

Rent-to-Own Finance Option

Ideal for long-term projects where our Client does not want an Asset or Liability to sit on their balance sheet, but wants the ability to generate capital value in the Asset through a flexible Rental agreement with an Option to purchase the equipment at the end of the rental

Key Benefits

- Off Balance Sheet
- Will not breach any bank financing covenants
- Short-term rental commitment (minimum 6 months, maximum 11 months)
- Upside through option to purchase the Asset if the equipment is rented for an extended period
- All rental payments are tax deductible
- Flexible risk-based pricing solutions, with pricing based on typical rental periods of 1 to 5 years
- Ability to hand back the Asset at the end of the initial rental period if the project does not extend longer
- Jaxar can manage Asset maintenance, or this can be managed by the Client

How It Works

- Client provides specification for equipment required
- Client can source equipment or Jaxar can source the equipment on behalf of the Client
- Once equipment is identified, Jaxar will purchase the equipment with Client and Jaxar entering into a Rental Agreement which will include;
 - > Initial Rental Period, typically 6 to 11 months in duration; and
 - > Extended Rental Periods, typically 3 to 6 months each in duration; and
 - > An Option Period which is a combination of the Initial Rental Period and the Extended Rental Periods
- If the Client wants to hand back the equipment at the end of the Initial Rental Period, this is acceptable and no further charges will apply
- If the Client rents the Equipment continuously for the Initial Rental Period together with the Extended Rental Period(s) (these periods can be tailored for each Client depending on circumstances), Client will have an Option to purchase the Equipment for a nominal value at the end of the Agreement
- Ownership of the Asset will then transfer to the Client upon exercise and payment of the Option

Worked Example

- Asset Purchase Price \$100,000 + GST
- Expected Project Life 2 Years
- Initial Rental Period 6 Months
- Extended Rental Periods 6 Months
- Interest Rate of 10% Per Annum
- Client rents for the Initial Rental Period, and then continues to rent for 3 continuous Extended Rental Periods of 6 Months each

Daily Rental Rate	\$100,000 @ 10% per annum = \$164.38 per day
Total Rental for Initial Rental Period	\$164.38 * 6 Months = \$30,000.00 + GST
Total Rental for Extended Rental Period 1	\$164.38 * 6 Months = \$30,000.00 + GST
Total Rental for Extended Rental Period 2	\$164.38 * 6 Months = \$30,000.00 + GST
Total Rental for Extended Rental Period 3	\$164.38 * 6 Months = \$30,000.00 + GST
Option Purchase Price	\$100
Total Cost of Ownership	\$120,100.00 + GST

Notes

- There is no obligation to extend the rental beyond the Initial Rental Period