



Harley-Davidson DEALER COMMUNICATIONS Financial Services

Dealer Department Routing

<input checked="" type="checkbox"/> Dealer Principal	<input type="checkbox"/> General Merchandise	<input type="checkbox"/> Service
<input checked="" type="checkbox"/> General Manager	<input checked="" type="checkbox"/> Buell	<input type="checkbox"/> Parts
<input checked="" type="checkbox"/> Office Manager	<input checked="" type="checkbox"/> F&I Manager	
<input checked="" type="checkbox"/> Vehicle Sales Manager	<input type="checkbox"/> H.O.G. [®] Director	

March 30, 2010

To: U.S. Harley-Davidson[®] Dealerships

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Subject: **EXCLUSIVE OFFER FOR H-D[®] Dealers** – Retail Rate Reduction on HDFS units purchased at Auction

HDFS is pleased to announce beginning April 1st through May 31st, 2010 we will offer a 100 bps retail rate coupon (1%) for each HDFS unit purchased at an auction by an authorized H-D Dealer. The 1% rate coupon can be used to discount retail financing of that auction unit with Eaglemark Savings Bank (ESB).

The retail rate coupon is good for HDFS units purchased at an auction in April and May and is valid through July 31st, 2010. The coupon can *only* be used for the exact motorcycle purchased at auction and is available for all Tiers 1-7. The coupon reduces the used 10% down wholesale loan rate for Tiers 1-6 (used 20% down wholesale loan rate for Tier 7) by 100 bps (1%). This coupon can equate to incremental participation or a lower Wholesale Loan Rate to your customer at no Dealer cost. Please refer to the attached Frequently Asked Questions and Financing Offer Information Sheet for more details on this exciting new promotion.

This promotion offers a great opportunity for H-D dealers during riding season. As a reminder, auctions enable you to:

- Gain access to a consistent supply of high quality H-D product to meet local market needs
- Support the brand by keeping H-D bikes in the authorized H-D dealer network
- Stay current on local market prices for used H-D units

Given the increased importance of used motorcycle sales to your dealership's bottom line, we are excited to offer this retail rate coupon promotion to support your business and help you close more deals. For more information, contact your HDFS Financial Services Manager.

U.S. Retail Rate Coupon Frequently Asked Questions (FAQs)

Q: What motorcycles are included in the retail rate coupon promotion?

A: The retail rate coupon promotion is available on any HDFS units (including metric bikes) purchased at an auction (online or in person) by an authorized U.S. H-D dealer from April 1st, 2010 through May 31st, 2010. Motorcycles purchased from other auctions/consigners/lenders do not qualify. Trade ins taken at the dealership do not qualify. HDFS units purchased prior to the promotion period also do not qualify.

Q: Are there model-year or age restrictions?

A: No. The retail rate coupon is valid on any model year motorcycle as long as it was an HDFS unit purchased by an authorized U.S. H-D dealer online or in person at an auction selling HDFS units.

Q: Can I use the retail rate coupon on any motorcycle financed with Eaglemark Savings Bank?

A: No. The retail rate coupon can only be used for the exact motorcycle purchased at the auction during the promotion period. It is not transferable to other units or other dealers.

Q: Can I use more than one retail rate coupon per motorcycle?

A: No. Only one retail rate coupon per contract. Coupons cannot be combined or duplicated.

Q: Does the retail rate coupon expire?

A: Yes. The retail rate coupon must be used by July 31st, 2010. Contracts must be submitted to the funding department by August 15th, 2010.

Q: What do I receive by using the retail rate coupon?

A: You will receive 100 bps (1%) off the wholesale loan rate when you finance that motorcycle with Eaglemark Savings Bank. The coupon reduces the used 10% Down Payment Wholesale Loan Rate for Tiers 1-6 (used 20% Down Payment Wholesale Loan Rate for Tier 7) by 100 bps (1%). You have the flexibility to receive incremental participation at the time of funding or you can offset the cost of buying down the rate up to 2% for Tiers 1-4.

Q: Can I combine the retail rate coupon with other finance offers?

A: No. The retail rate coupon cannot be combined with other Deallink Financial Solution options.

Q: What is the process for receiving the retail rate coupons after I purchase the HDFS units at an auction?

A: Within 24-48 hours of the auction, HDFS Marketing will email the dealer contact that was at the auction the eligible retail rate coupons customized with VIN, Dealership and Dealer Number depending on how many HDFS units were purchased at the auction. Within the same time period, your dealership will be granted access to this Financial Solution in Deallink. You'll see this Financial Solution for all used units, but the Financial Solution is *only* available for eligible models. If you have questions about the retail rate coupon process, please contact Brian Fischer via email at: brian.fischer@hdfsi.com or by phone: (312) 696-5379.

Q: Do I have to submit the retail rate coupon with the funding package to Eaglemark Savings Bank?

A: Yes. You also must select the Financial Solution, "VIN Specific Auction Retail Rate Coupon" and on the Approval Notification to receive this promotion. Funding will verify the eligibility of the unit prior to the unit being funded. If you selected this Financial Solution on an ineligible VIN, your contract will be rejected by Funding.

Q: Can I mark up or buy down the Wholesale Loan Rate to the customer on one of these units?

A: Mark up to 3% is available on these units for Tiers 1-6. Standard Buy Downs are eligible up to 2% for Tiers 1-4.

For Tiers 5-6, additional buy down options from the Promotional Wholesale Loan Rate are not available, however, you can mark up the Promotional Wholesale Loan Rate up to 3%.

For Tier 7 loans, additional buy down options from the Promotional Wholesale Loan Rate are not available and you cannot mark up the rate, however, a \$100 flat fee will be paid.

Q: What if I write the loan at the Promotional Wholesale Loan Rate?

A: A \$100 Flat Fee applies for any loan written at the Promotional Wholesale Loan Rate and all Tier 7 loans for Harley-Davidson models and Tier 5 loans for Buell models. No Flat Fee is paid on Outside Products.

Q: If I purchase a 2010 H-D model at auction – can I use this retail rate coupon in conjunction with the new vehicle loan rates from Eaglemark Savings Bank?

A: No. For 2010 model year H-D units purchased at auction, Dealers will have the option to choose financial solutions based off of NEW wholesale loan rates or they will be able to use the, "VIN Specific Auction Retail Rate Coupon" financial solution, which reduces the USED 10% Down Payment Wholesale Loan Rate for Tiers 1-6 (USED 20% Down Payment Wholesale Loan Rate for Tier 7) by 100 bps (1%). To view the, "VIN Specific Auction Retail Rate Coupon" financial solution you must select, "USED" in Deallink.

Financing Offer Information Sheet

FOR DEALER USE ONLY – NOT A CONSUMER ADVERTISEMENT

Promotion Date:	Effective April 1 st – May 31 st , 2010. Coupon <u>must be</u> used by July 31 st , 2010.
Name:	Retail Rate Coupon for HDFS Units Purchased at Auction
Description:	HDFS will offer one retail rate coupon good for 100bps (1%) for each HDFS unit purchased at an approved auction by an authorized H-D Dealer from April 1 st – May 31 st , 2010 to be used towards retailing that auction unit using financing available from Eaglemark Savings Bank (ESB)
Rates:	100bps off the approved Wholesale Loan Rate with 10% Down Payment for Tiers 1-6 (20% Down Payment for Tier 7)
Financial Solution:	VIN Specific Auction Retail Rate Coupon

Loan Offer Details

- Financing offer is subject to credit approval by Eaglemark Savings Bank (ESB).
- Applicants who do not meet minimum criteria will be considered under the standard ESB retail financing program.
- Coupon offer is only good for auction units offered by HDFS (dealer onsite or bidding online or at any closed H-D Dealer only auction), not for units offered by other lenders, dealer consignments or for trade-in units taken in at the dealership.
- Coupon can only be used for the exact HDFS auction unit purchased. Coupon is non-transferable to other units or other dealers.
- Applicants in Tiers 1 - 7 are eligible
- Loan terms can be 24 - 72 months.
- 10% Down Payment is required for Tiers 1-6. 20% Down payment is required for Tier 7.
- Dealer must select the correct Financial Solution (VIN Specific Auction Retail Rate Coupon) in Deallink and on the Approval Notification
- Coupon **must** be included with the funding package.
- This offer **cannot** be combined with other Financial Solution options.
- Mark up of up to 3% over the discounted Wholesale Loan Rate on Tiers 1-6 is permitted on Harley-Davidson Motorcycles, and Tiers 1-2 on Buell and Outside Products. .
- Since mark up is not permitted on Tier 7, the 100 bps point rate reduction benefit **must** be passed on to the customer. A \$100 Flat Fee applies for Tier 7 loans for Harley-Davidson motorcycles and Tier 5 Buell. No Flat Fee is paid on Outside Products.
- Buy Downs up to 2% are eligible on Tiers 1-4.
- Dealer will be funded the incremental dealer participation at the time of funding or the cost of the buy down will be reduced and/or eliminated.
- Applicant may finance taxes, licensing and other applicable fees at the time of purchase if the total amount financed limits are not exceeded.
- Harley-Davidson Cycle Insurance, Harley-Davidson™ Debt Protection Plan, Harley-Davidson® Extended Service Plan, Harley-Davidson® Guaranteed Asset Protection and Credit Life & Disability contracts **can** be sold with this loan as long as the total amount financed limits are not exceeded.
- Coupon expires on July 31st, 2010. Applications must be submitted, approved and consumer must take delivery by July 31st, 2010.
- All contracts must be received by the Funding Department by August 15th, 2010.
- The terms and conditions of this loan program will continue to be evaluated on a periodic basis, and are subject to change or cancellation at the discretion of Harley-Davidson Motor Company or Eaglemark Savings Bank.