



Pacific Northern Lease Program.

March 12, 2009

Pacific Northern has arranged with an independent outside leasing firm to manage these leases.

Qualifications: The retailer must submit a credit application to the outside leasing firm for their acceptance

Qualifying Product: Any new PN display product, including catalog, made-to-order or overrun items

Minimum amount: The lease must be for at least \$5000 worth of product.

Terms of lease: 36, 48 or 60 months There is no early payoff penalty. The lease can be paid in full at any time without prepayment penalty.

Down Payment: First and Last month's payments must be paid when displays are delivered.

Payment: Payments will be made monthly directly to the outside Leasing Company

Monthly payment amounts:

<u>Term</u>	<u>\$5000-\$9999</u>	<u>\$10,000-\$19,999</u>	<u>\$20,000+</u>
36 Months	0.04062	0.03862	0.037765
48 Months	0.034	0.03187	0.03083
60 Months	0.0318	0.02794	0.02684

To calculate the monthly payment, multiply the above factor by the total dollar amount. For example, a \$7000 store lease for 48 months will result in a \$238.00 monthly payment (\$7000 x 0.034=\$238.00.)

Residual amount: At the end of the lease, the displays can be purchased by the retailer for a total cost of \$1.00. This should allow the retailer to reduce their tax liabilities by "expensing" the lease payments rather than have to depreciate them over a longer lifespan. We suggest the displays be donated to a charity (Goodwill or Salvation Army) for the possible additional benefit of a charitable contribution. The retailer should always check with their own accountant for specific information and tax advice. PN makes no claims of tax benefits.

Display reorders: PN will offer a 10% discount off our pricelist for retailers concluding their PN lease and reordering new displays from us (whether the new displays are bought or leased)