

Equipment Leasing

Everything You Always Wanted To Know But Didn't Know Who To Ask

What Is A Lease ?

A Lease is an Agreement between an owner of equipment (Lessor) and a business that has a need for the use of that equipment (lessee). The Agreement specifies a period of time for the use of the equipment at a fixed monthly rental amount. Although the Lessee is not the owner of the equipment, most all of the responsibility of ownership is passed to the Lessee, such as taxes, maintenance, insurance and other costs of ownership. At the termination of the lease, the Lessee has a number of options available, such as purchasing the equipment, continuing to lease or return the equipment to the Lessor.

Who Leases ?

Leasing is rapidly becoming the preferred method for American businesses to budget for and acquire the use of needed equipment. 80% of all businesses and 70% of all Fortune 1000 companies lease equipment for their operations.

What Is Leased ?

It has been projected by various organizations, including the U.S. Department of Commerce, that businesses will invest approximately \$476.4 billion in equipment, with 31%, or \$148 billion, being financed through equipment leasing.

Why Lease ?

Capital Conservation

Leasing enables a company to conserve its working capital for inventory and other alternatives that give a valuable return, without forgoing the acquisition of needed equipment.

Additional Lines Of Credit

Credit lines with banks are reduced when funds are borrowed for the acquisition of equipment. Leasing is an alternative form of financing that leaves your bank lines intact by establishing an additional credit line with the leasing company.

Equipment Use vs. Ownership

Most businessmen agree that using someone else's equipment is the next best thing to using their money. Why own something that depreciates and may not serve your future needs.

Technological Obsolescence

A company that chooses leasing over bank financing or paying cash, can enjoy the benefits of using the equipment without assuming the risks of either functional or technological obsolescence.

No Down Payment

Leases generally require a small advance payment or a security deposit, unlike a purchase financed by your bank which usually requires a down payment of 20% or more.

Fixed Monthly Payments

Monthly rental payments on a lease are fixed for the entire term of the lease regardless of what is happening to interest rates. This allows the businessman to manage the companies cash-flow and enables him to plan for the future.

Tax Advantages and Cash Flow

For most businesses, a true after tax cash flow analysis, including return on working capital, will prove to be the least cost method of financing.

100% Financing

A lease transaction can include financing for all the components of the equipment purchase, such as installation, software, freight, maintenance, training and handling. A single lease transaction can also handle multiple vendors.

Who Should I Lease From ?

You should deal with a Leasing Company that has a history, and gives you a sense of truth and fair dealing. You should deal with a Leasing Company that gives you the service you are looking for. You should deal with a Leasing Company that makes you feel comfortable about what they are telling you, as opposed to giving you that unexplainable uncomfortable feeling. You should deal with a Leasing Company that is trying to help and offer advice as opposed to trying to hustle you into a fast deal. You should deal with a Leasing Company that is trying to build a long lasting relationship and asks questions about your business to try and understand it better. You should deal with a Leasing Company that is willing to put things in writing, as opposed to giving you a "verbal approval" or a "pre-approval."

Who Are We ?

We are MARKAY LEASING CORPORATION, and we like to think we are all those things described above. Please call us and allow us an opportunity to explain our programs and become your Leasing company and finance partner.

20407 Strathern Street, Canoga Park, CA 91306 (818)998-6125, 8886-Markay, (818)998-6127 fax

www.markay.com lease@markay.com