

# Pierce® Flex Financing

Leasing Programs  
for the World's  
Finest Firefighting  
Apparatus



**We Build Confidence.®**

# Pierce® Flex Financing puts the equipment you need within reach.

**OUR COMMITMENT IS TO YOU.** To be there when you need us most, delivering the ultimate in safety, quality and reliability. We combine leading-edge technology with the largest selection of apparatus to provide unmatched value. Then, we go even further, with Pierce Flex Financing—providing you with more long-term economic value for every Pierce apparatus you lease.



Pierce Flex Financing is offered in association with Oshkosh Capital. It makes use of the financial strength of Oshkosh Truck Corporation, one of the “Best Big Companies in America,” according to *Forbes Magazine*.

You’re challenged every day to provide more services while still tightening your budgets. You can count on Pierce Flex Financing as a resource to help maintain readiness, advanced technology and premium performance for your department’s fleet.

Only Pierce combines the industry’s widest selection of leasing plans with the premium quality you deserve. We work with you to find the right solution for your challenges. It’s all part of our exclusive One-Source Solutions<sup>SM</sup> approach.

## YOU’LL SEE THE BENEFITS OF PIERCE FLEX FINANCING EVERY DAY.

**UPGRADE YOUR FLEET NOW.** Ensure your fleet is updated before it becomes inefficient and you start spending too much on maintenance. You can avoid the difficulties of capital funding by incorporating only the current year’s payment into your operating budget.

**NO DOWN PAYMENT.** There’s no large, up-front capital investment because you don’t need a down payment or a security deposit. And, you can finance up to 100 percent of your costs.

**NO LONG-TERM COMMITMENT.** You have the flexibility to cancel the transaction if funds are not appropriated in future years.

**BUILD EQUITY.** With each payment, you increase your equity in the apparatus. After your last payment, you pay only \$1 more to own your apparatus.

**TAX EXEMPT.** You’ll enjoy savings and lower payments because interest income is exempt from federal income taxes.

**FINANCIAL FLEXIBILITY.** Your repayment schedule is structured to fit the specific needs of your department and your community. Terms up to 10 years, graduated payments, turn-in leases and walk-away leases can be incorporated into your program.

**MANAGE YOUR CASH FLOW.** Lease payments can be budgeted as operating expenses so you’ll incur no long-term debt.

**PAY ONLY FOR WHAT YOU USE.** The payment contract for our Turn-In and Walk-Away leases allows you to pay for the use of the asset without the commitment to long-term acquisition. If you no longer have a need for the asset, simply turn it in or walk-away.

**BUY NOW.** You can avoid future price increases by acquiring new apparatus at today’s favorable prices and financing rates. Plus, you’ll reduce the often costly expense of maintaining older equipment.

**THE NAME YOU TRUST.** When you choose Pierce Flex-Financing, you’ll enjoy the added confidence of working with the leading name in fire apparatus.

# Turn-In Lease Solution

## Product Description:

A 5- or 7-year municipal lease contract written with a balloon payment at the end of the term. The lease includes an option to “turn in” the leased vehicle at the balloon payment maturity date for another Pierce® vehicle.

Oshkosh Capital will guarantee the turn-in value of the existing leased vehicle at lease signing, subject to satisfactory terms and conditions.

If you elect not to exercise the “turn-in” option for another vehicle at the end of the contract term, simply make the balloon payment or re-finance the balloon.

The lease contract is based on tax-exempt interest rates, thereby providing you with the lowest payment option possible.

## Benefits:

- Buying power and lower payments mean more options and/or a larger fleet.
- Opportunity to keep new trucks in fleet at all times.
- Less risk in the configuration of the vehicle.
- Turn-in option to accommodate future apparatus requirements.
- Flexibility to own.

If you purchase another Pierce vehicle, Pierce Flex Financing provides for buy-back of existing vehicle at a guaranteed price, subject to terms and conditions.

## Turn-In Lease Example:

Vehicle Cost: \$250,000.00

Guaranteed Turn-in Value: \$117,500.00

Term: 5 years

Month	Turn-In Program Payment	Acquisition Program Payment
12	\$36,984.71	\$57,743.70
24	\$36,984.71	\$57,743.70
36	\$36,984.71	\$57,743.70
48	\$36,984.71	\$57,743.70
60	\$36,984.71	\$57,743.70
Balloon	\$117,500.00	

## When to Consider a Turn-In Lease:

### Customer Situations

Can't decide on truck configuration for long-term needs.

Lease payments are too high.

Fleet maintenance levels too costly.

### Potential Needs

Flexibility to modify truck configuration and/or buy new truck as needs change.

Financing package allows you to realize lower payments now.

Need to periodically replace vehicles to maintain fleet.

### Turn-In Lease Opportunities

Guaranteed turn-in value eliminates any risk associated with the current vehicle. If you decide that the current vehicle doesn't meet future needs, simply use guaranteed turn-in value to pay off existing truck and enter new vehicle lease.

Leases are structured with a balloon payment, thereby lowering the annual payments, with an option to refinance balloon at end of term.

Lower lease payments with guaranteed turn-in value allows for truck replacement every five or seven years with similar lease payments.



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# Walk-Away Lease Solution

## Product Description:

A standard 102-month term municipal lease contract written with two maturity dates at 60 and 84 months, giving you an opportunity to “walk away” from the lease at these points.

Oshkosh Capital will agree to purchase your department’s vehicle (subject to satisfactory terms and conditions) for an amount equal to the early termination value of the lease.

The program eliminates potential common concerns associated with a long-term commitment. If you elect not to exercise the “walk-away” option, payments continue through lease end with a standard purchase option.

The lease contract is based on tax-exempt interest rates, thereby providing you with the lowest payment option possible.

## Benefits:

- All of the benefits of tax-exempt leasing with an option to “walk away” without risk during the lease term.
- Financial flexibility.
- Pay only for what you use.
- Original term remains intact if option not exercised.
- Security of a guaranteed asset value in the future.
- Allows for planned replacement of fleet.

## Walk-Away Lease Example:

Vehicle Cost:	\$250,000.00			
Term:	102 months			
Month	Payment	Interest	Principal	Outstanding Balance
12	\$38,031.76	\$13,375.00	\$24,656.76	\$225,343.34
24	\$38,031.76	\$12,055.86	\$25,975.90	\$199,367.34
36	\$38,031.76	\$10,666.15	\$27,365.61	\$172,001.73
48	\$38,031.76	\$9,202.09	\$28,829.67	\$143,172.06
<b>60</b>	<b>\$38,031.76</b>	<b>\$7,659.71</b>	<b>\$30,372.05</b>	<b>\$112,800.01</b>
72	\$38,031.76	\$6,034.80	\$31,996.96	\$80,803.05
<b>84</b>	<b>\$38,031.76</b>	<b>\$4,322.96</b>	<b>\$33,708.80</b>	<b>\$47,094.25</b>
96	\$38,031.76	\$2,519.54	\$35,512.22	\$11,582.03
102	\$11,889.28	\$307.25	\$11,582.03	\$0.00
<b>Totals:</b>	<b>\$316,143.36</b>	<b>\$66,143.36</b>	<b>\$250,000.00</b>	

## When to Consider a Walk-Away Lease:

### Customer Situations

Modern financial management philosophy—pay only for the use.

Constantly changing financial condition—fluctuating budgetary needs.

### Potential Needs

Payment contract that allows customers to pay for the use of the asset without the commitment of a long-term acquisition.

A financing vehicle that affords customers an opportunity to lock-in the most favorable terms now with the flexibility to change as financial conditions change.

### Walk-Away Lease Opportunities

Lease payments are made throughout the term with an opportunity to walk away without recourse if there is no use for the asset.

Lease is structured as a conventional municipal lease to get the most favorable rates. If customer needs change in the future, they can simply exercise their option to “walk away” or pay off the lease.



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# Flex Financing Program

## ONE-SOURCE FINANCING SOLUTIONS

The relationship between Pierce and Oshkosh® Capital takes you beyond the limited options of cash or loans for your finance needs with flexible, innovative funding solutions. With the introduction of our new turn-in and walk-away lease options, we now have even more creative solutions for your equipment acquisition and funding challenges.

The flexibility of these products gives you an opportunity to continually evaluate your fleet for replacement or purchase without penalties. The result? A financing program that ensures you can satisfy both safety needs and budget demands, while it makes the acquisition of high-performance Pierce apparatus very affordable.

## Pierce Flex Financing

- Tax-Exempt Municipal Lease
- Taxable Lease
- Turn-In Lease
- Walk-Away Lease

## Program Comparison:

	<b>Acquisition Plan</b>	<b>Turn-In Program</b>	<b>Walk-Away Program</b>
<b>Lease Structure</b>	5 year using pre-pay structure	5 year with a balloon payment	8-1/2 year
<b>Annual Lease Payments*</b>	\$57,744	\$36,985	\$38,032
<b>Option at End of Year Five</b>	Own for \$1.00	Turn in for a new Pierce vehicle, purchase outright, or re-finance the balloon amount	Walk away or continue payment
<b>Special Features</b>	None	Turn-in value of vehicle equivalent to balloon amount	Oshkosh Capital will make payments equivalent to pre-payment sum for used vehicle

\*Assuming \$250,000 truck with a \$158,000 chassis. Lease payment will depend on truck cost, interest rates at the time of contract closing and finance term selected.



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# Application

In order to produce the documents, we need the following information:

Lessee legal name and overnight mailing address (no P.O. boxes)	
Federal Tax ID #	County
Name, address, phone number <b>and</b> fax number of primary contact	
Type of truck	
Physical equipment location	
Address to where lease documents should be sent if different from above (no P.O. boxes)	
Name, overnight mailing address, phone number <b>and</b> fax number of attorney	
Insurance company name, address, phone number <b>and</b> fax number of primary contact	
Key contact and phone number for financial statements	

Please provide 2 years of financial statements and a current-year budget. We also need the following questions answered:

Is this truck a replacement or an addition to the fleet?
If a replacement, what is the year and model of the truck to be replaced?
If an addition, what is the reason for the addition?
What is the total population served by the fire department?
What is the source of funds for this vehicle acquisition?
How many trucks are currently in the fleet?
Will the municipality be issuing more than \$10,000,000.00 in general obligation bonds in the calendar year? __Yes __No

Please fax this information to: 1-800-678-0602. If you have questions, please call: 1-800-820-9041. Thank you.



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To learn more about what Pierce apparatus and Flex Financing can do for your department, contact your Pierce representative today. Or talk to one of our financial experts at 1-800-820-9041. We're ready to respond.

For the Pierce sales representative nearest you, call 920-832-3231. Or visit our Web site at [www.piercemfg.com](http://www.piercemfg.com).