

PAYMENT AND FINANCING OPTIONS AVAILABLE

CONDITIONAL SALES CONTRACT LEASE	BANK LOAN	CASH
Periodic payments made for a specified period of time.	A loan repaid at regular intervals – typically over a 3-5 year term.	Use available working capital funds to pay for equipment now.

A D V A N T A G E S

<ul style="list-style-type: none"> ▪ Conserves operating cash ▪ Preserves bank credit lines ▪ Can have Fixed or variable payments ▪ Flexibility in structuring; two to seven year terms, monthly, quarterly, semi-annual or annual payment schedules ▪ Flexibility in payment schedules to accommodate seasonal periods or sales peaks: "step-up" or "step-down" options ▪ Can Upgrade or add equipment to the original lease contract ▪ TLS has negotiated lower administrative/documentation fees than industry average* <p><small>* Administrative/Documentation fee not to exceed \$150.00. Any documentation fee expense in excess of \$150.00 is subject to Lessee's approval.</small></p>	<ul style="list-style-type: none"> ▪ Direct ownership ▪ Interest expense may be tax deductible ▪ Appropriate when: Bank lines of credit are readily available and will not be needed to meet other short-term business obligations 	<p>NO FINANCE CHARGES: Direct, immediate ownership</p> <p>Appropriate when:</p> <ul style="list-style-type: none"> ▪ You have excess cash ▪ Alternative investments do not offer the desired return ▪ Annual depreciation expense exceeds annual capital expenditures
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D I S A D V A N T A G E S

	<ul style="list-style-type: none"> ▪ Reduces valuable credit lines ▪ Relatively short contract term ▪ Often includes variable rates tied to prime ▪ Documentation and covenant restrictions ▪ Possible additional costs: down payments, compensating balances, loan fees, annual clean up charges ▪ May not cover taxes, freight, installation 	<ul style="list-style-type: none"> ▪ Reduces capital reserves ▪ Minimizes leverage for alternative investments ▪ Total amount is paid in today's dollars with no hedge against inflation ▪ Negates the time value of money ▪ No protections against obsolescence
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TRANE LEASING SERVICES WILL WORK WITH YOU TO TAILOR A CONDITIONAL SALES CONTRACT LEASING PROGRAM SPECIFIC TO YOUR NEEDS. IF REQUIRED, WE CAN ALSO STRUCTURE FASB-13 OPERATING LEASES. PLEASE CALL 1-800-724-6026 WITH ANY QUESTIONS

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