

FULL CIRCLE LEASE PROGRAM

FREQUENTLY ASKED QUESTIONS

Q: HOW DOES THIS PROGRAM WORK?

A: "FULL CIRCLE LEASING" is a program designed to give customers the opportunity to lease equipment from a local dealer for a small monthly payment. The customer leases the product for three years and at the end of term can choose to walk away or return and re-lease another piece or purchase the product for fair market value.

Q: WHAT IS FAIR MARKET VALUE?

A: FMV OR FAIR MARKET VALUE is the end of term value of the product that the customer can purchase it for. FMV is established based upon the current value of the product, current market conditions, demand, equipment condition, and hours of use. The FMV amount can also be refinanced if the customer chooses that option.

Q: WHAT ARE THE BENEFITS OF LEASING?

A: Leasing is a finance tool that has been around for centuries. It is a simple way to keep your equipment up-to-date and modernized on a regular basis. For a business, leasing is a 100% tax write-off meaning the total of all your lease payments in the calendar year can be applied as an expense against revenue. The customer makes small monthly payments, knows the yearly cost for budgeting purposes and can turn the equipment over on a regular basis. Most customers that lease see a dramatic reduction in down time and maintenance costs.

Q: WHAT TYPE OF LEASE IS THIS?

A: "FULL CIRCLE LEASING" is an operating style of lease. An operating lease means the customer has the guaranteed option of walking away from the equipment at the end of term. The residual amount, price and interest rate are non-factors in this type of lease. The only number that matters is the monthly payment.

Q: WHAT ARE THE END-OF-TERM OPTIONS?

A: The customer has three options when the three-year lease term expires.

- 1) The customer can return the unit to the dealer and walk away.
- 2) The customer can return the unit to the dealer and re-lease another unit.
- 3) The customer can purchase the unit for FMV.

Q: WHAT IS THE LENGTH OF THE LEASE?

A: All "FULL CIRCLE" leases are based on three-year terms from the date of purchase. Payments are made monthly. A total of 36 payments will be made.

Q: IS THERE ANY FLEXIBILITY IN THE PAYMENT STRUCTURE?

A: Yes, in certain circumstances leases can be shortened or lengthened depending upon the customer and the product. Simply fax or e-mail the request and an answer along with revised payment will be sent to you in quick order. Skip payment options will also be available to those that qualify.

Q: WHAT IS THE INTEREST RATE?

A: There is no disclosed interest rate; the only information needed is the monthly payment. The benefit of this style of lease is the simplicity for both the dealer and the customer. The only concerns they have are what product to lease and then to determine if the monthly payment is within their budget.

Q: WHO OWNS THE EQUIPMENT?

A: The lease company owns the equipment until the end of the lease term. If the customer purchases for FMV then ownership will transfer to them.

Q: WHAT CONDITION MUST THE EQUIPMENT BE IN WHEN IT IS RETURNED?

A: The unit will be checked over completely when returned. A “returned product checklist” will be filled out by the dealer. The unit is expected to be in good running shape with no severe damage and fully operating. All components must be present and operating. It is understood the unit will not look new but it must be fully operating and in good physical condition. Any repairs or work needed to bring it up to minimal return status will be 100% chargeable to the customer. This will be a fair process for all involved. It is not a way to gouge the customer rather it ensures that the unit is operating and functioning as it should. If a machine is maintained regularly and cared for as per the manufacturers maintenance guide there should be no concern for chargeable repairs at the end of term.

Q: ARE THERE ANY UP FRONT PAYMENTS OR HIDDEN COSTS?

A: There are no upfront payments; there are simply 36 payments in the amount attached to the unit purchased. Any options added will obviously increase the monthly payment. The only extra costs that may be involved are repairs made to the unit at end of term (see previous question) and shipping charges to return to our Burlington, Ontario location. These shipping charges are guaranteed not to exceed \$500 per unit.

Q: CAN OTHER NON-FULL CIRCLE LEASE EQUIPMENT BE ADDED IN?

A: Yes, on a case-by-case basis we will consider adding other product to the lease. We will determine this and the request must be in writing along with product details and price. Products we would consider include; blowers, vacs, push mowers, string trimmers and chainsaws.

Q: IS THE EQUIPMENT COVERED BY WARRANTY?

A: Yes, each piece leased is covered by the manufacturer’s standard warranty. The selling dealer does warranty work in the same manner as any other piece sold.

Q: WHO IS RESPONSIBLE FOR MAINTENANCE?

A: The customer is responsible for all regular maintenance as per the manufacturers provided maintenance guide. The customer is fully responsible for any damage caused through neglect or accident.

Q: WHO IS RESPONSIBLE FOR INSURANCE?

A: The customer must provide proof of insurance. The equipment must be fully insured with full replacement coverage for the duration of the lease.

Q: WHERE DO WE GET PARTS AND SERVICE?

A: Parts and service will be readily available from your local “full circle” dealer.