

**NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS OF
EXTENDICARE REAL ESTATE INVESTMENT TRUST**

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the "Meeting") of the holders of trust units and special voting units (collectively, the "Unitholders") of Extendicare Real Estate Investment Trust (the "REIT") will be held on Tuesday, June 7, 2011, at 2:30 p.m. (Toronto time) at The Gallery, TMX Broadcast Centre, 130 King Street West, Toronto, Ontario, Canada, for the following purposes:

- (1) to receive the consolidated financial statements of the REIT for the year ended December 31, 2010 and the report of the auditors thereon;
- (2) to appoint the auditors of the REIT;
- (3) to elect trustees of the REIT;
- (4) to approve an advisory (non-binding) resolution to accept the REIT's approach to executive compensation disclosed in the accompanying Management Information and Proxy Circular;
- (5) to consider and, if deemed advisable, to pass an ordinary resolution approving, ratifying and confirming the adoption by the REIT of the Unitholder Rights Plan Agreement dated as of December 15, 2010 between the REIT and Computershare Trust Company of Canada, as rights agent; and
- (6) to transact such further business as may properly come before the Meeting or any adjournment thereof.

A description of the matters to be submitted to the Meeting is contained in the Management Information and Proxy Circular accompanying this Notice of Meeting.

Unitholders who are unable to attend the Meeting in person are requested to date, sign and return the accompanying appropriate form of proxy in the envelope provided for that purpose. Proxies to be used at the Meeting must be received by Computershare Trust Company of Canada, Stock Transfer Services, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, no later than 2:30 p.m. (Toronto time) on Friday, June 3, 2011, and if the Meeting is adjourned, not less than 24 hours prior to the commencement of the adjourned Meeting. In addition, the proxy forms provide instructions on how to vote by telephone or over the internet.

If you are a new Unitholder or a non-registered Unitholder who did not elect to receive our 2010 Annual Report, you can view this report on our website at www.extendicare.com. If you wish a hard copy of this report, please contact the Secretary of the REIT at 905-470-5534.

DATED at Markham, Ontario on April 15, 2011.

By order of the Trustees of
Extendicare Real Estate Investment Trust



Jillian E. Fountain
Secretary