

EQUIPMENT FINANCING OPTIONS



| | Equipment Lease | Loan | Cash | Benefits of Leasing to the Lessee |
|---------------------------------|--|--|---|---|
| Ease of Approval | Simple one page application with limited financial disclosure | Detailed multiple page application with full financial disclosure. | Cash is rarely cash, usually it is from a business line of credit. | <p>Ease of Approval - "App Only" Simple one page application up to \$175,000 with separable equipment. Any size transaction with financials Splits allow even more. Special Programs for Medical, Yellow Iron, Churches</p> |
| Total Amount Financed | 100% | 70% | N/A | <p>100% Financing with no hefty down payments Equipment cost plus shipping and installation - (up to 20% total Soft Cost) Sales/Use Tax (varies by state)</p> |
| Soft Costs Financed | <ul style="list-style-type: none"> • Shipping • Installation • Software | None | N/A | <p>Tax Advantages Always refer your client to their accountant. Payments may be fully tax deductible as an operating business expense. Technically speaking we purchase the equipment and rent it to the lessee for their use.</p> |
| Tax Advantages | May deduct monthly payment | Interest only deduction plus current year depreciable value | Current year depreciable value | <p>Preserve your Credit All of our leases are written as commercial contracts. We typically do not report to the credit bureau agencies as long as lease is current. This provides an additional source of business credit without impacting your personal debt ratios and keeps business expenses where they belong, in the business.</p> |
| Impact on Credit Rating | <ul style="list-style-type: none"> • Does not report to personal credit bureau • Preserves personal credit • Builds business credit | <ul style="list-style-type: none"> • Reports to personal credit bureau • Increases leverage and reduces FICO score | Depends on how cash was raised | <p>Conservation of Capital Preserves cash resources for expenses that cannot be financed. (i.e. advertising, payroll, consumable supplies, the unexpected.) Pay for the equipment as it is used, as a revenue contributor.</p> |
| Conservation of Capital | Conserves 100%. The cost of leasing has never put a business out of business | Conserves 70% | <ul style="list-style-type: none"> • Zero % • Insufficient capital is the number one reason businesses go out of business | |
| Revenue Generation Value | Cost matches revenue generation through use | Chasing initial 30% investment | <p>Chasing investment for a return No matching of cost to revenue</p> | |

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