CHESSWOOD DEBENTURE HOLDERS COMPLETE CONVERSION OF ALL DEBENTURES

TORONTO, February 16, 2010 - Chesswood Income Fund ("**Chesswood**" or the "**Fund**") announces that the holders of the remaining $770,000 of the Fund's convertible debentures have exercised their conversion rights and were issued 219,998 units of the Fund in accordance with the conversion price of $3.50 per unit provided in the debentures.

"We're very pleased that all of our debenture holders have now benefited from the conversion option in the debentures," said Barry Shafran, the Fund's President and CEO. "This conversion is a reflection of the confidence they have in the future of Chesswood. The conversion eliminates all of the outstanding debt of the Fund and strengthens Chesswood's ability to take advantage of opportunities that the correction in the equipment finance market has presented. " added Shafran.

The Fund now has 7,767,055 units outstanding. Including the Class B and C shares of its subsidiary Chesswood U.S. Acquisition Co. Ltd., which are freely exchangeable for units of the Fund on a 1:1 basis and carry the same rights as Fund units, the Fund effectively has 9,245,592 outstanding units.

About Chesswood Income Fund

Chesswood Income Fund is a financial services trust with operating businesses in both Canada and the U.S.

For more information visit www.ChesswoodFund.com.

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