NEWS RELEASE

Chartwell Provides an Update on Transactions, Financing and Development Activities

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MISSISSAUGA, ON --(Marketwired - June 04, 2015) - Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) announced today that on June 1, 2015, it completed the acquisition of its joint-venture partner's 50% interests in Chartwell Pickering City Centre Retirement Residence ("PCC") and Chartwell Valley Vista Retirement Residence ("VV") for the aggregate purchase price of $40.1 million before closing costs. Chartwell now owns a 100% interest in both properties.

Located in downtown Pickering, the 117-suite PCC opened in 2007 and is currently 96% occupied. Located in the fast growing City of Vaughan, the 151-suite VV commenced operations in 2009 and is currently 74% occupied. Chartwell estimates the first year combined capitalization rate to be 7.0%. PCC is encumbered by a $14.5 million (at 100% ownership) CMHC-insured mortgage bearing interest at 4.93% and maturing in 2036. VV is encumbered by a $25.1 million (at 100% ownership) variable-rate mortgage bearing interest at Prime plus 1.75%. Chartwell expects to repay this mortgage from the proceeds of the previously-announced sale of its U.S. portfolio, which is expected to close on June 30, 2015.

"Following the previously-announced acquisition of Isabella Retirement Residence in Thunder Bay, Ontario, we are pleased to consolidate our ownership interests in two state-of-the-art residences located in strong and growing markets in Ontario," commented Brent Binions, Chartwell's President and CEO. "We are confident that these operations will continue to provide growing contributions to our earnings through increasing occupancies and rental rates. Our pipeline of acquisition and development opportunities remains robust and we are confident that we will be able to accretively reinvest the net proceeds from the upcoming sale of the U.S. portfolio over time."

On June 2, 2015, Chartwell completed the sale of its Villa val-des-Arbes Residence in Laval, Quebec for $8.0 million.

The purchase price was settled by the purchaser assuming the existing $5.2 million mortgage bearing interest at 4.73% and maturing in 2027, a vendor take back mortgage of $1.5 million, bearing interest at 8% per annum in year one, 10% in year two, 12% in year three and maturing in 2018, with the balance settled in cash.

On June 1, 2015, Chartwell completed an agreement with its syndicate lenders to renew and increase the size of its Canadian credit facility ("Credit Facility"). The new Credit Facility has a maximum borrowing capacity of $150 million and includes an accordion feature to allow for a further increase to $200 million. The Credit Facility has a three year term. The amounts outstanding on the Credit Facility bear interest at rates that vary in accordance with Chartwell's Adjusted Debt to Gross Book Value ratio ("D/GBV"), as defined in the Credit Agreement. The following table summarizes the pricing structure of the Credit Facility:

D/GBV	Bankers Acceptance Spread (basis points)	Royal Bank Prime Spread (basis points)
< 50%	165	65
50%-55%	170	70
55%-60%	175	75
> 60%	180	80

At March 31, 2015, Chartwell's D/GBV was 55.7%. The Credit Facility is secured by charges on certain Chartwell properties and includes minimum equity requirements and covenants requiring limitations on the amounts of distributions that can be paid to unitholders, which are consistent with the covenants on the maturing facility.

Development Update

In the summer of 2015, Chartwell expects to commence construction of a 105-suite retirement residence, adjacent to its existing 128-bed Chartwell Carlton Gardens Long Term Care Residence in Burnaby, British Columbia. The residence is expected to open in the spring of 2017 and total development costs are estimated at $34.7 million.

In the third quarter of 2015, Chartwell expects to commence construction of a 128-suite retirement residence, adjacent to its existing 168-bed Chartwell Waterford Long Term Care Residence in Oakville, Ontario. The residence is expected to open in the summer of 2017 and total development costs are estimated at $39.9 million.

In the third quarter of 2015, Chartwell expects to commence redevelopment of its 135-bed Chartwell Malaspina Long Term Care Residence located in Nanaimo, British Columbia. The new 136-bed project will be built at a greenfield location in Nanaimo, with the existing site to be sold for an alternate use upon completion of the redevelopment. The residence is expected to open in early 2017 and total development costs are estimated at $27.5 million.

In the fourth quarter of 2015, Chartwell expects to commence construction of a 58-suite apartment residence, adjacent to its existing 99-suite Chartwell Bankside Terrace Retirement Residence in Kitchener, Ontario. The construction is expected to be completed in the spring of 2017 and total development costs are estimated at $17.0 million.

In the fourth quarter of 2015, Chartwell expects to commence construction of a 332-suite apartment residence located in the Regent Park neighbourhood in Toronto, Ontario. The project is being undertaken in partnership with The Daniels Corporation, one of Canada's pre-eminent builders/developers, and the private-sector developer behind the 69-acre Regent Park Revitalization. Chartwell will own 90% of the project with The Daniels Corporation owning the remaining 10%. Construction is expected to be completed in the summer of 2017 and total development costs are estimated at $91.4 million.

About Chartwell Chartwell is an unincorporated, open-ended trust which indirectly owns and operates a complete range of seniors housing communities from independent supportive living through assisted living to long term care. It is one of the largest participants in the seniors housing business in North America. Chartwell's aim is to capitalize on the strong demographic trends present in its markets to maximize the value of its existing portfolio of seniors housing communities, and prudently avail itself of opportunities to grow internally and through accretive acquisitions. More information can be obtained at **www.chartwell.com**.

Forward-Looking Information This press release contains forward-looking information that reflects the current expectations, estimates and projections of management about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry. Forward-looking statements are based upon a number of assumptions and are subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, and that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are more fully described in the "Risks and Uncertainties" section in Chartwell's 2014 MD&A and in materials filed with the securities regulatory authorities in Canada from time to time, including but not limited to our most recent Annual Information Form.

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