



THE OPTIMUS GROUP

PRESS RELEASE

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Costs of Terminating Leases can be Significant if Not Negotiated Properly.

Corporate borrowers pay huge charges to terminate leases during bad economic times.

Mission Viejo, CA October 28th, 2008 – When the economy struggles and orders dry up, corporate borrowers typically terminate leases for equipment that might sit idle during the slump. According to a recent Equipment Finance Leasing Association survey, over 20% of revenue from respondents came from non rent fees including termination costs.

Terminating leases can be a costly prospect and if not handled properly may end up costing more than expected. Many lease contracts are silent when it comes to early termination or early buyout options. That is, there may be language that speaks to the “right” to early terminate or buyout the equipment but the details of the terms and conditions of the termination or buyout costs are vague. This creates a scenario where the borrower needs to negotiate with the lender and in almost all cases the lender has the most leverage.

To effectively negotiate with a lender, the borrower must be knowledgeable of the terms and conditions of the original contract and understand the economics behind those same terms and conditions. A few of the issues that effect the negotiation include whether the lease is an operating or capital lease, if there is a fair market value clause, the presence of termination penalties and the time value left on the contract.

For over 17 years the Optimus Group has provided a lease advisory program designed for corporate finance executives who manage multiple lease lending sources to satisfy their capital expenditure purchases. Specifically designed for companies with BB- credit or above, the lease advisory program provides corporate finance departments with independent analysis of existing and alternative financing sources.

The Optimus Group is an independent financial advisory firm that negotiates with leasing companies and banks on its clients’ behalf. The Optimus Group’s independence eliminates any conflict of interest unlike third party representatives which have inherent conflicts. In most cases, The Optimus Group, through its expertise in lease/loan contracts, is able to reduce total lease expenses by at least 10% to 15%. Optimus Group clients have \$50 million to \$10 billion in revenue and invest over \$5 million in new equipment annually. For further information, contact Blaine Ung at 949.862.0555 or visit the The Optimus Group website at: <http://www.optimusgroup.com> [The Optimus Group]

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