

FINANCING TODAY OPPORTUNITY IN AN UNCERTAIN MARKET

TODAY'S LENDING MARKET

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Businesses and contractors applying for credit in today's lending environment, regardless of their size, are continuing to experience a contraction in the availability of capital. There is also a significant increase in the level of due diligence necessary to obtain ANY amount of credit. We speak with applicants daily who express growing concerns that they have been unable to qualify for financing on new equipment purchases. They share with us that their banks are not extending their lines of credit to ease strains on working capital. In an environment where work is not as plentiful as in years past, where competition is fierce and where margins are thinner than ever, they demand new borrowing options to grow their businesses.

First, it's important to understand that not only has credit dried up, but so has trust. For example, when banks are unable to trust the disclosures or assurances of their counterparties, the result is what we saw recently. Central banks were forced to pour

hundreds of billions into financial markets to address the market's liquidity spiral and ensure the stability of many financial institutions. Do your lending partners trust you?

Second, most lenders today are no longer in the business of making blind investments in businesses and products they have not properly underwritten. Their appetite for risk is now directly proportionate to the industries they understand well, forcing most businesses to re-align their lending relationships. Do your lending partners understand your business?

KEYS TO SUCCESSFUL BORROWING IN 2010 AND BEYOND

The state of the construction industry, in particular, is far from "normal." However, even though it may not seem like it, the fundamentals of responsible lending remain intact. Good relationships have always been at the heart of fair underwriting. Here are some key considerations that we know will give you a competitive edge in obtaining credit in today's lending market:

- 1.** Be transparent. With ONAN Capital for example, we understand that your business may have incurred losses these last couple of years, or that volatility in your industry may have damaged your balance sheet. We also value good information, and the clarity of your business's disclosures will influence credit decisions more than any other factor.

- 2.** Excellent communication is vital. If you need a lender to be an aggressive funding partner, be prepared to allow access to information from the individuals in the company who understand what's really going on in the business. This includes its vision, growth projections, and operating policies.

- 3.** Good management teams make great business partners. Free enterprise rewards businesses that are run well, and strong lenders are willing to invest in competence.

- 4.** Borrow money to grow, NOT to survive. Good lenders will not burden borrowers with debt we know they can not repay. Show that you can grow within your means, and you will have ready access to the capital you need.

TWO NEW OPTIONS FOR KAWASAKI ZV-2 WHEEL LOADERS



BUILD PARTNERSHIPS FOR GROWTH

Institutional lending from large national banks will continue to have a place in the overall credit market, but expect to see an increase in customized services, contract structures and more flexible terms. For example, new changes coming in the way operating leases are capitalized under new FASB guidelines will require businesses to change how they disclose contingent liabilities on their balance sheets. Having a lending partner that understands how these changes affect your specific company's ability to borrow money will be very important.

In addition, be sure to match the right lender with your specific borrowing needs. For example, some businesses finance equipment through their local bank, and mistakenly tie up valuable working capital or lines of credit. In many cases, they reach the bank's exposure limit per customer and subsequently hinder their ability to grow beyond that particular lending relationship.

THE OUTLOOK FOR TOMORROW

Be encouraged! Difficult times come and go, but our collective ability to adapt and survive stems from a desire for growth that is far bigger than each of us individually. Strong lenders need strong borrowers, and growing businesses need access to capital from stable sources.

ONAN Capital provides competitive equipment financing and working capital solutions for businesses in the construction, agricultural, and manufacturing industries across North America.

MULTIFUNCTION GRIP OPTION

This new option provides the following fingertip controls:

- **Forward/Reverse Button**
- **Shift Hold Button**
- **Downshift Button**

Forward/Reverse – This used to be offered as a forward/reverse directional switch on the side console as a standalone option. It is now incorporated into the intuitive grip along with two other useful operational options.

Shift Hold – While operating the machine with the column shifter in the "A" position, pushing the Shift Hold button locks the machine into the gear in which the machine is currently operating. For example, if the wheel loader is traveling in 3rd gear when you push the Shift Hold button, the machine will not upshift to 4th nor downshift to 2nd, regardless of ground or engine speed. When the Shift Hold button is pushed a second time, the Shift Hold feature is cancelled and the transmission will return to automatic shifting. The AUTO indicator on the instrument panel flashes the entire time Shift Hold is activated.

Downshift – Use this to quickly downshift the transmission from 2nd gear to 1st without using the transmission shift lever. When operating the machine in 2nd gear with the shift lever in [2] or [A] position, the transmission will shift down to 1st gear by pressing the downshift button. Pressing the Downshift button again, or moving the transmission shift lever to the opposite direction, releases the 1st gear setting to return to 2nd gear.



LOADRITE PREP

If you plan to order a LOADRITE onboard weighing system anytime soon for your Kawasaki loader, you'll want to take advantage of this new option. The LOADRITE Prep option consists of factory installation of the component-mounting brackets and the hydraulic adaptor blocks. This reduces the need for onsite welding and provides consistency in installation and finishing.

Advantages for the end customer include:

- Savings in both cost and time. Dealers will no longer need to send a service truck, welder, and mechanic to handle the field installation of a LOADRITE weighing system. The time required by LOADRITE technicians to complete the installation process has been substantially minimized.
- Provides consistent factory installation, but allows onsite customization in programming and data management.

