

INSTALLMENT SALE CONTRACT

For the customer who desires immediate equipment ownership yet wants to pay for the machine over an extended period of time. Trade-ins or down payments are typically included in these transactions.

Your business is always changing and so are your financial needs. That's why it's good to know Cat Financial and all the ways we can help make your business stronger for life. Whether you're buying equipment, protecting your investment, managing your accounts or preparing for the future, our comprehensive financing and insurance solutions help you be more successful.

BENEFITS

- > You claim the tax benefits of ownership (including depreciation and interest expense deductions)
- > New and used equipment may be financed
- > Special promotional rates are offered frequently
- > Cat Financial's lowest total acquisition cost option for machine ownership

PAYMENT OPTIONS/PROGRAMS

A variety of flexible payment plans are offered, including monthly, quarterly, semi-annual and annual payments. Skip payment plans (up to 3 per year) are available on monthly payment schedules. In addition, various maintenance programs and insurance packages are available through your Cat® dealer.

TERMS

Length (new equipment):	12-60 months (Terms greater than 60 months may be considered upon request.)
Length (used equipment):	12-48 months (Terms greater than 48 months may be considered upon request.)
Finance Rate:	Fixed (Floating rates may be considered upon request.)
Down Payment:	Generally required in the form of cash, trade-in or rental equity
Tax Benefits:	Retained by customer
Payment Flexibility:	Monthly, quarterly, semi-annual and annual payments are available. Skip payments are also offered.

COMPARISON OF FINANCIAL PRODUCTS

	Installment Sale Contract	Finance Lease or Flex Lease	Tax Lease— Cat® Value Option or Window Lease	Tax Lease— Long-Term Rental	TRAC Lease
Ownership	Immediate	Option to return or purchase at lease-end; Flex Lease provides the option to return early at the predetermined date	Option to return or purchase at lease-end; Window Lease provides the option to purchase early at the predetermined date	Option to return or purchase at lease-end	Option to return or purchase at lease-end
Equity Buildup	Faster	Slower	None	None	None
Tax Depreciation	Customer	Customer	Cat Financial	Cat Financial	Cat Financial
Payment	Higher	Lower	Lowest	Lowest	Lowest
Purchase Option	N/A	Bargain	Predetermined Fair Market Value	Fair Market Value	Predetermined Fair Market Value
Contract Flexibility	Yes	Yes	Less	Less	Less
Early Payoff Restrictions	No	No	Some	Some	Some
Personal Property Tax	Customer pays (varies by state)	Customer pays (varies by state)	Cat Financial pays, then invoices customer	Cat Financial pays, then invoices customer	Cat Financial pays, then invoices customer
Additional Information	<ul style="list-style-type: none"> > Customer owns and depreciates > Immediate equity through down payment or trade-in > Quickest equity buildup through repayment 	<ul style="list-style-type: none"> > Customer has ownership > Bargain purchase option reduces payment > Customer may take depreciation > Equity buildup is slower > Characteristics of an ISC with the lower payments of a lease 	<ul style="list-style-type: none"> > Use or possible optional ownership > Customer treats unit as rental > No equity buildup 	<ul style="list-style-type: none"> > Use or possible optional ownership at Fair Market Value at lease-end > Customer treats unit as rental > No equity buildup 	<ul style="list-style-type: none"> > For over-the-road motor vehicles and trailers only > All U.S. taxpayers using “on-highway” trucks, tractors and trailers qualify > Lease payments are fully deductible for tax purposes > Improves cash flow