FEDERAL LEASING OVERVIEW

Leasing Innovations, Incorporated

437 S. Highway 101, Suite 104, Solana Beach, CA 92075

- Federal Agency chooses equipment they wish to obtain.

- Vendor provides proposal to Federal Agency that reflects term information provided by an authorized Leasing Innovations representative.

  Note: Federal Agencies have two lease options. They are:

  L.T.O.P. (Lease to purchase)

  L.W.O.P. (Lease with the option to purchase)

- Federal Agency issues a purchase order reflecting the specific lease payment, term, and structure previously issued in vendor proposal.

- Vendor orders equipment based on Federal P.O. in preparation for delivery.

- Vendor works with Leasing Innovations, Incorporated to negotiate assignment of the payments under the arrangement with the Federal Agency.

- Vendor delivers/installs equipment and the Federal Agency signs off on the delivery by completing the Delivery and Acceptance Certificate issued by Leasing Innovations, Incorporated.

- Federal Agency signs the Instrument and Assignment of Claims Form wherein they agree to make payments under the purchase order to Leasing Innovations, Incorporated.

- Upon confirmation of payments issued by Agency, Leasing Innovations Incorporated pays vendor.

The entire arrangement is governed by the applicable F.A.R. Regulations.