



BreweryFinance

Your Lease Guide

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Benefits of Financing

There are many benefits of equipment financing including the following:

- 100% Financing. Leasing covers 100% of the equipment cost with room to add soft costs including training, installation, and maintenance.
- No Down Payment. A security deposit equal to two months rental payments is usually all that is required.
- Flexibility. Customize a lease to fit your particular situation with skip payments or seasonal payments.
- Use inflation to your advantage. If you pay cash for your equipment, you pay with today's dollars at today's value. Through leasing, you pay with next year's inflated dollars, and the next, and the next.
- Increase profits immediately. With leasing, you only need to cover the monthly payment for the new equipment to be profitable from the first month. Example of the cost effectiveness of a lease: A monthly payment of \$500 divided by 30 days = a daily cost of only \$16.67! Divide \$16.67 by 8 work-day hours to get an hourly cost of \$2.08!
- Preserve bank credit lines. Leasing doesn't affect your bank borrowing limits. You still have 100% of your credit available.
- Avoid obsolescence. Upgrade Leases are easy with most modern equipment always available. Turn in your existing equipment on a trade-in to get the latest equipment.
- Conserve working capital. Cash isn't tied up in equipment; it's free for income producing investments.
- Leases may have accounting benefits. Monthly payments may be deductible as operating expenses rather than accounting for the equipment as an asset.

In the spirit of American craft

The Lease Process

It's As Easy As 1, 2, 3...

1. Fill out our application and send it to:
Fax: 303-459-6968. For quickest processing, include a copy of the first page of your last three business bank statements.
2. We send you a finance proposal
3. We pay the vendor directly once the equipment is delivered and the lease paperwork is signed.

It's that easy!

Lease Advantages

Experience the Results

Did you know 85% of small business lease? Here's why:

- 35% Cash Flow
- 17% Dollar Value
- 13% Access to the Latest technology
- 13% Convenience & Flexibility
- 13% Maintenance Options & Cost
- 9% Tax Advantages

Qualifications: Using a wide variety of options and programs, we are able to qualify nearly all I ease candidates we evaluate.

Payment Type & Features	Lease	Loan	Cash
Cash Flow	No down payment required. Leasing usually has less impact on cash flow due to lower payments.	Down payment required and loan payments are generally higher than lease payments.	Buying has an immediate impact on cash flow by diminishing cash reserves.
Line of Credit	Does not affect line of credit.	Taps the line of credit.	Liquid assets are depleted and may affect credit.
Equipment Risk	In many leases, the burden of taxes and insurance is managed by the lessor.	The owner bears all the risk of equipment devaluation. Obsolescence must be tracked by the owner.	The owner bears all the risk of equipment devaluation. Obsolescence must be tracked by the owner.
Asset Liability	Operating lease assets are expensed. Such assets do not appear on the balance sheet, which can improve financial ratios.	Owners must manage asset liability on their books and are required to have equipment appear as an asset with a corresponding liability on the balance sheet.	Owners must manage asset liability on their books. Financial accounting requires owned equipment to appear as an asset with a corresponding liability on the balance sheet.
Rate Risk	Payments are fixed for the lease term. Pay with next year's inflated dollars - take advantage of inflation.	Banks prefer to loan money on a floating or variable rate tied to prime. Rate risk is on the customer, not the bank.	Cash should be used for income producing investments since you pay with today's dollars at today's value.
Soft Costs	Leasing may cover all soft costs including maintenance and software.	Banks rarely finance soft costs. Cash is usually needed.	Soft costs such as installation, training can erode cash reserves.
Upgrade	Leasing allows for easy upgrades or additions and keeps the same payment by simply extending the lease term.	Owners must manage the disposal/ selling of outdated equipment. This can slow down the upgrade process.	Owners must manage disposal/ selling of outdated equipment. This can slow down the upgrade process.

<p>\$1 Buyout or Lease to Own</p> <p>This non-tax lease allows the customer to own the equipment for \$1 at the end of the lease. The following options are available at the end of the lease:</p> <ul style="list-style-type: none"> • Purchase the equipment for \$1 • Upgrade the lease <p>This is a good option for equipment with a long useful life. Also called a capital lease and may be depreciated on the balance sheet.*</p>	<p>10% Purchase Upon Termination (PUT)</p> <p>Under this non-tax lease, the customer must purchase the equipment at the end of the lease at 10% of the original equipment cost. The following options are available at the end of the lease:</p> <ul style="list-style-type: none"> • Purchase the equipment for 10% of the original cost • Upgrade or renew the lease <p>This lease is also called a Capital Lease and may be depreciated on the balance sheet.*</p>	<p>10% Option</p> <p>This 10% Option guarantees a 10% residual on the equipment; however, the customer has the option of purchasing the equipment for 10%. Following are the end of lease options:</p> <ul style="list-style-type: none"> • Purchase the equipment for 10% of the original cost • Return the equipment • Upgrade or renew the lease <p>Also called a Tax Lease or a True Lease, the lessee retains ownership and the lease payments paid by the lessee are usually tax deductible.*</p>	<p>Fair Market Value (FMV)</p> <p>This lease often times provides the lowest monthly payment and has three options at the end of the lease:</p> <ul style="list-style-type: none"> • Purchase the equipment for the fair market value • Return the equipment • Upgrade or renew the lease <p>This is a good option for companies that upgrade to new equipment every few years. Also called a Tax Lease or True Lease because it usually qualifies as a tax deductible business expense.*</p>
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*All lessees should consult with their tax advisor on the specific impact to their business.