

# 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.*

## Benefits

- You claim the tax benefits of ownership -- including depreciation and interest expense deductions.
- New and used equipment may be financed.
- The Installment Sale Contract is Cat Financial's lowest total acquisition cost option for machine ownership.

## Purchase Options

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 <i>(Terms greater than 60 months may be considered upon request)</i>
Length (used equipment):	12 - 48 months
Finance Rate:	Fixed <i>(Floating rates may be considered)</i>
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 provided payments are in advance.



# Comparison of Financial Products

	Ownership	Equity Buildup	Tax Benefits	Payment	Purchase Option	Contract Flexibility	Early Payoff Restrictions	Personal Property Tax
Installment Sale Contract	Immediate	Faster	Customer	Higher	N/A	Yes	No	Customer pays
Finance Lease	Option or mandatory purchase at lease end	Slower	Customer	Low	Bargain	Yes	No	Customer pays
Tax Lease - Cat Value Option	Option at lease end	None	Cat Financial	Lower	Predetermined Fair Market Value	Difficult to modify	Yes	Paid by Cat Financial & invoiced to customer
Tax Lease - Long Term Rental	Option at lease end	None	Cat Financial	Lowest	Fair Market Value	Difficult to modify	Yes	Paid by Cat Financial & invoiced to customer

Installment Sale Contract	<ul style="list-style-type: none"> <li>Customer owns and depreciates</li> <li>Immediate equity through down payment or trade</li> <li>Quickest equity buildup through repayment</li> </ul>
Finance Lease	<ul style="list-style-type: none"> <li>Depending on option or mandatory purchase amount (balloon), monthly payments can be lower than traditional financing.</li> <li>Lessee may take depreciation</li> <li>Equity buildup is slower</li> </ul>
Tax Lease - Cat Value Option	<ul style="list-style-type: none"> <li>Ownership is optional</li> <li>Residual provides low monthly payment</li> <li>Lessee treats unit as rental</li> <li>No equity buildup</li> </ul>
Tax Lease - Long Term Rental	<ul style="list-style-type: none"> <li>Ownership is optional</li> <li>Residual provides lowest monthly payment</li> <li>Lessee treats unit as rental</li> <li>No equity buildup</li> </ul>

## Cat Financial

Cat Financial, a wholly owned subsidiary of Caterpillar Inc., has been in business since 1981 helping customers acquire Cat® equipment and products through a wide variety of financing and leasing options.

We provide financing for the entire Caterpillar® product line of construction and earthmoving equipment, engines, lift trucks, as well as Marine vessels powered by Cat engines. We finance both new and used equipment, and we structure deals of all sizes, from single-machine purchases to large fleets.

For more information, please contact your local Cat dealer or visit [www.CatFinancial.com](http://www.CatFinancial.com).