borrower, or Chartwell RR ceases to qualify as a mutual fund trust for purposes of the *Income Tax Act* (Canada); or

(m) any default occurs under any of the Material Contracts if the effect or result of such default would be to permit the termination of such Material Contract against it after the expiry of ten (10) Business Days or such longer grace period as may be expressly provided for in such Material Contract has expired, if the termination thereof has had or could reasonably be expected to have a Material Adverse Effect; or

(n) the General Partner resigns or is deemed to have resigned and no successor or replacement general partner of Master LP has been appointed; or

(o) the occurrence of a Change of Control; or

(p) subject to Section 9.04, the Borrower or any Guarantor shall fail to pay any amount owing under any First Mortgage Document when due or a default under any First Mortgage Document shall occur and continue after the applicable grace period, if any, specified therein, if the effect of such default would be to permit the acceleration of the maturity of the Indebtedness thereunder; or

(q) Chartwell RR shall fail to maintain, as at the end of each Financial Quarter in each Financial Year, commencing with the Financial Quarter ending June 30, 2015, a ratio ("**Total Leverage Ratio**") of (i) Consolidated Debt, excluding convertible debentures, to Adjusted Consolidated Gross Book Value of Assets of 60% or less; and (ii) Consolidated Debt, including convertible debentures, to Adjusted Consolidated Gross Book Value of Assets of 65% or less; or

(r) Chartwell RR shall fail to maintain, as at end of each Financial Quarter in each Financial Year, commencing with the Financial Quarter ending June 30, 2015, a Debt Service Coverage Ratio of at least 1.25:1; or

(s) Chartwell RR shall fail to maintain, at all times, Adjusted Consolidated Unitholders Equity of not less than Three Hundred and Seventy Five Million Dollars ($375,000,000) plus an amount equal to seventy-five per cent (75%) of the net proceeds raised by the further issuance of units after December 31, 2014.

Section 9.02 ***Remedies upon Default.*** Upon the occurrence of an Event of Default the Revolving Term Facility shall terminate and, subject to Section 14.09, the Administrative Agent on behalf of the Lenders may exercise, in addition to any other rights and remedies available in law or equity, the rights and remedies set out in this Agreement, including this Section 9.02. The Administrative Agent may demand accelerated payment of all of the Advances Outstanding, all accrued interest and Fees and all other amounts payable under this Agreement whereupon all such obligations shall be due and payable by the Borrower and the Guarantors (if the Borrower defaults) and the Administrative Agent may exercise any or all of its rights and remedies under or pursuant to the Security and the other Loan Documents and other rights and remedies available to the Administrative Agent and/or any Lender in law or equity and without limiting the generality of the foregoing, the Administrative Agent may commence such litigation or proceedings as it may deem expedient, all without any additional notice, presentation, demand, protest, notice of dishonour, including entering into of possession of any of the property or assets of the Borrower or Guarantors secured or charged by the Security, or any other action, notice of all of which the Borrower and Guarantors hereby expressly waive to the fullest extent permitted by Applicable Law. In addition, the Borrower and the Property Owners shall assign, to the extent permitted by Applicable Law, to the Administrative Agent or its designate, or surrender, all licences, permits, authorizations, and operating agreements held by or for the benefit of the Borrower or the Property Owners, as the case may be, including, without limitation, all licences issued pursuant to the *Long-Term Care Homes Act* (Ontario) and any other applicable legislation. In this regard, each of the Borrower and the Property Owners agrees to execute any documentation required by the Administrative Agent to bring any such assignment or surrender into effect, including, without limitation, a request to the Director under the *Long-Term Care Homes Act* that the Director issue a licence, permit or authorization to, or enter into an operating agreement with, a Person designated by the Administrative Agent upon the surrender of any licence, permit, authorization or operating agreement by any of the Borrower or the Property Owners, and hereby irrevocably appoints the Administrative Agent as its attorney to execute any such documentation on behalf of the Borrower and the Property Owners, as the case may be. In addition to the foregoing in the event of the institution of any proceeding against the Borrower or any Guarantor, or the Borrower or any Guarantor making an assignment for the general benefit of creditors or otherwise voluntarily initiating any proceeding in respect of its property or creditors under any law relating to bankruptcy, insolvency or organization or relief of debtors the effect of which is to cause an automatic stay to come into effect with respect to the Borrower or such Guarantor or an actual or deemed entry of an order for relief with respect to any proceeding instituted by or against the Borrower or any Guarantors under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada) (as amended, supplemented or replaced from time to time), as may be applicable, or any other applicable bankruptcy or insolvency laws which provide for an automatic stay, the obligations of the Lenders to make any further Advances under this Agreement shall automatically be terminated and the Advances Outstanding, all accrued interest and Fees and all other amounts payable under this Agreement shall automatically become due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower and Guarantors. For greater certainty, each of the Borrower and each Guarantor will be considered to be in default of its obligations hereunder by the mere lapse of time provided herein for performing such obligations, without any requirement of further notice or other act of the Administrative Agent or any Lender unless a notice is specifically required under this Agreement. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are in addition to and not in substitution for any other rights or remedies provided by law. Nothing contained herein or in the Security or any other Loan Documents now or hereafter held by the Administrative Agent with respect to the obligations of the Borrower or Guarantors to the Lenders, or any part thereof, nor any act or omission of the Administrative Agent with respect to such Security or Loan Documents, shall in any way prejudice or affect the rights, remedies and powers of the Lender with respect to any other such Security or Loan Documents.

Section 9.03 ***Application of Proceeds.*** All proceeds received by the Administrative Agent from or in respect of any realization of Security, any judgment against any Borrower or any Guarantor obtained by the Administrative Agent, any other realization of the Borrower's or any Guarantor's assets, any set-off or combination of accounts in respect of any credit balance, any recovery, distribution or payment arising out of any bankruptcy of either or both of the Borrower or any Guarantor or any proposal or re-organization, plan of arrangement, liquidation or winding-up of either or both of the Borrower or any Guarantor, shall be paid to the Administrative Agent and, upon receipt by the Administrative Agent shall, subject to the provisions hereof, be allocated from time to time by the Administrative Agent as follows:

(a) firstly, to pay all costs incurred by or on behalf of the Administrative Agent and any Lender in respect of such realization, judgment, bankruptcy, proposal, re-organization, plan of arrangement, liquidation or winding-up and to pay all amounts owing to the Administrative Agent and/or the Lenders;

(b) secondly, to pay all other Obligations then owing by the Borrower to the Lenders (rateably among the Lenders in proportion to the respective amounts described in this clause) until all Obligations are paid in full; and

(c) thirdly, upon payment in full of all obligations then owing by the Borrower to the Administrative Agent and/or the Lender, to pay the balance of the proceeds to whomever is legally entitled thereto.

If, at any time, the Administrative Agent receives any amount in excess of the amount to which it is entitled in accordance with the provisions of this Section 9.03, the Administrative Agent shall promptly pay such amount to the Borrower or such other Person as is or are entitled thereto.

Section 9.04 ***Properties.*** Upon the breach of a representation and warranty pertaining to any Property included in the Secured Asset Pool, or, in the event that a Property ceases to be included in the calculation of the Credit Limit under Section 6.02, or the occurrence of an Event of Default referred to in Section 9.01(p) pertaining to any such Property (the "**Affected Property**"), the Borrower may within 5 Business Days of the occurrence of such breach or Event of Default, notify the Administrative Agent that such Affected Property shall not be included in the calculation of the Credit Limit (together with a certificate of a senior officer of the Borrower calculating the Credit Limit (without inclusion of the Affected Property)), and provided that the Advances Outstanding do not exceed the Credit Limit (as recalculated) or the Borrower reduces such Advances Outstanding to within such Credit Limit within 5 Business Days of the delivery of such certificate, such breach shall not constitute an Event of Default.

ARTICLE 10
YIELD PROTECTION

Section 10.01 ***Increased Costs*****.**

(a) **Increased Costs Generally.** If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance, charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof, except for Indemnified Taxes or Other Taxes covered by Section 10.02 and the imposition, or any change in the rate, of any Excluded Tax payable by such Lender; or

(iii) impose on any Lender or any applicable interbank market any other condition, cost or expense affecting this Agreement or Advances made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Advances (or of maintaining its obligation to make any such Advances), or to increase the cost of such Lender or the Swing Line Lender of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the Swing Line Lender hereunder (whether of principal, interest or any other amount), then upon request of such Lender the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) **Capital Requirements**. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Advance made by, or the Letters of Credit issued or participated in by such Lender, to a level below that which such Lender or its holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of its holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or its holding company for any such reduction suffered.

(c) **Certificates for Reimbursements**. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) **Delay in Requests**. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation, except that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefore, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the nine-month period referred to above shall be extended to include the period of retroactive effect thereof.

Section 10.02 ***Taxes***.

(a) **Payments Subject to Taxes**. If any Obligor, the Administrative Agent or any Lender is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of an Obligor hereunder or under any other Loan Document, then (i) the sum payable shall be increased by that

Obligor when payable as necessary so that after making or allowing for all required deductions and payments (including deductions and payments applicable to additional sums payable under this Section) the Administrative Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or payments been required, (ii) the Obligor shall make any such deductions required to be made by it under Applicable Laws and (iii) the Obligor shall timely pay the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) **Payment of Other Taxes by the Borrower**. Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) **Indemnification by the Borrower.** The Borrower shall indemnify the Administrative Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent or such Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) **Evidence of Payments**. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by an Obligor to a Governmental Authority, the Obligor shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) **Status of Lenders.** Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall, at the request of the Borrower, deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, (a) any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative

Agent to determine whether or not such Lender is subject to withholding or information reporting requirements, and (b) any Lender that ceases to be, or to be deemed to be, resident in Canada for purposes of Part XIII of the *Income Tax Act* (Canada) or any successor provision thereto shall within five days thereof notify the Borrower and the Administrative Agent in writing.

(f) **Treatment of Certain Refunds and Tax Reductions**. If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which an Obligor has paid additional amounts pursuant to this Section or that, because of the payment of such Taxes or Other Taxes, it has benefited from a reduction in Excluded Taxes otherwise payable by it, it shall pay to the Borrower or Obligor, as applicable, an amount equal to such refund or reduction (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or Obligor under this Section with respect to the Taxes or Other Taxes giving rise to such refund or reduction), net of all out-of-pocket expenses of the Administrative Agent or such Lender, as the case may be, and without interest (other than any net after-Tax interest paid by the relevant Governmental Authority with respect to such refund). The Borrower or Obligor as applicable, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower or Obligor (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender if the Administrative Agent or such Lender is required to repay such refund or reduction to such Governmental Authority. This paragraph shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person, to arrange its affairs in any particular manner or to claim any available refund or reduction.

(g) **FATCA**. If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable) or the requirements of an intergovernmental agreement between the United States and the country in which the Lender is resident as is necessary to establish an exemption from withholding under FATCA, such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law or applicable intergovernmental agreement (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Each

Lender agrees that if any form or certification it so previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so. Solely for the purposes of this paragraph (g), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Section 10.03 ***Mitigation Obligations: Replacement of Lenders***.

(a) **Designation of a Different Lending Office**. If any Lender requests compensation under Section 10.01, or requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 10.02, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 10.01 or Section 10.02, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) **Replacement of Lenders**. If any Lender requests compensation under Section 10.01, if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 10.02, if any Lenders obligations are suspended pursuant to Section 10.04 or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon 10 days’ notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Article 17), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(i) the Borrower pays the Administrative Agent the assignment fee specified in Section 17.01(b)(vi);

(ii) the assigning Lender receives payment of an amount equal to the outstanding principal of its Advances and participations in disbursements under Letters of Credit, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any breakage costs and amounts required to be paid under this Agreement as a result of prepayment to a Lender) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 10.01 or payments required to be made pursuant to Section 10.02, such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with Applicable Law.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Section 10.04 ***Illegality.*** If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make or maintain any Advance (or to maintain its obligation to make any Advance), or to participate in, issue or maintain any Letter of Credit (or to maintain its obligation to participate in or to issue any Letter of Credit), or to determine or charge interest rates based upon any particular rate, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender with respect to the activity that is unlawful shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if conversion would avoid the activity that is unlawful, convert any Advances, or take any necessary steps with respect to any Letter of Credit in order to avoid the activity that is unlawful. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted. Each Lender agrees to designate a different lending office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

Section 10.05 ***Inability to Determine Rates, etc.*** If the Administrative Agent determines that for any reason a market for bankers' acceptances does not exist at any time or the Lenders cannot for other reasons, after reasonable efforts, readily sell bankers' acceptances or perform their other obligations under this Agreement with respect to bankers' acceptances, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the Borrower's right to request the acceptance of bankers' acceptances shall be and remain suspended until the Administrative Agent determines and notifies the Borrower and each Lender that the condition causing such determination no longer exists.

ARTICLE 11
RIGHT OF SETOFF

Section 11.01 ***Right of Setoff.*** If an Event of Default has occurred and is continuing, each of the Lenders and each of their respective Affiliates is hereby authorized at anytime and from time to time to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of any Obligor against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender has made any demand under this Agreement or any other Loan Document and although such obligations of the Obligor may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each the Lenders and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff, consolidation of accounts and bankers' lien) that the Lenders or their respective Affiliates may have. Each Lender agrees to promptly notify the Borrower and the Administrative Agent after any such setoff and application, but the failure to give such notice shall not affect the validity of such setoff and application. If any Affiliate of a Lender exercises any rights under Article 11, it shall share the benefit received in accordance with Article 12 as if the benefit had been received by the Lender of which it is an Affiliate.

ARTICLE 12
SHARING OF PAYMENTS

Section 12.01 ***Sharing of Payments by Lenders.*** If any Lender, by exercising any right of setoff or counterclaim or otherwise, obtains any payment or other reduction that might result in such Lender receiving payment or other reduction of a proportion of the aggregate amount of its Advances under the Syndicated Portion and accrued interest thereon or other obligations hereunder greater than its Applicable Percentage share thereof as provided herein, then the Lender receiving such payment or other reduction shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Advance of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders rateably in accordance with the aggregate amount of principal of and accrued interest on their respective Advance and other amounts owing them, provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest,

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by any Obligor pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Advances or participation in disbursements under Letters of Credit to any assignee or participant, other than to any Obligor or any Affiliate of an Obligor (as to which the provisions of this Section shall apply); and

(iii) the provisions of this Section shall not be construed to apply to (w) any payment made while no Event of Default has occurred and is continuing in respect of obligations of the Borrower to such Lender that do not arise under or in connection with the Loan Documents, (x) any payment made in respect of an obligation that is secured by a Permitted Encumbrance or that is otherwise entitled to priority over the Borrower's obligations under or in connection with the Loan Documents, (y) any reduction arising from an amount owing to an Obligor upon the termination of derivatives entered into between the Obligor and such Lender, or (z) any payment to which such Lender is entitled as a result of any form of credit protection obtained by such Lender.

The Obligors consent to the foregoing and agree, to the extent they may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Obligor rights of setoff and counterclaim and similar rights of Lenders with respect to such participation as fully as if such Lender were a direct creditor of each Obligor in the amount of such participation

ARTICLE 13
CLAWBACK

Section 13.01 ***Administrative Agent's Clawback*****.**

(a) **Funding by Lenders; Presumption by Administrative Agent**. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Advance of funds that such Lender will not make available to the Administrative Agent such Lender's share of such Advance, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with the provisions of this Agreement concerning funding by Lenders and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Advance available to the Administrative Agent, then the applicable Lender shall pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with prevailing banking industry practice on interbank compensation. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Advance included in such Advance. If the Lender does not do so forthwith, the Borrower shall pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon at the interest rate applicable to the advance in question. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that has failed to make such payment to the Administrative Agent.

(b) **Payments by Borrower; Presumptions by Administrative Agent**. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of any Lender hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute the amount due to the Lenders. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with prevailing banking industry practice on interbank compensation.

ARTICLE 14
AGENCY

Section 14.01 ***Appointment and Authority.*** Each of the Lenders and the Swing Line Lender hereby irrevocably appoints Royal Bank of Canada as the Administrative Agent to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Swing Line Lender, and the Borrower shall have no rights as a third party beneficiary of any of such provisions. In addition, the Administrative Agent shall be entitled to take such other actions as may be consented to by the Required Lenders. The parties hereto agree that effective the date of this Agreement (except as would otherwise require the taking of any action or filing of any document or notice to give effect thereto (that has not otherwise been taken) in order to preserve the benefits afforded to the Administrative Agent and the Lenders thereunder) Royal Bank of Canada shall succeed to and become vested with all of the rights, powers, privileges and duties of the rights and obligations of Canadian Imperial Bank of Commerce, in its capacity as prior Administrative Agent, pursuant to this Agreement and the other Loan Documents (provided that Canadian Imperial Bank of Commerce, in its capacity as prior Administrative Agent shall continue to hold such rights and obligations under any Loan Documents entered into prior to the date hereof which are not otherwise automatically succeeded to and vested with Royal Bank of Canada as successor Administrative Agent or which would otherwise require the taking of any action or filing of any document or notice to give effect thereto (that has not otherwise been taken) in order to preserve the benefits afforded to the Administrative Agent and the Lenders thereunder and shall continue to hold any Guarantees, Security and other Loan Documents and related registrations for the benefit of itself and the other Lenders as the “Administrative Agent” thereunder (and shall be entitled to the rights and benefits of an Administrative Agent hereunder in respect thereof)).

Section 14.02 ***Rights as a Lender.*** The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Obligor or any Affiliate thereof as if such Person were not the Administrative Agent and without any duty to account to the Lenders.

Section 14.03 ***Exculpatory Provisions***.

(1) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents), but the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the person serving as the Administrative Agent or any of its Affiliates in any capacity.

(2) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as is necessary, or as the Administrative Agent believes in good faith is necessary, under the provisions of the Loan Documents) or (ii) in the absence of its own gross negligence or wilful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing the Default is given to the Administrative Agent by the Borrower or a Lender.

(3) Except as otherwise expressly specified in this Agreement, the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition specified in this Agreement, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 14.04 ***Reliance by Administrative Agent.*** The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of an Advance, that by its terms must be fulfilled to the satisfaction of a Lender or the Swing Line Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Swing Line Lender unless the Administrative Agent shall have received notice to the contrary from such Lender or the Swing Line Lender prior to the making of such Advance. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 14.05 ***Indemnification of Administrative Agent.*** Each Lender agrees to indemnify the Administrative Agent and hold it harmless (to the extent not reimbursed by the Borrower), rateably according to its Applicable Percentage (and not jointly or jointly and severally) from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel, which may be incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Loan Documents or the transactions therein contemplated. However, no Lender shall be liable for any portion of such losses, claims, damages, liabilities and related expenses resulting from the Administrative Agent's gross negligence or wilful misconduct.

Section 14.06 ***Delegation of Duties.*** The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent from among the Lenders (including the Person serving as Administrative Agent) and their respective Affiliates. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The provisions of this Article and other provisions of this Agreement for the benefit of the Administrative Agent shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Section 14.07 ***Replacement of Administrative Agent*****.**

(1) The Administrative Agent may at any time give notice of its resignation to the Lenders, the Swing Line Lender and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a Lender having an office in Toronto, Ontario or Montréal, Québec, or an Affiliate of any such Lender with an office in Toronto or Montréal. The Administrative Agent may also be removed at any time by the Required Lenders upon 30 days' notice to the Administrative Agent and the Borrower as long as the Required Lenders, in consultation with the Borrower, appoint and obtain the acceptance of a successor within such 30 days, which shall be a Lender having an office in Toronto or Montréal, or an Affiliate of any such Lender with an office in Toronto or Montréal.

(2) If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications specified in Section 14.07(1), <u>provided</u> that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) all payments, communications and determinations provided to be

made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in the preceding paragraph.

(3) Upon a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the former Administrative Agent, and the former Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided in the preceding paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the termination of the service of the former Administrative Agent, the provisions of this Article 14 and of Article 16 shall continue in effect for the benefit of such former Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the former Administrative Agent was acting as Administrative Agent.

Section 14.08 ***Non-Reliance on Administrative Agent and Other Lenders.*** Each Lender and the Swing Line Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the Swing Line Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 14.09 ***Collective Action of the Lenders.*** Each of the Lenders hereby acknowledges that to the extent permitted by Applicable Law, any collateral security and the remedies provided under the Loan Documents to the Lenders are for the benefit of the Lenders collectively and acting together and not severally and further acknowledges that its rights hereunder and under any collateral security are to be exercised not severally, but by the Administrative Agent upon the decision of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents). Accordingly, notwithstanding any of the provisions contained herein or in any collateral security, each of the Lenders hereby covenants and agrees that it shall not be entitled to take any action hereunder or thereunder including, without limitation, any declaration of default hereunder or thereunder but that any such action shall be taken only by the Administrative Agent with the prior written agreement of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents). Each of the Lenders hereby further covenants and agrees that upon any such written agreement being given, it shall co-operate fully with the Administrative Agent to the extent requested by the Administrative Agent. Notwithstanding the foregoing, in the absence of instructions from the Lenders and where in the sole opinion of the Administrative Agent, acting reasonably and in good faith, the exigencies of the situation warrant such action, the Administrative Agent may without notice to or consent of the Lenders take such action on behalf of the Lenders as it deems appropriate or desirable in the interest of the Lenders.

Section 14.10 ***Quebec Provisions***.

(1) Without prejudice to the foregoing, each Lender, for itself and on behalf of each of its Affiliates, hereby irrevocably appoints and authorizes the Administrative Agent (and any

successor acting as the Administrative Agent) to act as the person holding the power of attorney (in such capacity, the "**fondé de pouvoir**") or hypothecary representative, as applicable, of each Lender as contemplated under Article 2692 of the *Civil Code of Quebec*, and to enter into, to take and to hold on their behalf, and for their benefit, each hypothec granted by the Borrower or a Guarantor under the *Civil Code of Quebec* (a "**Hypothec**") to secure any obligations under the Loan Documents, and to exercise such powers and duties which are conferred upon the fondé de pouvoir or hypothecary representative, as applicable, under each Hypothec. Moreover, each Lender, for itself and on behalf of each of its Affiliates referred to above, hereby irrevocably appoints and authorizes the Administrative Agent (and any successor acting as the Administrative Agent) (in such capacity, the "**Custodian**") to act as agent and custodian for and on behalf of the Lenders to hold and to be the sole registered holder of any debenture or bond which may be issued under any Hypothec, the whole notwithstanding Section 32 of the *Act Respecting the Special Powers of Legal Persons* (Quebec) or any other applicable Law. In this respect, (i) records shall be kept indicating the names and addresses of, and the pro rata portion of the obligations and indebtedness secured by any pledge of any such debenture or bond and owing to each Lender, and (ii) each Lender will be entitled to the benefits of any collateral covered by any Hypothec and will participate in the proceeds of realization of any such collateral, the whole in accordance with the terms hereof.

(2) Each of the fondé de pouvoir, hypothecary representative and the Custodian shall (a) exercise, in accordance with the terms hereof, all rights and remedies given to the fondé de pouvoir, hypothecary representative and the Custodian (as applicable) with respect to the collateral under any Hypothec, any debenture or bond or pledge thereof relating to any Hypothec, applicable Laws or otherwise, (b) benefit from and be subject to all provisions hereof with respect to the Administrative Agent mutatis mutandis including, without limitation, all such provisions with respect to the liability or responsibility to and indemnification by the Lenders, and (c) be entitled to delegate from time to time any of its powers or duties under any Hypothec, any debenture or bond or pledge thereof relating to any Hypothec, applicable Laws or otherwise and on such terms and conditions as it may determine from time to time. Any person who becomes a Lender, for itself and on behalf of its Affiliates referred to above, shall be deemed to have consented to and confirmed: (i) the fondé de pouvoir and the hypothecary representative (as applicable) and to have ratified, as of the date it becomes a Lender, all actions taken by the fondé de pouvoir and the hypothecary representative (as applicable); and (ii) the Custodian as the agent and custodian as aforesaid and to have ratified, as the date it becomes a Lender, all actions taken by the Custodian in such capacity.

(3) The Administrative Agent accepts the foregoing appointments as fondé de pouvoir, hypothecary representative and Custodian and agrees to act in such capacities.

(4) The execution by the fondé de pouvoir, hypothecary representative or Custodian, prior to this Agreement of any deeds of hypothec or other security documents is hereby ratified and confirmed.

ARTICLE 15
NOTICES

Section 15.01 *Notices: Effectiveness; Electronic Communication*.

(a) **Notices Generally** Except in the case of notices and other communications expressly permitted to be given by telephone (and except as-provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, or sent by telecopier to the addresses or telecopier numbers specified on the relevant signature page hereto or, if to an Obligor other than the Borrower, in care of the Borrower.

Notices sent by hand or overnight courier service shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given on a Business Day between 9:00 a.m. and 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) **Electronic Communications**. Notices and other communications to the Lenders and the Swing Line Lender hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender of Advances to be made if such Lender has notified the Administrative Agent that it is incapable of receiving notices by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) **Change of Address, Etc**. Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

ARTICLE 16
EXPENSES

Section 16.01 ***Expenses; Indemnity; Damage Waiver***.

(a) **Costs and Expenses**. The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Swing Line Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable out-of-pocket expenses incurred by the Administrative Agent, any Lender or the Swing Line Lender, including the reasonable fees, charges and disbursements of counsel, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Advances made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Advances.

(b) **Indemnification by the Borrower.** The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the Swing Line Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Obligor arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby, (ii) any Advance or the use or proposed use of the proceeds therefrom (including any refusal by the Swing Line Lender to honour a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by any Obligor, or any Environmental Liability related in any way to any Obligor, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by an Obligor and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Obligor against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Obligor has obtained a final and nonappealable judgment in its favour on such claim as determined by a court of competent jurisdiction, nor shall it be available in respect of matters specifically addressed in Section 10.01, Section 10.02(a) and Section 16.01(a).

(c) **Reimbursement by Lenders**. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under paragraph (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the Swing Line Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Swing Line Lender or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or the Swing Line Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or Swing Line Lender in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the other provisions of this Agreement concerning several liability of the Lenders.

(d) **Waiver of Consequential Damages, Etc.** To the fullest extent permitted by Applicable Law, the Obligors shall not assert, and hereby waive, any claim against any Indemnitee, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, any Advance or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) **Payments**. All amounts due under this Section shall be payable promptly after demand therefor. A certificate of the Administrative Agent or a Lender setting forth the amount or amounts owing to the Administrative Agent, Lender or a sub-agent or Related Party, as the case may be, as specified in this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error.

ARTICLE 17
SUCCESSORS AND ASSIGNS

Section 17.01 *Successors and Assigns*.

(a) **Successors and Assigns Generally**. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Obligor may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, express or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders**. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances at the time owing to it); provided that

(i) except if an Event of Default has occurred and is continuing or in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Advances at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender the aggregate amount of the Commitment being assigned (which for this purpose includes Advances outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consent to a lower amount (each such consent not to be unreasonably withheld or delayed);

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Advances or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate credits on a non-*pro rata* basis;

(iii) any assignment of a Commitment relating to a credit under which Letters of Credit may be issued must be approved by the Swing Line Lender (such approval not to be unreasonably withheld or delayed) unless the Person that is the proposed assignee is itself already a Lender with a Commitment under that credit;

(iv) any assignment must be approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed) unless:

(x) in the case of an assignment of a Commitment relating to a revolving credit, the proposed assignee is itself already a Lender with the same type of Commitment,

(y) no Event of Default has occurred and is continuing, and the assignment is of a Commitment relating to a non-revolving credit that is fully advanced, or

(z) the proposed assignee is a bank whose senior, unsecured, non-credit enhanced, long term debt is rated at least A3, A- or A low by at least two of Moody's Investor Services Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Dominion Bond Rating Service Limited, respectively;

(v) any assignment must be approved by the Borrower (such approval not to be unreasonably withheld or delayed) unless the proposed assignee is itself already a Lender with the same type of Commitment or a Default has occurred and is continuing; and

(vi) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of $2,500.00, and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement and the other Loan Documents, including any collateral security, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Article 10 and Article 16 and shall continue to be liable for any breach of this Agreement by such Lender, with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section. Any payment by an assignee to an assigning Lender in connection with an assignment or transfer shall not be or be deemed to be a repayment by the Borrower or a new Loan to the Borrower.

(c) **Register**. The Administrative Agent shall maintain at one of its offices in Toronto, Ontario or Montréal, Québec a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations**. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person, an Obligor or any Affiliate of an Obligor) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Advances owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any payment by a Participant to a Lender in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower or a new Loan to the Borrower.

Subject to paragraph (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Article 10 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Article 11 as though it were a Lender, provided such Participant agrees to be subject to Article 12 as though it were a Lender.

(e) **Limitations upon Participant Rights**. A Participant shall not be entitled to receive any greater payment under Section 3.01 and Section 3.02 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent.

(f) **Certain Pledges**. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, but no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

ARTICLE 18
GOVERNING LAW

Section 18.01 ***01Governing Law: Jurisdiction: Etc***.

(a) **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 that Province.

(b) **Submission to Jurisdiction**. Each Obligor irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province of Ontario and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Obligor or its properties in the courts of any jurisdiction.

(c) **Waiver of Venue**. Each Obligor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Laws, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

ARTICLE 19
WAIVER OF JURY TRIAL

Section 19.01 ***Waiver of Jury Trial.*** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER

LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

ARTICLE 20
COUNTERPARTS

Section 20.01 ***Counterparts: Integration: Effectiveness: Electronic Execution*****.**

(a) **Counterparts: Integration: Effectiveness**. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in the conditions precedent Section(s) of this Agreement, this Agreement shall become effective when it has been executed by the Administrative Agent and when the Administrative Agent has received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) **Electronic Execution of Assignments**. The words “execution,” signed,” “signature,” and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act*, 2000 (Ontario) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada or its *Uniform Electronic Evidence Act*, as the case may be.

ARTICLE 21
CONFIDENTIALITY

Section 21.01 ***Treatment of Certain Information: Confidentiality***.

(1) Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to it, its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Article, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap, derivative, credit-linked note or similar transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Article or (y) becomes available to the Administrative Agent or any Lender on a non-confidential basis from a source other than an Obligor.

(2) For purposes of this Section, "**Information**" means all information received in connection with this Agreement from any Obligor relating to any Obligor or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Article shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Administrative Agent may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers.

(3) In addition, and notwithstanding anything herein to the contrary, the Administrative Agent may provide the information described on Schedule 11 concerning the Borrower and the credit facilities established herein to Loan Pricing Corporation and/or other recognized trade publishers of information for general circulation in the loan market.

ARTICLE 22
MISCELLANEOUS

Section 22.01 ***Amendment.*** No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by the Borrower, any Guarantor, or any Property Owner therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders (or by the Administrative Agent at the written request of the Required Lenders) and the Borrower, and to the extent necessary in the circumstances, the Guarantors, and the Property Owners, or any one or more of them, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such waiver, amendment, or consent shall, unless in writing and signed by all of the Lenders affected thereby and acknowledged by the Administrative Agent, do any of the following:

(a) increase or extend any Commitment of any Lender;

(b) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees, or other amounts due hereunder or under any other Loan Document;

(c) reduce the principal of, or the rate of interest on, any loan or other extension of credit hereunder, or reduce any fees or other amounts payable hereunder or under any other Loan Document;

(d) change the percentage of the Commitments that is required to take any action hereunder;

(e) amend, modify or waive this Section or any provision of the Agreement providing for consent or other action by all Lenders;

(f) release any Security except as otherwise expressly permitted under this Agreement;

(g) change the definition of "Required Lenders";

(h) release the Borrower or any Guarantor from any obligation under this Agreement, or any other Loan Documents; and

(i) amend the conditions precedent to inclusion in the Secured Asset Pool set out in Section 6.02;

and, provided further, however, that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent, or Swing Line Lender, affect the rights or duties of the Administrative Agent, or Swing Line Lender, as applicable, under this Agreement or any other Loan Document. The foregoing notwithstanding, any amendment, modification, waiver, consent, termination, or release of, or with respect to, any provision of this Agreement or any other Loan Document that relates only to the relationship of the Lenders among themselves, and that does not affect the rights or obligations of the Borrower, the Guarantors, or the Property Owners shall not require consent by, or the agreement of the Borrower, the Guarantors, or the Property Owners.

Section 22.02 ***Waiver.*** No failure on the part of the Administrative Agent or a Lender to exercise, and no delay in exercising, any right under this Agreement or any of the Loan Documents shall operate as a waiver of such right; nor shall any single or partial exercise of any right under any of the Loan Documents preclude any other or further exercise of such right or the exercise of any other right.

Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties shall not merge on and shall survive the initial Advance and, notwithstanding such initial Advance or any investigation made by or on behalf of any party, shall continue in full force and effect. The closing of this transaction shall not prejudice any right of one party against any other party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

Section 22.03 ***Notices.*** Prior to the receipt of any Notice, the Administrative Agent may act upon the basis of a notice by telephone (containing the same information as required to be contained in such Notice) believed by it in good faith to be from an authorized Person representing the Borrower. In the event of a conflict between the Administrative Agent's record of any Advance and the Notice, the Administrative Agent's record shall prevail, absent manifest error.

Section 22.04 ***Judgment Currency.*** If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due to a Lender in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, such Lender could purchase the Original Currency with the Other Currency on the Business Day preceding the day on which final judgment is given or, if permitted by Applicable Law, on the day on which the judgment is paid or satisfied.

The obligations of the Borrower in respect of any sum due in the Original Currency from it to a Lender under any of the Loan Documents shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by such Lender of any sum adjudged to be so due in the Other Currency, such Lender may, in accordance with normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to such Lender in the Original Currency, the Borrower agrees, as a separate obligation and notwithstanding the judgment, to indemnify such Lender, against any loss, and, if the amount of the Original Currency so purchased exceeds the sum originally due to such Lender in the Original Currency, the Lender shall remit such excess to the Borrower.

Section 22.05 ***Interest on Accounts.*** Except as may be expressly provided otherwise in this Agreement, all amounts owed by the Borrower to a Lender, which are not paid when due (whether at stated maturity, on demand, by acceleration or otherwise) shall (to the extent permitted by Law) bear interest (both before and after default and judgment), from the date on which such amount is due until such amount is paid in full, payable on demand, at the Default Interest Rate.

Section 22.06 ***No Personal Liability of Trustees or Unitholders of CSH Trust.*** The Administrative Agent and the Lenders hereby acknowledge that the CSH Trustees are entering into this Agreement and each other Loan Document to which CSH Trust is a party solely on behalf of CSH Trust in their capacity as the trustees of CSH Trust. The Administrative Agent and the Lenders hereby disavow any liability upon, and waive any claim against, the CSH

Trustees personally, the officers, employees and agents of CSH Trust, and holders of units of CSH Trust and annuitants under plans of which holders of units of CSH Trust act as trustee or carrier and the obligations created hereunder and under the other Loan Documents are not personally binding upon, nor shall resort be had to, nor shall recourse or satisfaction be sought from, the private property of any CSH Trustee or officer, employee or agent of CSH Trust or any holder of units of CSH Trust or annuitant, but the property of CSH Trust from time to time or specific portions thereof only shall be bound. It is agreed that the benefit of this provision is restricted to the CSH Trustees and officers, employees and agents of CSH Trust, each holder of units of CSH Trust and annuitants and solely for that purpose, the undersigned authorized signing officer of CSH Trust has entered into this Agreement and the other Loan Documents as agent and trustee for and on behalf of the CSH Trustees, each holder of units of CSH Trust and each annuitant.

Section 22.07 ***No Personal Liability of Trustees or Unitholders of GP M Trust.*** The Administrative Agent and the Lenders hereby acknowledge that the trustee of GP M Trust is entering into this Agreement and each other Loan Document to which GP M Trust is a party solely on behalf of GP M Trust in its capacity as the trustee of GP M Trust. The Administrative Agent and the Lenders hereby disavow any liability upon, and waive any claim against, the trustee of GP M Trust personally, the beneficiary of GP M Trust, and holders of units of GP M Trust and annuitants under plans of which holders of units of GP M Trust act as trustee or carrier and the obligations created hereunder and under the other Loan Documents are not personally binding upon, nor shall resort be had to, nor shall recourse or satisfaction be sought from, the private property of the trustee of GP M Trust or officer of GP M Trust or the beneficiary of GP M Trust, or any holder of units of GP M Trust or annuitant, but the property of GP M Trust from time to time or specific portions thereof only shall be bound. It is agreed that the benefit of this provision is restricted to the trustee of GP M Trust and officers of GP M Trust, the beneficiary of GP M Trust, each holder of units of GP M Trust and annuitants and solely for that purpose, the undersigned authorized signing officer of GP M Trust has entered into this Agreement and the other Loan Documents as agent and trustee for and on behalf of the trustee of GP M Trust, each holder of units of GP M Trust and each annuitant.

Section 22.08 ***No Personal Liability of Limited Partners of Borrower***. The Administrative Agent and the Lenders hereby acknowledge that the general partner of the Borrower is entering into this Agreement and each other Loan Document to which the Borrower is a party solely on behalf of the Borrower in its capacity as the general partner of the Borrower. The Administrative Agent and the Lenders hereby disavow any liability upon, and waive any claim against, the limited partners of the Borrower personally, or officers, employees or agents of the Borrower and the obligations created hereunder and under the other Loan Documents are not personally binding upon, nor shall resort be had to, nor shall recourse or satisfaction be sought from, the private property of any limited partner of the Borrower or officer, employee or agent of the Borrower, but the property of the Borrower and its general partner, GP M Trust, from time to time or specific portions thereof only shall be bound. It is agreed that the benefit of this provision is restricted to the limited partners of the Borrower and officers, employees and agents of the Borrower and solely for that purpose, the undersigned authorized signing officer of Chartwell Master Care Corporation, in its capacity as trustee of GP M Trust, in its capacity as general partner of the Borrower has entered into this Agreement and the other Loan Documents as agent for and on behalf of the Borrower.

Section 22.09 ***Preservation of Rights.*** Notwithstanding the foregoing, Section 22.06, Section 22.07 and Section 22.08 shall not be construed to (i) prohibit the Administrative Agent or any Lender from naming or adding any such trustee in any proceeding or enforcement action to enforce its rights under this Agreement and other Loan Documents or realize on the Security or to prohibit or limit the exercise and enforcement of any or all of the Administrative Agent's or such Lender's rights against the assets of CSH Trust, GP M Trust or Chartwell RR or the Borrower or any other Guarantor, (ii) prevent the Administrative Agent or any Lender from commencing proceedings against the CSH Trustees or trustees of GP M Trust or trustees of Chartwell RR or the Borrower or any Guarantor to the extent necessary to enforce or realize under the Security, or (iii) in any way limit recourse by the Administrative Agent or any Lender against the Borrower or the Guarantors (other than CSH Trust, GP M Trust and Chartwell RR) and any other Person (other than CSH Trust, GP M Trust and Chartwell RR) in respect of the Credit Facilities.

Section 22.10 ***Acknowledgement of Limited Partnership.*** The Administrative Agent and the Lender hereby acknowledge that CSH Trust is a limited partner of the Borrower and that holders of Class B units from time to time of the Borrower are limited partners of the Borrower.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective authorized officers as of the date first above written.

[remainder of page intentionally left blank]

CHARTWELL MASTER CARE CORPORATION, in its capacity as sole trustee of GP M Trust, in its capacity as sole general partner of CHARTWELL MASTER CARE LP, as Borrower

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

Address for Borrower, and all Property Owners, Guarantors, and Related Entities:

Suite 700, 100 Milverton Drive
Mississauga, ON L5R 4H1

CHARTWELL MASTER CARE CORPORATION, in its capacity as sole trustee of GP M TRUST, as Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CSH TRUST, as Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CHARTWELL BENCO INC., as Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CHARTWELL MASTER CARE CORPORATION, as Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CHARTWELL RETIREMENT RESIDENCES, as Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

1231436 ONTARIO LIMITED, in its capacity as Property Owner and Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

1187655 ONTARIO LIMITED, in its capacity as Property Owner and Guarantor

Per ______________________________
Authorized Signing Officer

Per ______________________________
Authorized Signing Officer

1192473 ONTARIO LIMITED, in its capacity as Property Owner and Guarantor

Per ______________________________
Authorized Signing Officer

Per ______________________________
Authorized Signing Officer

1179298 ONTARIO LIMITED, in its capacity as Property Owner and Guarantor

Per ______________________________
Authorized Signing Officer

Per ______________________________
Authorized Signing Officer

9145-4066 QUÉBEC INC.,
in its capacity as the general partner of SOCIÉTÉ EN COMMANDITE LE DUPLESSIS, as Property Owner and Guarantor

Per ______________________________
Authorized Signing Officer

Per ______________________________
Authorized Signing Officer

CSH BARCLAY HOUSE INC, as Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CSH GLACIER RIDGE INC., in its capacity as Property Owner and Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CSH COLLEGIATE HEIGHTS INC., in its capacity as Property Owner and Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

1081195 ONTARIO INC., in its capacity as Property Owner and Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CSH BRIDLEWOOD INC., in its capacity as Property Owner and Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CSH ROYAL OAK LTC INC., in its capacity as Property Owner and Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

GUELPH RETIREMENT HOME INC., in its capacity as Property Owner and Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CSH SELECT THUNDER BAY INC., in its capacity as Property Owner and Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CSH SOUTHWIND RETIREMENT RESIDENCE INC., in its capacity as Property Owner and Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CSH CARRINGTON HOUSE INC., in its capacity as Property Owner and Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CSH AURORA RESTHAVEN INC., in its capacity as Property Owner and Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CSH BON-AIR INC., in its capacity as Property Owner and Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CSH NORTH YORK LTC INC., in its capacity as Property Owner and Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CSH COLONEL BELCHER INC., in its capacity as Property Owner and Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CSH EAU CLAIRE INC., in its capacity as Property Owner and Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

CSH (ISABELLA) INC., in its capacity as Property Owner and Guarantor

Per ______________________________

Authorized Signing Officer

Per ______________________________

Authorized Signing Officer

ROYAL BANK OF CANADA

Per ______________________________
Authorized Signing Officer

JOHN CARERE
AUTHORIZED SIGNATORY

Per ______________________________
Authorized Signing Officer

Address
RBC Capital Markets – Corporate Banking
P.O. Box 50, 200 Bay Street
Royal Bank Plaza, 4th floor, South Tower
Toronto, ON M5J 2W7

CANADIAN IMPERIAL BANK OF COMMERCE

____
Authorized Signing Officer

____
Authorized Signing Officer

Address
CIBC Real Estate Finance Division
100 University Avenue, North Tower, 2nd Floor
Toronto, ON M5J 2X4

BANK OF NOVA SCOTIA

____
Authorized Signing Officer

____
Authorized Signing Officer

Address
Scotiabank
Global Banking and Markets
40 King Street West, 62nd Floor
Scotia Plaza
Toronto, ON M5W 2X6

ROYAL BANK OF CANADA

Per ______________________________
Authorized Signing Officer

Per ______________________________
Authorized Signing Officer

Address
RBC Capital Markets – Corporate Banking
P.O. Box 50, 200 Bay Street
Royal Bank Plaza, 4th floor, South Tower
Toronto, ON M5J 2W7

CANADIAN IMPERIAL BANK OF COMMERCE

____
Authorized Signing Officer **Peter Block**
Authorized Signatory

____
Authorized Signing Officer Rocco Calarco
Authorized Signatory

Address
CIBC Real Estate Finance Division
100 University Avenue, North Tower, 2nd
Floor
Toronto, ON M5J 2X4

BANK OF NOVA SCOTIA

____
Authorized Signing Officer

____
Authorized Signing Officer

Address
Scotiabank
Global Banking and Markets
40 King Street West, 62nd Floor
Scotia Plaza
Toronto, ON M5W 2X6

ROYAL BANK OF CANADA

Per ______________________________
Authorized Signing Officer

Per ______________________________
Authorized Signing Officer

Address
RBC Capital Markets – Corporate Banking
P.O. Box 50, 200 Bay Street
Royal Bank Plaza, 4th floor, South Tower
Toronto, ON M5J 2W7

CANADIAN IMPERIAL BANK OF COMMERCE

____
Authorized Signing Officer

____
Authorized Signing Officer

Address
CIBC Real Estate Finance Division
100 University Avenue, North Tower, 2nd Floor
Toronto, ON M5J 2X4

BANK OF NOVA SCOTIA

____
Authorized Signing Officer
Frank Ottavino
Managing Director

A. Stinson
____
Authorized Signing Officer
Allison Stinson
Associate Director

Address
Scotiabank
Global Banking and Markets
40 King Street West, 62nd Floor
Scotia Plaza
Toronto, ON M5W 2X6

ROYAL BANK OF CANADA as Swing Line Lender

Per ______________________________

JOHN CARERE
AUTHORIZED SIGNATORY

Address
RBC Capital Markets – Corporate Banking
P.O. Box 50, 200 Bay Street
Royal Bank Plaza, 4th floor, South Tower
Toronto, ON M5J 2W7

ROYAL BANK OF CANADA as Administrative Agent

Per ______________________________

Address
Royal Bank of Canada
4th Floor, 20 King Street West,
Toronto, Ontario M5H 1C4
Attention: Manager, Agency Services Group
Facsimile: 416-842-4023

ROYAL BANK OF CANADA as Swing Line Lender

Per ______________________________

Address
RBC Capital Markets – Corporate Banking
P.O. Box 50, 200 Bay Street
Royal Bank Plaza, 4th floor, South Tower
Toronto, ON M5J 2W7

ROYAL BANK OF CANADA as Administrative Agent

Per ______________________________
Ann Hurley
Manager, Agency

Address
Royal Bank of Canada
4th Floor, 20 King Street West,
Toronto, Ontario M5H 1C4
Attention: Manager, Agency Services Group
Facsimile: 416-842-4023

Schedule 1

FORM OF JOINDER AGREEMENT

TO: ROYAL BANK OF CANADA (the "**Administrative Agent**")

RE: Credit Agreement made as of June 1, 2015 among, *inter alia,* Chartwell Master Care LP, as Borrower, the Administrative Agent and Royal Bank of Canada, Canadian Imperial Bank of Commerce and Bank of Nova Scotia as Lenders pursuant to which the Lenders agreed to make a revolving term credit facility available to the Borrower (as it may be supplemented, amended, otherwise modified or restated from time to time, the "**Credit Agreement**")

WHEREAS • (the "**Owner**") is a **corporation/limited partnership]** existing under the laws of • and is a Property Owner as the **[legal and beneficial owner of]** or **[registered owner as legal title nominee and bare trustee of]** the Property described in Schedule "A" hereto to be included in the Secured Asset Pool;

AND WHEREAS pursuant to Section 5.01 of the Credit Agreement, the Owner is required to enter into this Agreement;

AND WHEREAS it is in the best interests of the Owner, as a Subsidiary of the Borrower to become a Guarantor under the Credit Agreement and to grant to the Lenders and the Administrative Agent the Security;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owner hereby:

1. agrees that capitalized terms used but not defined herein shall have the meanings herein as given such terms in the Credit Agreement;

2. agrees, acknowledges and confirms to and in favour of the Lenders and the Administrative Agent that it hereby assumes, and hereby agrees to perform and observe, each and every one of the covenants, agreements, terms, conditions, obligations and liabilities of a Property Owner and Guarantor under the Credit Agreement and all the other Loan Documents applicable to it as a Property Owner and Guarantor as if it were an original signatory to the Credit Agreement as a Guarantor and hereby expressly affirms, agrees to, gives and agrees to be bound by, as of the date hereof, each of the covenants, agreements, terms, conditions, obligations and liabilities by and of a Guarantor and Property Owner under the Credit Agreement;

3. agrees, acknowledges and confirms to and in favour of the Lenders and Administrative Agent that as of the date hereof all references to the term "Property Owner" or "Guarantor" in the Credit Agreement or any other Loan Document, or in any document or instrument executed and delivered or furnished, or to be executed and delivered or furnished, in connection therewith shall be deemed to be references to, and shall include, the Owner;

4. represents and warrants to the Lenders and Administrative Agent, acknowledging that the Lenders and Administrative Agent are relying thereon without independent inquiry in making Advances from time to time and continuing to provide the Revolving Term Facility under the Credit Agreement, that the representations and warranties set forth in Article 7 of the Credit Agreement being made by each Guarantor are hereby made by it and incorporated by reference herein and are true and correct on and as of the date hereof with the same effect as if made on and as of the date hereof and set out in their entirety herein **[, except that: •]**;

5. represents and warrants to the Lenders and Administrative Agent, acknowledging that the Lenders and Administrative Agent are relying thereon without independent inquiry in making Advances from time to time and continuing the Revolving Term Facility under the Credit Agreement, that:

   (a) the execution and delivery by the Owner of this Agreement and the performance by the Owner of its obligations under this Agreement and the Credit Agreement, as a Property Owner and Guarantor (i) have been duly authorized by all necessary corporate action, (ii) do not contravene any provision of **[its articles, by-laws, any unanimous agreement of all the shareholders]** or **[the partnership agreement or trust declaration]** of the Owner or any law, decree, order, rule or regulation of the Provinces of **[Ontario]** or **[Manitoba]** or **[•]** or any other Applicable Law applicable to the Owner, (iii) will not constitute, or result in a breach of, or a default under, or be in conflict with, any Material Contract, and (iv) will not result in, require or permit (A) the imposition of any Encumbrance upon or with respect to any assets now owned or hereafter acquired by the Owner (other than the Security), (B) the acceleration of the maturity of any Indebtedness of, binding on or affecting the Owner or any assets of the Owner or (C) any third party to terminate or acquire rights under any Material Contract;

   (b) all consents, authorizations and approvals from Governmental Authorities and other Persons that are required to have been obtained by the Owner and all filings with or notices to all Governmental Authorities that are required with respect to the due execution, delivery and performance by the Owner of this Agreement, the Credit Agreement, the Security and the other Loan Documents to which the Owner is or becomes upon execution of this Agreement, a party and the registration of the Security have been duly obtained or given (as applicable) and are in full force and effect and all conditions of each such consent and authorizations have been complied with and no registration, qualification, designation, declaration or filing with any Governmental Authority is or was necessary to enable or empower the Owner to enter into and to perform its obligations under this

   (c) Agreement, the Credit Agreement and the other Loan Documents to which the Owner is a party except such as have been made or obtained and are in full force and effect, unamended; and

   (d) this Agreement, the Security and the other Loan Documents to which the Owner is a party (or deemed to have become a party by virtue of this Agreement) have been duly executed and delivered by the Owner and each is a legal, valid and binding obligation of the Owner enforceable against the Owner in accordance with its terms, except to the extent such enforcement may be restricted by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and subject to the discretion of a court in regard to equitable remedies, including the remedy of specific performance.

6. agrees, acknowledges and confirms to and in favour of the Lenders and Administrative Agent that all terms and conditions contained in the Credit Agreement shall be deemed to have been amended, as of the date hereof, to reflect the foregoing, to the extent required by the context;

7. agrees to execute and deliver all such further documents and assurances from time to time as the Lenders may consider, acting reasonably, necessary or desirable to effect the purposes of this Agreement, specifically including, without limiting the generality of the foregoing, an amendment to the Credit Agreement (or an amended and restated credit agreement) as the Lenders may determine, acting reasonably, to be necessary or desirable in the context of the foregoing and the Revolving Term Facility;

8. agrees to pay all reasonable legal and other out-of-pocket expenses incurred by, or on behalf of, the Lenders and Administrative Agent in connection with this Agreement and all documents and matters contemplated hereby;

9. agrees that this Agreement shall be governed by the laws of the Province of Ontario; and

10. agrees that this Agreement shall be binding on the Owner and its successors and assigns and shall enure to the benefit of the Lenders and their successors and assigns.

IN WITNESS WHEREOF this Agreement has been executed and delivered by the Owner under the hands of its properly authorized officers this ____ day of ________________, 20___.

[INSERT NAME OF CORPORATION/ LIMITED PARTNERSHIP]

By: ________________________________
Name:
Title:

Address: •

Schedule 2

PROPERTIES

Properties to be included in the Secured Asset Pool.

	NAME OF RESIDENCE	ADDRESS OF PROPERTY	REGISTERED OWNER	BENEFICIAL OWNER	FIRST MORTGAGE PROPERTY	SECOND MORTGAGE PROPERTY
1.	The Barton Retirement Home	17290 Leslie St., Newmarket, ON	1231436 Ontario Limited	Chartwell Master Care LP		√
2.	Bayview Retirement Home	435 Dundas St. W., Belleville, ON	1187655 Ontario Limited	Chartwell Master Care LP		√
3.	James Street Place	148, 158 and 160 James St., Bracebridge, ON	1192473 Ontario Limited	Chartwell Master Care LP		√
4.	The Parkway Retirement Centre	1645 Pickering Parkway, Pickering, ON	1179298 Ontario Limited	Chartwell Master Care LP		√
5.	Duplessis	20 Duplessis Boulevard, Cap de la Madeleine, PQ	Société en commandite Le Duplessis	Registered Owner		√
6.	Barclay House	600 Chippewa Street West, North Bay, ON	CSH Barclay House Inc.	Chartwell Master Care LP	√	
7.	Glacier Ridge	1261 Jasper Dr., Thunder Bay, ON	CSH Glacier Ridge Inc.	Chartwell Master Care LP	√	
8.	Collegiate Heights	95 Fauquier Avenue, Sault Ste. Marie, ON	CSH Collegiate Heights Inc.	Chartwell Master Care LP	√	
9.	Willowdale Retirement Residence	9 Armstrong Drive, Smith Falls, ON	1081195 Ontario Inc.	Chartwell Master Care LP	√	

	NAME OF RESIDENCE	ADDRESS OF PROPERTY	REGISTERED OWNER	BENEFICIAL OWNER	FIRST MORTGAGE PROPERTY	SECOND MORTGAGE PROPERTY
10.	Bridlewood Retirement Residence	2998 Bridle Path Drive, Gloucester, ON	CSH Bridlewood Inc.	Chartwell Master Care LP		√
11.	Royal Oak LTC Facility	1750 Division Road North, Kingston, ON	CSH Royal Oak LTC Inc.	Chartwell Master Care LP		√
12.	Wellington Park Terrace	181 Janefield Avenue, Guelph, ON	Guelph Retirement Home Inc.	Chartwell Master Care LP		√
13.	Chartwell Select Thunder Bay Retirement Residence	770 Arundel Street, Thunder Bay, ON	CSH Select Thunder Bay Inc.	Chartwell Master Care LP	√	
14.	Southwinds Retirement Residence	1645 Paris Street, Sudbury, ON	CSH Southwind Retirement Residence Inc.	Chartwell Master Care LP		√
15.	Carrington House Retirement Residence, and Carrington Suites Retirement Residence	32700 7th Avenue, and 32679 6th Avenue, Mission, BC	CSH Carrington House Inc.	Chartwell Master Care LP	√	
16.	Aurora Resthaven LTC Facility	32 Mill Street, Aurora, ON	CSH Aurora Resthaven Inc.	Chartwell Master Care LP		√
17.	Bon Air LTC Facility	131 Laidlaw Street South, Cannington, ON	CSH Bon-Air Inc.	Chartwell Master Care LP	√	
18.	Gibson LTC Facility	1925 Steeles Avenue East, Toronto, ON	CSH North York LTC Inc.	Chartwell Master Care LP	√	
19.	Colonel Belcher Retirement Residence (Leasehold Interest)	1945 Veterans Way NW, Calgary, AB	CSH Colonel Belcher Inc.	Chartwell Master Care LP		√
20.	Eau Claire Retirement Residence	301 7th Street SW, Calgary, AB	CSH Eau Claire Inc.	Chartwell Master Care LP		√

	NAME OF RESIDENCE	ADDRESS OF PROPERTY	REGISTERED OWNER	BENEFICIAL OWNER	FIRST MORTGAGE PROPERTY	SECOND MORTGAGE PROPERTY
21.	Isabella	1350 Isabella St. E., Thunder Bay, Ontario	CSH (Isabella) Inc.	Chartwell Master Care LP	√	

Schedule 3

FIRST MORTGAGE ENCUMBRANCES AND OTHER LISTED ENCUMBRANCES IN RESPECT OF PROPERTIES TO BE INCLUDED IN THE SECURED ASSET POOL AND IN RESPECT OF ADDITIONAL PROPERTIES

	PROPERTY	ENCUMBRANCES
1.	The Barton Retirement Home 17290 Leslie Street, Newmarket, Ontario	1. Instrument No. R144947Z registered September 7,1973 being Restrictive Covenants. 2. Instrument No. LT1532124 registered September 29, 2000 being a Charge in favour of The Canada Life Assurance Company. 3. Instrument No. LT1532125 registered September 29, 2000 being a Notice of General Assignment of Rents in favour of The Canada Life Assurance Company. 4. Instrument No. YR24614 registered July 20, 2001 being a Transfer of Easement in favour of Rogers Cable Inc. 5. Instrument No. YR572041 registered December 3, 2004 being a Charge in favour of Canadian Imperial Bank of Commerce. 6. Instrument No. YR753435 registered December 21, 2005 being a Notice of Agreement between 1231436 Ontario Limited and The Canada Life Assurance Company
2.	Bayview Retirement Home 435 Dundas Street West, Belleville Ontario	1. Instrument No. QR549169 registered November 13, 1997 being a Site Plan Agreement between 1187655 Ontario Limited and The Corporation of the City of Belleville. 2. Instrument No. QR550097 registered December 10, 1997 being an Easement in favour of The Public Utilities Commission of the City of Belleville. 3. Instrument No. QR567869 registered May 10, 1999 being a Site Plan Agreement between The Corporation of the City of Belleville and 1187655 Ontario limited. 4. Instrument No. QR576503 registered December 23, 1999 being a Notice of Claim with respect to Instrument No. 550097. 5. Instrument No. QR653481 registered December 3, 2004 being a Charge in favour of Canadian Imperial Bank of Commerce. 6. Instrument No. HT138524 registered April 23, 2013 being a Charge in favour of Desjardins Financial Security Life Assurance Company. 7. Instrument No. HT138525 registered April 23, 2013 being a Notice of General Assignment of Rents in favour of Desjardins Financial Security Life Assurance Company.

		8. Instrument No. HT138530 registered April 23, 2013 being a Postponement granted by Canadian Imperial Bank of Commerce of its Charge No. QR653481 to Instrument Nos. HT138524 and HT138525 in favour of Desjardins Financial Security Life Assurance Company.
3.	James Street Place 148, 158 and 160 James Street, Bracebridge, Ontario	1. Instrument No. DM243167 registered July 19, 1990 being a Site Plan Agreement between Alert Care Corporation and the Town of Bracebridge. 2. Instrument No. DM340859 registered August 1 4, 2002 being a Site Plan Agreement between 1192473 Ontario Limited and the Town of Bracebridge. 3. Instrument No. DM343324 registered November 12, 2002 being a Charge in favour of The Canada Life Assurance Company. 4. Instrument No. DM343325 registered November 12, 2002 being a General Assignment of Rents in favour of The Canada Life Assurance Company. 5. Instrument No. DM363070 registered December 3, 2004 being a Charge in favour of The Canadian Imperial Bank of Commerce. 6. Instrument No. LT250264 registered March 15, 2005 being a Notice of Amending Agreement between 1192473 Ontario Limited and The Canada Life Assurance Company
4.	The Parkway Retirement Centre 1645 Pickering Parkway, Pickering, Ontario	1. Instrument No. LTD2684 registered April 16, 1975 being a Subdivision Agreement between Rockport Holdings Limited and The Corporation of the Town of Pickering. 2. Instrument No. LT330361Z registered June 12, 1987 being Restrictive Covenants. 3. Instrument No. LT626325 registered December 22, 1992 being a Transfer of Easement in favour of The Corporation of the Town of Pickering. 4. Instrument No. LT730965 registered September 1, 1995 being an Easement Agreement between the Brownstones Inc., Rockport Holdings Limited and Eastville Holdings Limited. 5. Instrument No. LT734174 registered October 4, 1995 being a Development Agreement between The Brownstones Inc., The Corporation of the Town of Pickering and Rockport Holdings Limited. 6. Instrument No. LT868411 registered September 8, 1998 being a Site Plan Agreement between Rockport Holdings Limited and The Corporation of the Town of Pickering. 7. Instrument No. LT910082 registered July 22, 1999 being a Charge/Mortgage of Land in favour of Canada Life Mortgage Services Ltd.

		8. Instrument No. LT910083 registered July 22, 1999 being a Notice of General Assignment of Rents in favour of Canada Life Mortgage Services Ltd. 9. Instrument No. LT959248 registered May 30, 2000 being a Notice Agreement between 1179298 Ontario Limited and Canada Life Mortgage Services Ltd. 10. Instrument No. LT961141 registered June 7, 2000 being a Transfer of Easement in favour of Shaw Cablesystems Company. 11. Instrument No. LT1003022 registered December 15, 2000 being a Notice of Agreement in favour of the Corporation of the City of Pickering. 12. Instrument No. DR326692 registered October 7, 2004 being a Transfer of Charge from Canada Life Mortgage Services Inc. to First National Financial Corporation. 13. Instrument No. DR326695 registered October 7, 2004 being a Notice of Assignment of Rents-General in favour of First National Financial Corporation 14. Instrument No. DR344859 registered December 3, 2004 being a Charge in favour of Canadian Imperial Bank of Commerce. 15. Instrument No. DR429011 registered September 19, 2005 being a Notice of Airport Zoning Regulations. 16. Instrument No. DR666683 registered November 21, 2007 being a Transfer of Charge from First National Financial Corporation to First National Financial GP Corporation. 17. Instrument No. DR666684 registered November 21, 2007 being a Notice of Agreement between First National Financial Corporation to First National Financial GP Corporation. 18. Instrument No. DR671214 registered December 4, 2007 being a Notice of Agreement between 1179298 Ontario Limited and First National Financial GP Corporation. 19. Instrument No. DR934653 registered September 14, 2010 being a Transfer of Charge from First National Financial GP Corporation to The Manufacturers Life Insurance Company. 20. Instrument No. DR934654 registered September 14, 2010 being a Notice of Assignment of Rents-General in favour of The Manufacturers Life Insurance Company.
5.	Residence Duplessis S.E.N.C. 20 Duplessis Blvd., Cap-de-la-Madelei ne,	1. Public utility servitudes (telephone and electricity) under the terms of deeds registered at the Land Registry Office for the Registration Division of Champlain under numbers 38808, 53105, 63529 and 85349.

	Quebec	2. Servitude restricting navigation on any flooded piece of land and providing for the right to install anchorage points within 20 feet of the highwater mark, under the terms of a deed registered at the Land Registry Office for the Registration Division of Champlain on February 4, 1920 under number 70889. 3. Servitude prohibiting the use to operate a grocery store or parking for such type of store not including, however, a convenience store having a maximum superficies of 3,000 sq. ft., so long as it is for the use of the residents only and not publicized on the exterior of the building, under the terms of a deed registered at the Land Registry Office for the Registration Division of Champlain under number 238017, as amended by deed registered under number 392363 and as further amended by a deed of renunciation by Ivanhoe Immobilier (1998) Inc. to the real and perpetual servitudes of use restrictions created in favour of parcels of land formerly registered under the name of Steinberg's Properties limited and which affected a part of the Property, which said deed of renunciation was registered by way summary at Land Registry Office for the Registration Division of Champlain on September 13, 2006 under number 13 641 305. 4. lease registered at the Land Registry Office for the Registration Division of Champlain on March 19, 1990 under number 340735, granted to 2746-2753 Quebec Inc., for a term of 3 years starting on April 1, 1990, with an option to purchase the Property. 5. Sublease registered at the Land Registry Office for the Registration Division of Champlain on October 3, 1991 under number 351557, granted by 2746-2753 Quebec Inc. to Gestion Jean Sigman Inc. for a term of 3 years, starting on October 1, 1990, which said sublease was registered at the Land Registry Office for the Registration Division of Champlain under number 351 557. 6. Lease registered at the Land Registry Office for the Registration Divison of Champlain on November 8, 1999 under number 391118, granted to 2841-1056 Quebec Inc. for a term of 5 years, starting on June 1st. 1997, with one option to renew for a term of 4 years. 7. Servitude of passage in favour of lot 407-105 of the Official Revised Cadastre of the Cite du Cap-de-la -Madeleine, as dominant land, against a part of lots 407-137, 407 -A-9, 407 -A-10 of the said Cadastre, resulting from the deed registered at the Land Registry Office for the Registration Division of Champlain under number 207986. 8. Deed dated December 9, 2004, granted by Société en Commandite le Duplessis, as borrower, in favour of Desjardins Financial Security Life Assurance Company, as lender, to which intervened Chartwell Master Care LP, CSH

		Trust and Chartwell Seniors Housing Real Estate Investment Trust registered at the Land Registry Office for the Registration Division of Champlain under number 11 940 494, as supplemented by a Deed of Extension of Term and Re-hypothecation dated June 12,. 2014 and registered at the Land Registry Office for the Registration Division of Champlain under number 20 826 468. 9. Servitude of passage by foot and with vehicles of any nature whatsoever against a part of lot 5 381 158 of the Cadastre of Quebec, as servient land, in favour of the Property resulting from the deed registered at the Land Registry Office for the Registration Division of Champlain under 20 526 797. 10. Cadastral Notice registered at the Land Registry Office for the Registration Division of Champlain under number 12 179 030. 11. Deed of Hypothec and Issue of Mortgage Bonds by Societe en Commandite Le Duplessis in favour of Canadian Imperial Bank of Commerce entered into on March 18, 2005, and registered at the Land Registry Office for the Registration Division of Champlain under number 12 179 358. 12. Deed of Amendment and of Hypothec between Canadian Imperial Bank of Commerce and Societe en Commandite Le Duplessis entered into on March 30, 2005, and registered at the Land Registry Office for the Registration Division of Champlain under number 12 179 031.
6.	Barclay House 600 Chippewa Street West, North Bay, Ontario	1. Instrument No. BS386 registered on March 21, 2005, being a Charge in favour of Canadian Imperial Bank of Commerce.
7.	Glacier Ridge 1261 Jasper Dr. Thunder Bay, ON	1. Instrument No. F109674 registered on March 28, 2002, being a Transfer of Easement in favour of Greek Orthodox Community of the Holy Trinity Non-Profit Housing Corporation. 2. Instrument No. F109675E registered on March 28, 2002, being a Transfer of Easement in favour of the Corporation of the City of Thunder Bay. 3. Instrument No. TY10890 registered on July 19, 2005 being a Charge in favour of Canadian Imperial Bank of Commerce.
8.	Collegiate Heights 95 Fauquier Avenue Sault Sle. Marie, ON	1. Instrument No. T458989 registered on June 29, 2005 being a Charge in favour of Canadian Imperial Bank of Commerce.
9.	Willowdale Retirement Residence 9 Armstrong Drive	1. Instrument No. RS109950 registered on September 4, 1987, being a Subdivision Agreement with the Town of Smiths Falls.

	Smith Falls, ON	2. Instrument No. RS109955 registered on September 8, 1987, being a Subdivision Agreement with the Town of Smiths Falls. 3. Instrument No. RS111063 registered on November 10, 1987, being a Site Plan Control Agreement with the Town of Smiths Falls. 4. Instrument No, RS111064 registered on November 10, 1987, being a By-Law relating to the property. 5. Instrument No. RS111065 registered on November 10, 1987, being an Agreement with the Town of Smiths Falls. 6. Instrument No. RS111066 registered on November 10, 1987, being an Agreement with the Town of Smiths Falls. 7. Instrument No. LC54025 registered on November 17, 2006, being a Charge in favour of Canadian Imperial Bank of Commerce.
10.	Bridlewood Retirement Residence 3998 Bridle Path Drive Gloucester, ON	1. Instrument No. GL74226 registered on April 6, 1964, being a Department of Transportation Zoning Regulation. 2. Instrument No. LT165195 registered on October 19, 1977, being Notice of an Agreement with the Corporation of the Township of Gloucester. 3. Instrument No. LT166235 registered on November 1, 1977, being Notice of an Agreement with the Regional Municipality of Ottawa-Carleton. 4. Instrument Nos. LT279135 registered on February 11, 1982, LT283396 registered on March 26, 1982, and LT283397 registered on March 26, 1982, being amendments to zoning regulations. 5. Instrument No. LT1340978 registered on November 21, 2000, being Notice of an Agreement with the Corporation of the City of Gloucester. 6. Instrument No. LT1407570 registered on July 24, 2001, being a Transfer of Easement in favour of Rogers Cable Inc. 7. Instrument No. OC661459 registered on November 17, 2006, being a Charge in favour of Canadian Imperial Bank of Commerce. 8. Instrument No. OC1135995 registered on July 16, 2010 being a Notice of Airport Zoning Regulations. 9. Instrument No. OC1444302 registered on January 10, 2013, being a Charge in favour of Desjardins Financial Security Life Assurance Company. 10. Instrument No. OC1444306 registered on January 10, 2013,

		being a Notice of General Assignment of Rents in favour of Desjardins Financial Security Life Assurance Company. 11. Instrument No. OC1444407 registered January 10, 2013 being a Postponement granted by Canadian Imperial Bank of Commerce of its Charge No. OC661459 to Instrument Nos. OC1444302 and OC1444306 in favour of Desjardins Financial Security Life Assurance Company
11.	Royal Oak LTC Facility 1750 Division Road North Kingsville, ON	1. A Right of Way over Part 6 on Plan 12R20470 as Instrument No. CE9823, such Right of Way being set out in the thumbnail description of the property. 2. Instrument No. LT387783 registered on January 3, 2003, being Notice of an Agreement with the Corporation of the Town of Kingsville. 3. Instrument No. CE139726 registered on April 11, 2005, being a Charge in favour of CIBC Mortgages Inc. 4. Instrument No. CE139727 registered on April 11, 2005, being a General Assignment of Rents in favour of CIBC Mortgages Inc. 5. Instrument No. CE247280 registered November 17, 2006, being a Charge in favour of Canadian Imperial Bank of Commerce
12.	Wellington Park Terrace 181 Janefield Avenue Guelph, ON	1. Instrument No. MS57023 registered July 8, 1966. being a By-Law relating to the property. 2. Instrument No. LT14325 registered on April 22. 1999, being a By-Law relating to the property. 3. Instrument No. LT23644 registered on November 22, 1999, being Notice of an Agreement with the Corporation of the City of Guelph. 4. Instrument No. WC110483 registered on August 25, 2005, being a Transfer of Easement in favour of the Corporation of the City of Guelph. 5. Instrument No. WC134379 registered on April 13, 2006, being a Transfer of Easement in favour of Rogers Cable Communications Inc. 6. Instrument No. WC238925 registered on March 10, 2009, being a Charge in favour of Canadian Imperial Bank of Commerce 7. Instrument No. WC243602 registered on May 4, 2009, being Notice of Airport Zoning Regulations registered by Her Majesty the Queen in Right of Canada. 8. Instrument No. WC329826 registered on December 1, 2011, being a Charge in favour of Desjardins Financial Security Life Assurance Company.

		9. Instrument No. WC329835 registered on December 1, 2011, being a Notice of General Assignment of Rents in favour of Desjardins Financial Security Life Assurance Company. 10. Instrument No. WC329883 registered December 1, 2011 being a Postponement granted by Canadian Imperial Bank of Commerce of its Charge No. WC238925 to Instrument Nos. WC329826 and WC329835 in favour of Desjardins Financial Security Life Assurance Company
13.	Chartwell Select Thunder Bay Retirement Residence 770 Arundel Street Thunder Bay, ON	1. Instrument No. F124032 registered December 1, 2003, being a Transfer of Easement in favour of Thunder Bay Hydro Electric Distribution Inc. 2. Instrument No. TY875 registered December 8, 2004, being Notice of an Agreement relating to the property. 3. Instrument No. TY16058 registered October 19, 2005, being Notice of an Agreement relating to the property. 4. Instrument No. TY25975 registered May 8, 2006, being a Transfer of Easement in favour of The Corporation of the City of Thunder Bay 5. Instrument No. TY66307 registered July 8, 2008, being a Notice of Option to Purchase in favour of Chartwell Master Care Corporation. 6. Instrument No. TY109284 registered October 4, 2010, being a Charge in favour of Canadian Imperial Bank of Canada.
14.	Southwinds Retirement Residence 1645 Paris Street, Sudbury, ON	1. Instrument No. LT792059 registered September 7, 1994, being Notice of an Agreement with The Corporation of the City of Sudbury. 2. Instrument No. LT946848 registered March 17, 2003, being Notice of an Agreement with The City of Greater Sudbury. 3. Instrument No. SD73640 registered March 8, 2007, being a Charge in favour of Industrial Alliance Insurance and Financial Services Inc. 4. Instrument No. SD73641 registered March 8, 2007, being a General Assignment of Rents in favour of Industrial Alliance Insurance and Financial Services Inc. 5. Instrument No. SD212891 registered November 3, 2011, being a Charge in favour of Canadian Imperial Bank of Commerce.
15.	Carrington House Retirement Residence and Carrington Suites Retirement Residence 32700 7th Avenue, and 32679 61h Avenue,	1. Instrument No. BT349441 registered September 25, 2002, being a Covenant in favour of Home Owner Protection Office. 2. Instrument No. BX464593 registered July 12, 2005, being a Covenant in favour of the District of Mission, British Columbia.

	Mission, BC	3. Instrument No. BX488335 registered September 29, 2005, being a Covenant in favour of Home Owner Protection Office. 4. Instrument No. BAS89927 registered December 18, 2006, being a Statutory Right of Way in favour of Shaw Cable Systems Limited. 5. Instrument No. CA2257919 registered November 2, 2011, being a Mortgage in favour of Canadian Imperial Bank of Commerce. 6. Instrument No. CA2257920 registered November 2, 2011, being an Assignment of Rents in favour of Canadian Imperial Bank of Commerce.
16.	Aurora Resthaven LTC Facility 32 Mill Street Aurora, ON	1. Instrument No. B49437B registered June 5, 1968, being a By-Law designating an area of subdivision control. 2. Instrument No. YR258640 registered January 22, 2003, being Notice of a Site Plan Agreement with the Corporation of the Town of Aurora. 3. Instrument No. YR2048663 registered October 18, 2013, being a Charge/Mortgage of land in favour of Computershare Trust Company of Canada. 4. Instrument No. YR2048664 registered October 18, 2013, being a General Assignment of Rents in favour of Computershare Trust Company of Canada. 5. Instrument No. YR2183940 registered September 8, 2014, being a Charge/Mortgage of land in favour of Canadian Imperial Bank of Commerce.
17.	Bon Air LTC Facility 131 Laidlaw Street South Cannington, ON	1. Instrument No. DR1052268 registered December 22, 2011, being a Transfer of Easement in favour of Veridian Connections Inc. 2. Instrument No. DR1297539 registered September 8, 2014, being a Charge in favour of Canadian Imperial Bank of Commerce.
18.	Gibson LTC Facility 1925 Steeles Avenue East Toronto, ON	1. Instrument No. NY565318 registered September 30, 1969, being an Agreement relating to a Zoning Amendment. 2. Instrument No. NY756835 registered March 5, 1979, being an Agreement relating to a Zoning Approval to allow for a personal care residence. 3. Instrument No. TR40938 registered April 30, 1999, being Notice of a Lease with Clearnet PCS Inc. 4. Instrument No. TR78243 registered June 25, 2001, being Notice of a Lease With Clearnet Inc. 5. Instrument No. AT397743 registered January 30, 2004, being

		Notice of a Consent Agreement with the City of Toronto. 6. Instrument No. AT3687910 registered September 15, 2014, being a Charge in favour of Canadian Imperial Bank of Commerce.
19.	Colonel Belcher Retirement Residence (Leasehold Interest) 1945 Veterans Way NW Calgary AB	1. Instrument No. 011 312 776 registered October 30, 2001, being an Easement for the benefit of Lot 4 on Plan 0110748 and Leasehold Interest in lot 3 on Plan 0110748. 2. Instrument No. 021 170 538 registered May 17, 2002, being an Easement in favour of Alberta Health Services. 3. Instrument No. 111 163 718 registered June 29, 2011, being a Mortgage in favour of Sun Life Assurance Company of Canada. 4. Instrument No. 111 163 719 registered June 29, 2011 , being an Assignment of Rents and Leases in favour of Sun Life Assurance Company of Canada. 5. Instrument No. 151 072 450 registered March 13, 2015, being a Mortgage in favour of Canadian Imperial Bank of Commerce.
20.	Eau Claire Retirement Residence 301 7th Street SW Calgary, AB	1. Instrument No. 121 029 740 registered February 2, 2012, being a Mortgage in favour of Desjardins Financial Security Life Assurance Company. 2. Instrument No. 121 029 741 registered February 2, 2012, being an Assignment of Rents and leases in favour of Desjardins Financial Security Life Assurance Company. 3. Instrument No. 141 247 541 registered September 17, 2014, being a Mortgage in favour of Canadian Imperial Bank of Commerce.
21.	1350 Isabella St. E., Thunder Bay, Ontario	1. Instrument No. TY104389 registered July 5, 2010, being a Notice of Agreement between Isabella Developments Inc. and The Corporation of the City of Thunder Bay.

SCHEDULE 4

COMPLIANCE CERTIFICATE

Quarter Ending:

1) Debt Service Coverage Entire Portfolio (Minimum of 1.25:1)

A	Resident Rental and Ancillary Revenue	$
B	Direct Operating Expenses	$
C	Property Lease Expenses	$
D	Actual Interest Expense	$
E	Actual Contractual Principal Payments	$
F	Ratio ((A – B – C) / (D + E))	: 1

2) Adjusted Consolidated Unitholders Equity: (Minimum of $375,000,000)

A	Consolidated Unitholders Equity (as per balance sheet)	$
B	Fair Value Adjustments for gains on convertible debentures, interest rate swaps, long term incentive plan units, Class B units, Deferred Trust Units and Subscription Receipts	$
C	Fair Value Adjustments for losses on convertible debentures, Interest rate swaps, long term incentive plan units, Class B units, Deferred Trust Units and Subscription Receipts	$
D	Adjusted Consolidated Unitholders' Equity (A-B+C)	$

3) Payout Ratio (AFFO) - Not to exceed 100% on an annual basis (Dec 31)

A)	Adjusted Funds From Operations	$
B)	Cash Distributions Declared	$
C)	Distribution Payout Ratio (B / A)	%

4) Leverage Ratio: (Not to exceed 60% excluding or 65% including Convertible Debentures)

A)	Consolidated Debt (excluding Convertible Debentures)	$
B)	Consolidated Debt (including Convertible Debentures)	$
C)	Consolidated Gross Book Value of Assets	$

D)	Consolidated Accumulated Depreciation	$
E)	Adjusted Consolidated Gross Book Value of Assets (C + D)	$
F)	Consolidated Debt to Adjusted Consolidated Gross Book Value of Assets (A/E) (Excluding Convertible Debentures)	%
G)	Consolidated Debt to Adjusted Consolidated Gross Book Value of Assets (B/E) (Including Convertible Debentures)	%

5) Certification:

The Borrower does hereby represent, warrant, confirm, and certify that

1. All of the representations and warranties set out in the Credit Agreement remain true and correct on the date of this Compliance Certificate as though they were made on this date;

2. The Borrower has complied with, and as of the date of this Compliance Certificate, is continuing to comply with all of the covenants of the Borrower set out in the Credit Agreement;

3. All conditions precedent to a Drawdown as set out in the Credit Agreement, have been satisfied, and continue to be satisfied as of the date of this Compliance Certificate;

4. As of the date of this Compliance Certificate, no Event of Default has occurred and remains outstanding, nor has any event occurred that with the passing of time would be an Event of Default; and

5. All of the information set out and certified in this Compliance Certificate, and on any accompanying reports, is true and complete in all respects.

This Compliance Certificate Is delivered to you In accordance with the Amended and Restated Credit Agreement made as of June 1, 2015, as amended, (the "Credit Agreement"). All capitalized terms in this Compliance Certificate shall have the same meaning as in the Credit Agreement. The Borrower acknowledges that the Administrative Agent and the lenders are relying upon the representations, warranties, confirmations, and certifications set out in this Compliance Certificate.

CHARTWELL MASTER CARE LP

Per: ______________________________

Schedule 5

Form of Assignment and Assumption Agreement

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the "Assignor") and [Insert name of Assignee] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan-transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (I) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: ______________________________

2. Assignee: ______________________________

3. Borrower(s): CHARTWELL MASTER CARE LP

4. Administrative Agent: ROYAL BANK OF CANADA, as the administrative agent under the Credit Agreement

5. Credit Agreement: Credit Agreement dated as of June 1, 2015 among Chartwell Master Care LP, the Lenders parties thereto, Royal Bank of Canada, as Administrative Agent, and the other agents parties thereto

6. Assigned Interest:

Facility Assigned[1]	Aggregate Amount of Commitment/Loans for all Lenders[2]	Amount of Commitment/Loans Assigned[3]	Percentage Assigned of Commitments/Loans[3]	CUSIP Number
	$	$	%	
	$	$	%	
	$	$	%	

[7. Trade Date: ______________________________][4]

Effective Date: __________, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By: ________________________________
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By: ________________________________
Title:

[Consented to and][5] Accepted:

[NAME OF ADMINISTRATIVE AGENT],
as Administrative Agent

By: ________________________________
Title:

1 Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. “Revolving Credit Commitment,” “Term Loan Commitment,” etc.)

2 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

3 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

4 To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

5 To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, and (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 8.01(b) thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this

Assignment and Assumption by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law governing the Credit Agreement.

Schedule 6

LENDER COMMITMENTS

Lender	Revolving Term Facility - Swing Line Portion	Revolving Term Facility – Syndicated Portion	Total Commitment
Royal Bank of Canada	$10,000,000*	$50,000,000*	$60,000,000
Bank of Nova Scotia	**Nil**	$30,000,000	$30,000,000
Canadian Imperial Bank of Commerce	**Nil***	$60,000,000*	$60,000,000
All Lenders	$10,000,000	$140,000,000	$150,000,000

- **The Swing Line Portion allocated to Canadian Imperial Bank of Commerce at any time shall equal the face amount of Existing Letters of Credit at such time (and correspondingly the Revolving Term Facility Commitment of Canadian Imperial Bank of Commerce at any time shall be automatically reduced by the face amount of Existing Letters of Credit at such time). The Swing Line Portion allocated to Royal Bank of Canada at any time shall be reduced by the face amount of Existing Letters of Credit at such time (and correspondingly the Revolving Term Facility Commitment of Royal Bank of Canada at any time shall be automatically increased by the face amount of Existing Letters of Credit at such Time).**

Schedule 7

Form of Conversion Notice

Date: [•]

TO: ROYAL BANK OF CANADA, as Administrative Agent
Attn: Senior Deal Manager, Fax No. 416-842-4023

FROM: CHARTWELL MASTER CARE LP

1. This Notice is delivered to you in accordance with Article 2 of the Amended and Restated Credit Agreement made June 1, 2015 (the "**Agreement**"). All terms that are defined in the Agreement have the same meaning as in the Agreement.

2. We hereby request a Conversion of an outstanding Advance under the Agreement as follows:

   (a) Conversion Date •;

   (b) Maturing Loan Type •;

   (c) Conversion Loan Type •;

   (d) Amount of Conversion •;

   (e) Interest Period (converting to BAs only) •;

   (f) RBC account and transit # •.

3. We hereby certify that,

   (a) all of the representations and warranties set out in Article 7 in the Agreement remain true and correct on the date of this Notice as though they were made on that date;

   (b) the Borrower has complied with and as of the date of this Notice is continuing to comply with all of the covenants of the Borrower set out in Article 8 of the Agreement;

   (c) all conditions precedent to a Conversion as set out in Article 14 of the Agreement have been satisfied and continue to be satisfied as of the date of this Notice;

   (d) as of the date of this Notice, no act or event of default has occurred and remains outstanding, nor has any event occurred that with the passing of time would be an act or event of default.

CHARTWELL MASTER CARE LP

Per: ______________________________ c/s
Authorized Officer

Schedule 8

Form of Drawdown Notice

Date: [•]

TO: ROYAL BANK OF CANADA, as Administrative Agent
Attn: Senior Deal Manager, Fax No. 416-842-4023

FROM: CHARTWELL MASTER CARE LP

1. This Notice is delivered to you in accordance with Article 2 of the Amended and Restated Credit Agreement made June 1, 2015 (the "**Agreement**"). All terms that are defined in the Agreement have the same meaning as in the Agreement.

2. We hereby request a Drawdown as follows:

   (a) Drawdown Date [•];

   (b) Drawdown Type (i.e. BA or Prime) :

   (c) Amount of Drawdown [•];

   (d) Interest Period (for BA only) [•];

   (e) RBC account # and transit to be credited [•].

3. We hereby certify that,

   (a) all of the representations and warranties set out in Article 7 in the Agreement remain true and correct on the date of this Notice as though they were made on that date;

   (b) the Borrower has complied with and as of the date of this Notice is continuing to comply with all of the covenants of the Borrower set out in Article 8 of the Agreement;

   (c) all conditions precedent to a Drawdown as set out in Article 6 of the Agreement have been satisfied and continue to be satisfied as of the date of this Notice;

   (d) as of the date of this Notice, no act or event of default has occurred and remains outstanding, nor has any event occurred that with the passing of time would be an act or event of default.

CHARTWELL MASTER CARE LP

Per: ______________________________ c/s
Authorized Officer

Schedule 9

Form of Rollover Notice

Date: [•]

TO: ROYAL BANK OF CANADA, as Administrative Agent
Attn: Senior Deal Manager, Fax No. 416-842-4023

FROM: CHARTWELL MASTER CARE LP

1. This Notice is delivered to you in accordance with Article 2 of the Amended and Restated Credit Agreement made the June 1, 2015 (the "**Agreement**"). All terms that are defined in the Agreement have the same meaning as in the Agreement.

2. We hereby request a Rollover of an outstanding Advance under the Agreement as follows:

   (a) Rollover Date •;

   (b) Maturing Loan Type •;

   (c) Amount of Rollover •;

   (d) Interest Period (for BAs only) •;

   (e) RBC account and transit # •.

3. We hereby certify that,

   (a) all of the representations and warranties set out in Article 7 in the Agreement remain true and correct on the date of this Notice as though they were made on that date;

   (b) the Borrower has complied with and as of the date of this Notice is continuing to comply with, all of the covenants of the Borrower set out in Article 8 of the Agreement;

   (c) all conditions precedent to a Rollover as set out in Article 6 of the Agreement have been satisfied and continue to be satisfied as of the date of this Notice;

   (d) as of the date of this Notice, no act or event of default has occurred and remains outstanding, nor has any event occurred that with the passing of time would be an act or event of default.

CHARTWELL MASTER CARE LP

Per: ______________________________ c/s
Authorized Officer

Schedule 10

Acceptance Note

TO: ROYAL BANK OF CANADA

DATE: CHARTWELL MASTER CARE LP

FOR VALUE RECEIVED, the undersigned, •, hereby unconditionally promises to pay to the order of [**Lender**] (the “**Lender**”) the principal amount of • CANADIAN DOLLARS (Cdn. $•). The undiscounted principal amount hereof shall be repaid on •. The undersigned agrees that interest shall be paid herein, in advance, by the Lender discounting the face amount of this Note in the manner described in the Credit Agreement described below.

This Acceptance Note is one of the Acceptance Notes delivered to you pursuant to Section 4.01(4) of the Amended and Restated Credit Agreement made June 1, 2015 (together with all amendments, modifications, supplements and restatements, if any, from time to time made thereto, the “**Credit Agreement**”) among Chartwell Master Care LP (the “**Borrower**”), the financial institutions named in Schedule “A” to the Credit Agreement (the “**Lenders**”), and Royal Bank of Canada as Administrative Agent. Unless otherwise defined herein or the context otherwise requires capitalized terms used herein which are defined in the Credit Agreement have the respective meanings provided in the Credit Agreement.

All parties hereto, whether as makers, endorsers, or otherwise, severally waive presentment for payment, demand, protest, notice of protest, notice of non-payment and notice of dishonour.

THIS NOTICE HAS BEEN DELIVERED IN TORONTO, ONTARIO AND SHALL BE DEEMED TO BE A CONTRACT NAME UNDER AND GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

CHARTWELL MASTER CARE LP

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

Schedule 11

Disclosure Information

Company Level

Issuer Name
Location
SIC (Cdn)
Identification Number(s)
Revenue

*Measurement of Risk
- S&P Sr. Debt
- S&P Issuer
- Moody's Sr. Debt
- Moody's Issuer
- Fitch Sr. Debt
- Fitch Issuer
- S&P Implied (internal assessment)
- DBRS

Other Ratings
*Industry Classification
- Moody's Industry
- S&P Industry

Parent
Financial Rations

Deal Specific

Current/Amount
Date
Purpose
Sponsor
Financial Covenants

Target Company
Assignment Language
Law Firms
MAC Clause
Springing lien
Cash Dominion
Mandatory Prepays
Restrct'd Payments (Neg Covs)

Other Restrictions

Facility Specific

Currency/Amount
Type
Purpose
Tenor
Term Out Option
Expiration Date
Facility Signing Date
Pricing
- Base Rate(s)/Spread(s)BA/LIBOR
- Initial Pricing Level
- Pricing Grid (tied to, levels)
- Grid Effective Date

Fees
- Participation Fee (tiered also)

Commitment Fee

Annual Fee
- Utilization Fee
- LC Fee(s)
- BA Fee

Prepayment Fee

Other Fees to Market

- Security
- Secured/Unsecured
- Collateral and Seniority of Claim
- Collateral Value

Guarantors
Lenders Names/Titles
Lender Commitment ($)
Committed/Uncommitted
Distribution method
Amortization Schedule
Borrowing Base/Advance Rates
New Money Amount
Country of Syndication
Facility Rating (Loss given default)
- S&P Bank Loan
- Moody's Bank Loan
- Fitch Bank Loan
- DBRS
- Other Ratings

Schedule 12

APPLICABLE COMMITMENT FEE/SWING LINE COMMITMENT FEE AND APPLICABLE MARGINS

Level	**1**	**2**	**3**	**4**
Total *	<50%	≥ 50% and < 55%	≥ 55% and < 60%	≥ 60%
Prime Rate Advances	65.0	70.0	75.0	80.0
BAs	165.0	170.0	175.0	180.0
Letters of Credit	165.0	170.0	175.0	180.0
Commitment Fee	33.0	34.0	35.0	36.0

*Total Leverage Ratio to be calculated including convertible debentures (i.e. Consolidated Debt, including convertible debentures, to Adjusted Consolidated Gross Book Value of Assets).

The applicable “Commitment Fee”, “Swing Line Commitment Fee” and “Applicable Margins” are expressed herein in basis points per annum.

Schedule 13

EXISTING LETTERS OF CREDIT

Instrument Number	Balance	Currency	Canadian Equivalent	Maturity Date
SBGT738037	$45,000.00	CAD	$45,000.00	18 Jul 2015
SBGT738038	$12,000.00	CAD	$12,000.00	05 Dec 2015
SBGT738040	$18,742.00	CAD	$18,742.00	05 Jul 2015
SBGT738042	$6,000.00	CAD	$6,000.00	06 Jul 2015
SBGT738044	$38,000.00	CAD	$38,000.00	22 May 2015
SBGT738046	$66,000.00	CAD	$66,000.00	16 Feb 2016
SBGT738770	$20,000.00	CAD	$20,000.00	28 Sep 2015
SBGT740621	$20,000.00	CAD	$20,000.00	16 Jul 2015
SBGT740622	$30,000.00	CAD	$30,000.00	16 Jul 2015
SBGT740624	$53,886.18	CAD	$53,886.18	16 Jul 2015
SBGT740625	$5,000.00	CAD	$5,000.00	16 Jul 2015
SBGT740626	$25,000.00	CAD	$25,000.00	17 Jul 2015
SBGT740620	$20,000.00	CAD	$20,000.00	23 Jul 2015
SBGT742506	$59,774.30	CAD	$59,774.30	13 May 2016
SBGT745873	$136,600.00	CAD	$136,600.00	07 Jan 2016
SBGT746964	$126,000.00	CAD	$126,000.00	15 Jul 2015
SBGT747345	$132,500.00	CAD	$132,500.00	07 Sep 2015
SBGT747354	$10,000.00	CAD	$10,000.00	07 Sep 2015
SBGT748491	$53,732.63	CAD	$53,732.63	10 Apr 2016
SBGT749400	$152,700.00	CAD	$152,700.00	24 Aug 2015
SBGT749936	$40,000.00	CAD	$40,000.00	05 Dec 2015

SBGT750247	$37,140.00	CAD	$37,140.00	29 Jan 2016
SBGT750397	$37,907.25	CAD	$37,907.25	26 Feb 2016
SBGT750398	$452,552.28	CAD	$452,552.28	26 Feb 2016
SBGT752300	$44,862.33	CAD	$44,862.33	18 Nov 2015
SBGT753622	$122,702.85	CAD	$122,702.85	11 Jul 2015
SBGT755678	$1,823,616.00	CAD	$1,823,616.00	10 Jul 2015
SBGT755913	$350,447.00	CAD	$350,447.00	14 Aug 2015
SBGT740201	$798,624.00	USD	$973,921.96	23 May 2015