



Types of Leases

Marlin Financial & Leasing Corp.

Traditional Lease with a Fair Market Value (FMV) Purchase Option. Commonly referred to as an operating lease. Payments are 100% tax deductible. At the conclusion of the Lease Term, the Lessee is given the option to RETURN the equipment OR RENEW the lease for additional periods at a lower monthly payment OR PURCHASE the equipment for its then Fair Market Value OR purchase the equipment for just 10% of the original equipment cost.

Lease to Own. Otherwise known as a Finance Lease or Capital Lease. At the conclusion of the lease term, the Lessee is given the opportunity to purchase the equipment for a pre-determined amount - usually \$1.00 (Available in most states). Lessee is normally passed all rights for depreciation. This option has become popular with the increases in deductible amounts offered through Section 179.

Municipal Lease. A lease to a city, county, state or federal government entity and/or their agencies such as Law enforcement, Fire Departments, School Districts, Hospitals, Colleges and State Universities. It allows municipal entities to acquire essential equipment and maximize their budget for today's needs as well as tomorrow's. This type of lease is more aggressively priced because the interest income to the Lessor is exempt from Federal Income tax.

TRAC Lease (Terminal Rental Adjustment Clause). An operating lease used for trucks and licensed commercial vehicles that contains a higher, predetermined purchase option at the conclusion of the term. A TRAC lease allows the Lessor to offer a lower rental (lease) rate because it is able to claim the depreciation on the equipment.

Sale Lease Back. Sale of equipment already listed on Lessee's balance sheet to Lessor which in turn lease the equipment back to the Lessee. This provides a capital infusion to the Lessee and possibly removes debt from their balance sheet.