

**AMENDED AND RESTATED SHAREHOLDERS DISTRIBUTION AGREEMENT**

**THIS AGREEMENT** is made as of the 31<sup>st</sup> day of December, 2010.

**AMONG:**

**CHESSWOOD INCOME FUND**, an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario, Canada (the “**Public Fund**”)

- and -

**CHESSWOOD GROUP LIMITED**, a corporation incorporated under the laws of the Province of Ontario, Canada (the “**Public Corporation**”)

- and -

**CHESSWOOD HOLDINGS LTD.**, a corporation incorporated under the laws of the Province of Ontario, Canada (“**Holdco**”)

- and -

**MONFORT FAMILY LIMITED PARTNERSHIP I**, a limited partnership formed under the laws of State of Colorado, United States of America

- and -

**ROBERT J. DAY**, an individual residing in Incline Village, Nevada, United States of America

- and -

**SAMUEL L. LEEPER**, an individual residing in Greeley, Colorado, United States of America

(Monfort Family Limited Partnership I, Robert J. Day and Samuel L. Leeper, collectively the “**Pawnee Vendors**”)

- and -

**CHESSWOOD U.S. ACQUISITIONCO LTD.**, a corporation incorporated under the laws of the State of Delaware, United States of America (the “**Company**”)

## RECITALS

### WHEREAS:

- A. Pursuant to an amended and restated share purchase agreement dated March 24, 2006 (the “**Purchase Agreement**”) and entered into between cars4U Ltd., the Pawnee Vendors and Pawnee (as defined below) (a) the Pawnee Vendors contributed certain shares in the capital of Pawnee to the Company in return for Class B and Class C common shares in the capital of the Company; and (b) the Company, as assignee of the purchase rights of cars4U Ltd., purchased the remaining shares in the capital of Pawnee Leasing Corporation from the Pawnee Vendors;
- B. The consideration for the capital contribution of shares of Pawnee to the Company was the issuance to the Pawnee Vendors of an aggregate of 1,274,601 class B common shares and 203,936 class C common shares in the capital of the Company;
- C. The Company has to date made, and it is intended that the Company will continue to make, distributions to holders of its common shares with distributions it receives from Pawnee, a wholly owned subsidiary of the Company;
- D. Distributions on the class B common shares (and, to a limited extent, on the class C common shares) in the capital of the Company were subordinated to distributions on the remaining classes of common shares, but the subordination period ended in 2008;
- E. In connection with the foregoing, the parties to this agreement (other than the Public Corporation) entered into a shareholders distribution agreement made as of May 10, 2006, as amended and restated as of May 25, 2007 (the “**2007 Agreement**”);
- F. As a result of changes in the taxation of income trusts in Canada, it is intended that the Public Fund will be “converted” into the Public Corporation by way of a plan of arrangement under the *Business Corporations Act* (Ontario) (the “**Conversion**”), such that upon the Conversion the holders of trust units of the Public Fund will exchange such securities for common shares of the Public Corporation; and
- G. The parties wish to amend and restate the 2007 Agreement having regard to the Conversion, but with such amendment and restatement to take effect as of the Effective Time (as defined below).

**NOW THEREFORE** in consideration of the premises and the mutual covenants and agreements herein contained, sufficiency of which is hereby acknowledged by each of the parties to this agreement the parties agree as follows:

## ARTICLE 1 DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

“**2007 Agreement**” has the meaning given to that term in the Recitals to this agreement;

“**Class A Shares**” means the issued and outstanding class A common shares in the capital of the Company;

“**Class B Shares**” means the issued and outstanding class B common shares in the capital of the Company;

“**Class C Shares**” means the issued and outstanding class C common shares in the capital of the Company;

“**Company Distributable Cash**” means the aggregate distributions received by the Company from Pawnee to the subject date which are then available for distribution on the Company Shares;

“**Company Shares**” means the issued and outstanding Class A Shares, Class B Shares and Class C Shares;

“**Conversion**” has the meaning given to that term in the Recitals to this agreement;

“**Distribution Securities**” means the issued and outstanding Class B Shares, Class C Shares and Pubco Shares;

“**Effective Time**” means the time as of which the plan of arrangement for the Conversion becomes effective, such that the Public Corporation will succeed to the assets of the Public Fund and the unitholders of the Public Fund will exchange their trust units of the Public Fund for Pubco Shares;

“**Exchange Agreement**” means the amended and restated share exchange agreement of even date with this agreement among, *inter alia*, the Public Fund, the Public Corporation, the Company, Holdco and the Pawnee Vendors;

“**Parties**” means all of the parties to this agreement;

“**Pawnee**” means Pawnee Leasing Corporation, a company incorporated under the laws of the State of Colorado, United States of America;

“**Per Share Dividend Amount**” means in respect of a dividend, the actual amount to be distributed per Pubco Share in respect of such dividend;

“**Pubco Entities**” means the Public Corporation and its Subsidiaries;

“**Pubco Shares**” means common shares in the capital of the Public Corporation; and

“**Subsidiary**” shall have the meaning given to that term in National Instrument 45-106 (titled “Prospectus and Registration Exemptions”).

## **1.2 Interpretation Not Affected by Headings, etc.**

The division of this agreement into Articles, sections and other portions and the insertion of headings are for convenience of reference only and should not affect the construction or

interpretation of this agreement. Unless otherwise indicated, all references to an “**Article**” or “**section**” followed by a number and/or a letter refer to the specified Article or section of this agreement. The terms “**this agreement**”, “**hereof**”, “**herein**” and “**hereunder**” and similar expressions refer to this agreement and not to any particular Article, section or other portion of this agreement and include any agreement or instrument supplementary or ancillary to this agreement.

### **1.3 Interpretation**

Words importing the singular number only shall include the plural and *vice versa*. Words importing gender shall include all genders. Where the word “**including**” or “**includes**” is used in this agreement it means “including without limitation” or “includes without limitation”, respectively. Any reference to any document shall include a reference to any schedule, amendment or supplement thereto or any agreement in replacement thereof, all as permitted under such document.

### **1.4 Number of Distribution Securities**

In determining the number of Distribution Securities for purposes of this Agreement it is intended that in the event of any adjustments, in accordance with the Exchange Agreement, of the Class B Shares or Class C Shares which results in the exchange ratio of Class B Shares into Pubco Shares or Class C Shares into Pubco Shares being other than a one-to-one ratio, this agreement shall be deemed to be amended to reflect such change in the exchange ratio.

### **1.5 Withholding Rights**

The Company shall be entitled to deduct and withhold from any consideration otherwise payable under this agreement to any holder of Company Shares such amounts as the Company is required or permitted to deduct and withhold with respect to such payment under any provision of provincial, federal, state, local or foreign tax law, in each case as amended or superseded, or would be permitted to withhold if an equal amount were remitted to the appropriate taxing authority.

### **1.6 Currency; Payment of Dividends on Class B and C Shares**

Unless otherwise specified all dollar amounts are in Canadian dollars.

The dividends on the Class B Shares and Class C Shares shall be the U.S. dollar equivalent, to the closest extent possible, of the dividends on the Pubco Shares (based on the currency exchange spot rate as of the date of payment of the dividends on the Pubco Shares).

### **1.7 Effective Application**

This agreement will restate and supercede the 2007 Agreement only commencing as of the Effective Time of the Conversion and, notwithstanding the date of this agreement, the Parties acknowledge and agree that the respective entitlements and obligations of the Parties under the 2007 Agreement are intended to remain effective until the Effective Time for the Conversion. The Parties agree that this agreement will so restate and supercede the 2007 Agreement

commencing at the Effective Time of the Conversion without any further act or instrument whatsoever; provided that the Conversion has been completed, in all material respects, in the manner contemplated in the Public Fund's management information circular prepared in respect of the annual and special meeting of the Public Fund's unitholders held on May 13, 2010.

## **ARTICLE 2 PAYMENT OF DISTRIBUTIONS ON SHARES**

### **2.1 General Distribution Policies in respect of Company Shares**

The shareholders of the Company shall use their best efforts to cause the directors of the Company to adhere to the following:

- (a) Except as otherwise required to make distributions on the Class B Shares and Class C Shares pursuant to the terms of this agreement, distributions are to be made on the Class A Shares from time to time of all Company Distributable Cash.
- (b) Concurrently with any dividend on the Pubco Shares there shall be a distribution of the Per Share Dividend Amount on each Class B Share and each Class C Share.

### **2.2 Insufficient Cash**

In respect of any distribution, if the Company has insufficient cash to pay distributions on Company Shares in the amount required by this agreement because (and to the extent that) amounts were distributed or otherwise paid by the Company to any of the Pubco Entities (other than Pawnee) in excess of the aggregate amount required to comply with the principles set out in Section 2.1(a), the Public Corporation shall cause to be contributed the necessary cash in order for the Company to satisfy its obligations in this agreement to pay distributions on the Company Shares (whether through funding the dividends on Pubco Shares or through providing to the Company the required cash to make distributions on the Class B or Class C Shares, with the method of any contribution to the Company, whether debt or equity, to be collectively determined by the directors of the Public Corporation and the directors of the Company).

### **2.3 Further Assurances**

Without further consideration, each Party shall from time to time, at the reasonable request of any other Party, execute and deliver such other instruments, vote such shares of the Company, sign such resolutions, remove and replace such directors of the Company and take such other actions or steps as such other party may reasonably request in order to ensure the distributions of the Company are made in accordance with this agreement to the appropriate Party.

**ARTICLE 3  
AMENDMENTS**

**3.1 Amendments, Modifications, etc.**

This agreement may not be amended or modified, or any provision hereof waived, except by an agreement in writing executed by all the Parties.

**ARTICLE 4  
GENERAL**

**4.1 Severability**

If any term or other provision of this agreement is invalid, illegal or incapable of being enforced by any rule or law, or public policy, all other conditions and provisions of this agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this agreement is not affected in any manner materially adverse to any Party. Upon any determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties to this agreement will negotiate in good faith to modify this agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated by this agreement are fulfilled to the fullest extent possible.

**4.2 Enurement**

This agreement shall be binding upon and shall enure to the benefit of the parties and their respective successors and permitted assigns and in respect of Samuel L. Leeper and Robert J. Day, their heirs, executors, administrators, personal representatives, successors and permitted assigns.

**4.3 Assignment**

The rights of the holders of the Company Shares hereunder shall be automatically assigned to any transferee of Company Shares as if it were an original signatory hereto. This agreement may not be assigned by the other Parties hereto.

**4.4 Notices**

All notices and other communications under this agreement will be in writing and will be deemed to have been given if delivered personally or by confirmed telecopy to the Parties at the following addresses (or at any other address for the Party as is specified in like notice):

- (a) if to the Public Fund, the Public Corporation or Holdco:

4077 Chesswood Drive  
Toronto, Ontario, M3J 2R8

Attention: Barry Shafran  
Facsimile No.: (416) 386-3085

- (b) if to the Company:

c/o Pawnee Leasing Corporation  
700 Centre Avenue  
Fort Collins, Colorado 80526

Attention: Rob Day  
Facsimile No.: (970) 482-2666

- (c) if to Monfort Family Limited Partnership I:

c/o Richard Monfort  
3519 Homan Ct.  
Greeley, CO 80631 USA

Attention: Richard Monfort  
Facsimile No.: (970) 454-2535

- (d) if to Samuel L. Leeper:

winter:  
36567 S. Ocotillo Canyon Drive  
Tucson AZ 85739 USA

summer:  
1218 49<sup>th</sup> Avenue  
Greeley CO 80634 USA

Attention: Sam L. Leeper  
Facsimile No.: (970) 482-2666

- (e) if to Robert J. Day:

958 Fire Dance Lane  
Palm Desert CA 92211 USA

courier:  
120 Highway 28, Stillwater #38  
Crystal Bay NV 89402 USA

Attention: Rob Day  
Facsimile No.: (760) 200-3715 (winter); (775) 833-1192 (summer)

Any notice or other communication given personally will be deemed to have been given and received upon delivery and if given by telecopy will be deemed to have been given and received on the date of receipt unless that day is not a Business Day in which case it will be deemed to have been given and received upon the immediately following Business Day.

#### **4.5 Counterparts**

This agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the Parties adopt any signatures received by a receiving fax machine as original signatures of the Parties; provided, however, that any Party providing its signature in such manner shall promptly forward to the other Parties an original of the signed copy of this agreement which was so faxed.

#### **4.6 Governing Law**

This agreement will be governed by and construed and enforced in accordance with (a) the General Corporation Law of the State of Delaware and (b) except to the extent that the General Corporation Law of the State of Delaware is applicable, the law of the State of New York (including, but not limited to, Section 5-1401 of the General Obligations Law of the State of New York) without regard to the law of any other jurisdiction.

#### **4.7 Attornment**

Each of the Parties agrees that any action or proceeding arising out of or relating to this agreement may be instituted in the courts of Delaware, waives any objection which it may have now or later to the venue of that action or proceeding, irrevocably submits to the jurisdiction of those courts in that action or proceeding, agrees to be bound by any judgement of those courts and agrees not to seek, and hereby waives, any review of the merits of any judgement by the court of any other jurisdiction.



**IN WITNESS WHEREOF** the Parties hereto have caused this agreement to be duly executed as of the date first written above.

SIGNED, SEALED AND DELIVERED )  
in the presence of )

\_\_\_\_\_)  
Signature of Witness )  
Name: )  
Address: )

\_\_\_\_\_)  
Signature of Witness )  
Name: )  
Address: )

\_\_\_\_\_) *"Sam Leeper"*  
**SAMUEL L. LEEPER**

\_\_\_\_\_) *"Robert Day"*  
**ROBERT J. DAY**

**CHESSWOOD GP LIMITED, as attorney for  
CHESSWOOD INCOME FUND**

Per: *"Barry Shafran"*

\_\_\_\_\_)  
Name: Barry Shafran  
Title: President

**CHESSWOOD GROUP LIMITED**

Per: *"Barry Shafran"*

\_\_\_\_\_)  
Name: Barry Shafran  
Title: President

**CHESSWOOD HOLDINGS LTD.**

Per: *"Barry Shafran"*

\_\_\_\_\_)  
Name: Barry Shafran  
Title: Director

**CHESSWOOD U.S. ACQUISITION CO LTD.**

Per: *“Barry Shafran”*

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Name: Barry Shafran  
Title: Director

**MONFORT FAMILY LIMITED  
PARTNERSHIP I**

Per: *“Richard Monfort”*

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Name: Richard Monfort  
Title: General Partner