

LETTER OF TRANSMITTAL

This Letter of Transmittal is for use by holders of Class B limited partnership units (the “**Exchangeable LP Units**”) of Extencicare Limited Partnership (“**Extencicare LP**”) in connection with the redemption by Extencicare LP on November 10, 2011 of all of the then outstanding Exchangeable LP Units, in accordance with the Notice of Redemption of Class B Limited Partnership Units of Extencicare LP dated the 13th day of October, 2011 (the “**Notice of Redemption**”) delivered to each holder of Exchangeable LP Units herewith.

TO: EXTENCICARE LP

AND TO: EXTENCICARE REAL ESTATE INVESTMENT TRUST (“Extencicare REIT”)

AND TO: COMPUTERSHARE INVESTOR SERVICES INC. (“Computershare”)

Capitalized terms used herein which are not otherwise defined herein shall have the meanings ascribed to such terms in the Notice of Redemption which accompanies this Letter of Transmittal.

In connection with the redemption by Extencicare LP on the Redemption Date of all of the Exchangeable LP Units then outstanding for an amount per Exchangeable LP Unit equal to the Redemption Price, the undersigned hereby delivers and surrenders the below-mentioned certificate(s), which represent all of the Exchangeable LP Units registered in the name of the undersigned, excluding (for greater certainty), if the undersigned is a participant in the distribution reinvestment plan of Extencicare REIT and Extencicare LP (the “**DRIP**”), any Exchangeable LP Units held by Computershare Trust Company of Canada (“**Computershare Trust Company**”) for the account of the undersigned under the DRIP (“**DRIP Exchangeable LP Units**”). Any such DRIP Exchangeable LP Units will also be redeemed on the Redemption Date for the Redemption Price. REIT Units received in satisfaction of the Redemption Price for any such DRIP Exchangeable LP Units will continue to be held by Computershare Trust Company for the account of the undersigned under the DRIP. Cash received by Computershare Trust Company in satisfaction of the Redemption Price for any such DRIP Exchangeable LP Units will be reinvested by Computershare Trust Company in additional REIT Units, which will also be held by Computershare Trust Company for the account of the undersigned under the DRIP. Any cash distributions payable by Extencicare REIT after the Redemption Date with respect to such REIT Units and any other REIT Units of the undersigned subject to the DRIP, will be automatically reinvested by Computershare in additional REIT Units until such time as the undersigned terminates his or her participation in the DRIP.

| Unit Certificate Number | Number of Exchangeable LP Units | Registered in the Name of |
|--------------------------------|--|----------------------------------|
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Note: If space is insufficient, please attach a separate schedule to this Letter of Transmittal as outlined in Instruction 5(a).

The undersigned hereby represents and warrants that: (a) the undersigned is the owner of the number of Exchangeable LP Units represented by the certificate(s) listed above and delivered herewith; (b) such Exchangeable LP Units are owned by the undersigned with good title thereto, free and clear of all liens, restrictions, charges, encumbrances, claims and rights of others; (c) the undersigned has full power and authority to surrender said Exchangeable LP Units; and (d) upon payment of the aggregate Redemption Price therefore, Extencicare LP will acquire good title to such Exchangeable LP Units free and clear of all liens, restrictions, charges, encumbrances, claims and rights of others.

The undersigned holder of the Exchangeable LP Units irrevocably constitutes and appoints each officer of Extencicare Holding General Partner Inc. (“**Holding GP**”), the general partner of Extencicare LP, and each officer of Computershare, and any other person designated by Holding GP in writing, the true and lawful agents, attorneys and attorneys-in-fact and proxies of such holder with respect to the redemption of the Exchangeable LP Units with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable) to, in the name of and on behalf of such holder: (a) register or record the redemption of such Exchangeable LP Units on the registers of Extencicare LP or Computershare Trust Company, as Extencicare LP’s transfer agent and registrar; (b) execute, endorse and negotiate any instruments representing the Redemption Price payable to or to the order of or endorsed in favour of such holder; and (c) exercise any rights of such holder with respect to such Exchangeable LP Units and the aggregate Redemption Price therefore.

The covenants, representations and warranties of the undersigned herein contained shall survive the Redemption Date and the redemption by Extencicare LP of the undersigned’s Exchangeable LP Units.

The undersigned revokes any and all authority, other than as granted in this Letter of Transmittal, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the undersigned at any time with respect to the Exchangeable LP Units or any unpaid distributions on such Exchangeable LP Units as of the Redemption Date (the “**Distributions**”). No subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, will be granted with respect to the Exchangeable LP Units or any Distributions by or on behalf of such holder, unless the aggregate Redemption Price to which the undersigned is entitled is not paid in accordance with the terms of the Exchangeable LP Units. Each authority conferred or agreed to be conferred by the undersigned in this Letter of Transmittal survives the death or incapacity of the undersigned and any obligation of the undersigned hereunder is binding upon the heirs, legal representatives, successors and assigns of the undersigned.

The undersigned holder of Exchangeable LP Units covenants and agrees to execute all such further documents, transfers and other assurances as may be necessary or desirable to effect the redemption of the Exchangeable LP Units.

The undersigned holder of Exchangeable LP Units instructs Extencicare LP and Computershare, upon receipt of the Exchangeable LP Units and this Letter of Transmittal, properly completed and duly executed, to deliver, as soon as practicable, the certificate(s) representing trust units of Extencicare REIT and a cheque in respect of the Distributions to which the undersigned is entitled by mail, postage prepaid, to the undersigned, or to hold such certificate(s) and cheque for pick-up in accordance with the special pick-up instructions given below.

By reason of the use by the undersigned of an English language form of this Letter of Transmittal, the undersigned is deemed to have required that any contract in connection with the redemption of the Exchangeable LP Units held by the undersigned, as well as all documents related thereto, be drawn exclusively in the English language. *En raison de l’usage d’une version anglaise du présent Formulaire d’achat et d’envoi par le soussigné, ce dernier est réputé avoir demandé que tout contrat relatif à l’achat des actions échangeables achetées détenues par le soussigné, de même que tous les documents qui s’y rapportent, soient rédigés exclusivement en anglais.*

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| A. Registration Instructions |
| Issue certificates representing the REIT Units and a cheque in respect Distributions, if any, as indicated below |
| (Name) (Please print) |
| (Street Address) |
| (City) (Province or State) (Postal or Zip Code) |
| (Telephone – Business Hours) |
| (Social Insurance Number) |
| (Tax Identification Number) |

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| B. Delivery Instructions |
| To be completed ONLY if the certificate(s) representing the REIT Units and a cheque in respect of Distributions, if any, are to be sent to someone other than the registered holder or to an address other than the address of the registered holder. |
| <input type="checkbox"/> Mail to the name and address below: |
| (Name) (Please print) |
| (Street Address) |
| (City) (Province or State) (Postal or Zip Code) |

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| C. Special Pick-up Instructions |
| <input type="checkbox"/> Hold certificates and cheque, if any, for pick-up at the office of Computershare shown on the last page of this Letter of Transmittal. |

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| D. Residency |
| The Unitholder |
| <input type="checkbox"/> is; or |
| <input type="checkbox"/> is not |
| a non-resident of Canada for the purposes of the <i>Income Tax Act</i> (Canada). |

DATED: _____

Signature of holder or authorized representative

Signature of any joint holder

Name of Unitholder (Please print)

Name of authorized representative (Please print)

Signature Guaranteed by:
(ONLY if required under Instruction 3)

Authorized Signature

Name of Guarantor (Please print)

Address of Guarantor (Please print)

INSTRUCTIONS

1. Use of this Letter of Transmittal

- (a) This Letter of Transmittal (or an originally signed facsimile copy thereof) together with accompanying certificate(s) representing the Exchangeable LP Units must be received by Computershare at the address(es) specified below in order for the holder of Exchangeable LP Units to receive one REIT Unit and a cheque in satisfaction of the balance of the Redemption Price for each Exchangeable LP Unit.
- (b) The method used to deliver this Letter of Transmittal and the accompanying certificate(s) representing Exchangeable LP Units is at the option and risk of the holder of Exchangeable LP Units, and delivery will be deemed effective only when such documents are actually received. Extendicare LP recommends that the necessary documentation be hand delivered to Computershare at the address specified below and a receipt obtained; otherwise, the use of registered, insured mail, with return receipt requested, is recommended.

2. Signatures

This Letter of Transmittal must be filled in, dated, and signed by the holder of the Exchangeable LP Units or by such holder's duly authorized representative in accordance with Instruction 4.

- (a) If this Letter of Transmittal is signed by the registered owner(s) of the accompanying certificate(s), such signature(s) on this Letter of Transmittal must correspond with the names(s) as registered or as written on the face of such certificate(s) without any change whatsoever, and the certificate(s) need not be endorsed. If such Exchangeable LP Units are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.
- (b) If this Letter of Transmittal is signed by a person other than the registered owner(s) of the accompanying certificate(s), or if the certificate(s) representing the REIT Units are to be issued to a person other than the registered owner(s):
 - (i) such accompanying certificate(s) must be endorsed or be accompanied by appropriate transfer power(s) of attorney properly completed by the registered owner(s); and
 - (ii) the signature(s) on such endorsement or power(s) of attorney must correspond exactly to the name(s) of the registered owner(s) as registered or as appearing on the certificate(s) and must be guaranteed as noted in Instruction 3.

3. Guarantee of Signatures

- (a) If this Letter of Transmittal is signed by a person other than the registered owner(s) of the accompanying certificate(s), such signature must be guaranteed by an Eligible Institution, or in some other manner satisfactory to Computershare (except that no guarantee is required if the signature is that of an Eligible Institution).
- (b) An "Eligible Institution" means a Canadian schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agent Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada and the United States, members of the Investment Dealers Association of Canada, members of the National Association of Securities Dealers or banks and trust companies, in the United States.

4. Fiduciaries, Representatives and Authorizations

Where this Letter of Transmittal is executed by a person as an executor, administrator, trustee or guardian, or on behalf of a corporation, partnership or association or is executed by any other person acting in a representative capacity, this Letter of Transmittal must be accompanied by satisfactory evidence of the authority to act. Either Extencicare LP or Computershare, or both of them, in their discretion, may require additional evidence of authority or additional documentation.

5. Miscellaneous

- (a) If the space on this Letter of Transmittal is insufficient, the requested information should be set out in a separate SIGNED list and attached to this Letter of Transmittal.
- (b) If Exchangeable LP Units are registered in different forms (e.g., “John Doe” and “J. Doe”), a separate Letter of Transmittal should be signed for each different registration.
- (c) Additional copies of this Letter of Transmittal may be obtained from Computershare at the address specified below.
- (d) Extencicare LP reserves the right, if it so elects, in its absolute discretion to instruct Computershare to waive any defect or irregularity contained in any Letter of Transmittal received by it.
- (e) This Letter of Transmittal will be construed in accordance with, and be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

6. Lost Certificates

If a certificate representing redeemed Exchangeable LP Units has been lost or destroyed, this Letter of Transmittal should be completed as fully as possible and forwarded, together with a letter describing the loss, to Computershare. Computershare will respond with the replacement requirements.

7. Privacy Notice

Computershare is committed to protecting the personal information of its clients. In the course of providing services to its clients, it receives non-public personal information. This information could include a client’s name, address, social insurance number, securities holdings and other financial information. Computershare uses this information to administer its clients’ accounts, to better serve its clients’ needs and for other lawful purposes relating to its services. Some of this information may be transferred to servicers in the U.S.A. for data processing and/or storage. Computershare has prepared a *Privacy Code* to inform its clients more about its information practices, how its clients’ privacy is protected and how its Chief Privacy Officer may be contacted. Computershare’s *Privacy Code* is available at its website, computershare.com, or by writing Computershare at 100 University Avenue, Toronto, Ontario, M5J 2Y1. Computershare will use the information provided by holders of Extencicare LP Units in order to process this request and will treat their signature(s) as their consent to them so doing.

8. Assistance

Computershare (see below for addresses and telephone numbers) or your broker or other financial adviser will be able to assist you in completing this Letter of Transmittal.

**The Redemption Agent is:
COMPUTERSHARE INVESTOR SERVICES INC.**

By Mail

Computershare Investor Services Inc.
P.O. Box 7021
31 Adelaide St. E
Toronto, ON
M5C 3H2
Attention: Corporate Actions

By Registered Mail, Hand or by Courier

Computershare Investor Services Inc.
100 University Avenue
9th Floor
Toronto, ON
M5J 2Y1
Attention: Corporate Actions

**Toll Free: 1-800-564-6253
E-Mail: corporateactions@computershare.com**

Any questions and requests for assistance may be directed by holders of Exchangeable LP Units to the Computershare at the telephone numbers, email address and locations set out above.