

Finance Purchase Program

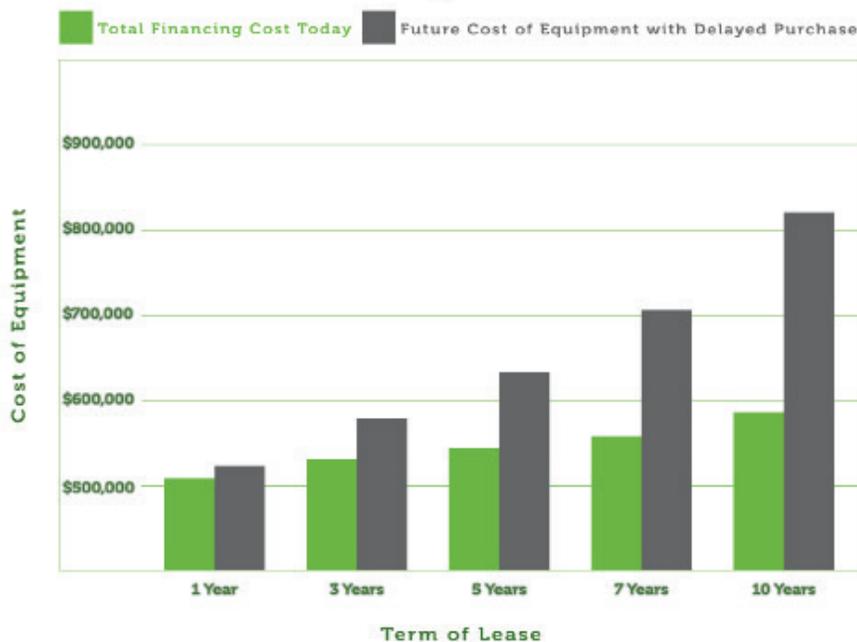
A Simple, Cost-Effective Alternative

Many cities, counties, districts, and volunteer departments are faced with pressure that occurs **when demands for their services outpace their financial resources**. To keep up with regular or even unplanned apparatus replacement, municipal entities must become more creative in finding alternatives to simply using their capital reserves to purchase their essential apparatus and equipment. To cope with this problem, many are utilizing an **alternative, long-recognized as a source of funding for capital expenditures** – lease purchase financing.

Using a typical lease purchase agreement, the political subdivision and the financing company enter into a repayment plan for a fixed number of years. With a **repayment structure designed to meet the unique needs of the organization**, payments can be made annually, semi-annually, quarterly, or monthly at any point in time throughout the budget year.

Considering long-term costs, **a lease purchase plan can result in a cost savings!** In some situations, organizations feel they can only afford to purchase new equipment if they have a substantial down payment or can pay cash for the purchase. However, by delaying a purchase, the organization is subject to normal manufacturer price increases and inflation, as well as the cost of maintaining the existing equipment.

Cost of Delayed Purchase



The graph illustrates the **cost effectiveness** of financing your purchase today, versus waiting even one year to buy your equipment or apparatus.

Entering into a finance purchase plan today with fixed, manageable payments can provide a **cheaper overall cost** for acquiring equipment or apparatus.

Take advantage of:

- » Flexible terms
- » Low, Competitive Interest Rates
- » Simplified Credit Process
- » \$0 Documentation or Closing Costs
- » Early payoffs available
- » Bank Direct Funding
- » Defer Payments to Next Budget Year

*Base equipment price used for example is \$500,000. An average price increase of 5% per year has been used for "Future Equipment Cost" calculations. The prices and lease payments shown above are for estimation purposes only. Please contact your local representative for exact figures. MAINTENANCE COSTS OF KEEPING OLDER EQUIPMENT IN SERVICE ARE NOT INCLUDED.



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