

# HL LEASING, INC.

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**Fresno Office:**  
3439 West Shaw Ave.  
Fresno, CA 93711-3204

**Palm Desert Office:**  
49-355 Sunrose Lane  
Palm Desert, CA 92260

I would like to take this opportunity to thank you for your interest in lending to HL Leasing, Inc.

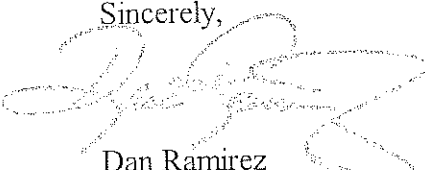
Over the past years, it has been our pleasure to have borrowed and repaid millions of dollars to a number of lenders. We are proud that all loans to date have been repaid in accordance with their terms.

As you know, it is HL Leasing, Inc.'s policy to assign to its lenders a lease or leases as collateral for the repayment of their loans. For your review, I am pleased to enclose a form of Loan Agreement and an Assignment of Lease(s) as Collateral.

I also enclose for your review: 1) an HL Leasing, Inc. Lender Profile and Information Sheet; 2) HL Leasing, Inc. Authorization for Direct Payment (for direct deposit); 3) Independent Accountant's report on HL Leasing, Inc. Procedures; 4) an HL Leasing, Inc. Profile; and 5) a Lender's Certification. Should you have any questions or desire additional information, please do not hesitate to call or write.

Thank you again for your interest. We look forward to hearing from you soon.

Sincerely,



Dan Ramirez  
President

# HL LEASING, INC. OVERVIEW

1. OUR CLIENTS ARE THE “**LENDERS**”
2. **HL LEASING, INC. IS THE “BORROWER”**

ALL NOTES ARE SECURITIZED BY STRONG, PERFORMING BUSINESS EQUIPMENT LEASES THAT **HL** BUYS FROM AMERICAN EXPRESS AT A “**DISCOUNT**”

THESE LEASES ARE ASSIGNED TO **LENDERS** AS COLLATERAL AS THE PRIMARY SOURCE OF REPAYMENT TO THEIR LOANS.

3. **LENDERS** ARE REPAYED MONTHLY (25<sup>TH</sup> OF EACH MONTH)

**NOTE:** SHOULD 25<sup>TH</sup> FALL ON A WEEKEND OR HOLIDAY, PAYMENT WILL BE PAID THE FOLLOWING WORKING BUSINESS DAY

4. “**DEFAULT**” OF ANY CONTRACTS ASSIGNED AS COLLATERAL

**HL LEASING** ASSUMES RESPONSIBILITY OF ANY DEFAULTED CONTRACTS ASSIGNED TO OUR “**LENDERS**”. IN THE EVENT OF DEFAULT, **LENDER** WILL EITHER (A) BE ASSIGNED A NEW CONTRACT TO REPLACE DEFAULTED CONTRACT OR, (B) **LENDER** WILL BE “**PAID IN FULL**” FOR THAT SPECIFIC CONTRACT.

5. **“EARLY PAYOUT”**

IT HAS BEEN OUR LONG-STANDING POLICY THAT IN THE EVENT OF THIS REQUEST FOR A **PORTION OR ENTIRE** NOTE PROCEEDS, **HL** WILL ACCOMMODATE, WITH THE CONDITION THAT WE RECEIVE A THIRTY-DAY WRITTEN NOTICE. **TO-DATE, THERE ARE NO CHARGES FOR THESE SERVICES.**

6. CURRENT RATES AND TERMS AS OF 9/07  
(SUBJECT TO CHANGE)

**“INTEREST ONLY” NOTES**

PAYING **9%** - 36 MONTHS – INTEREST PAID  
MONTHLY

**“ PRINCIPAL & INTEREST” NOTES**

**7%** - 12 MONTHS – PRINCIPAL & INTEREST PAID  
MONTHLY

**8%** - 24 MONTHS – PRINCIPAL & INTEREST PAID  
MONTHLY

**10%**-36 MONTHS – PRINCIPAL & INTEREST PAID  
MONTHLY

# HL LEASING, INC. FORMULA

1. SEASONED EQUIPMENT LEASE PAPER IS ACQUIRED FROM AMERICAN EXPRESS  
(LENDERS COLLATERAL)

## SAMPLE FORMULA

GROSS VALUED PAPER ACQUIRED FROM AMERICAN EXPRESS	\$10,000.000.00
DISCOUNT TO <b>HL LEASING</b>	- \$ 2,000.000.00
ACQUISITION PRICE	\$ 8,000.000.00

REPAYMENT TO OUR CLIENTS AND PROFITS TO **HL LEASING** COMES DIRECTLY FROM THE “**DISCOUNT**”

## **AMERICAN EXPRESS – NEW YORK**

SELLS **HL LEASING** EQUIPMENT LEASES WITH THE FOLLOWING CONDITIONS:

- A) MUST HAVE A MINIMUM TWO YEARS “SEASONING” PRIOR TO **HL’S** ACQUISITION

B) ACQUIRED LEASE PAPER TO REPRESENT THE FOLLOWING PROFESSIONAL SECTOR:

1. MEDICAL – DENTAL  
APPROXIMATELY 70%
2. AGRICULTURAL RELATED  
APPROXIMATELY 10%
3. ATTORNEY(S) FIRMS
4. CPA FIRMS
5. FACTORING COMPANIES, ETC.

**NOTE: NUMBERS 3, 4 & 5 REPRESENT APPROXIMATELY 20%**

C) ALL ACQUIRED CONTRACTS MUST HAVE AN “AS AGREED” REPAYMENT HISTORY WITH AMERICAN EXPRESS