

***TOTAL SOLUTION LEASES  
MEETING THE NEEDS OF TODAY'S USERS  
AND SELLERS OF HIGH TECHNOLOGY PRODUCTS.***

### **WHY LEASE?**

- Lower Cost Alternative
- Tax and Financial Reporting Advantages
- Managing Obsolescence Risk
- Conservation of Capital
- Simplicity

### **WHAT CAN BE LEASED?**

- Software
- Services
- Maintenance
- Training
- Hardware



## **ENCORE There For You**

Encore Leasing Group, LLC provides lease financing to businesses and other organizations for software and high technology products. Encore distinguishes itself by delivering custom lease products thoughtfully crafted to meet our customers exacting requirements. By working directly with both users and vendors, our senior representatives, who average over fifteen year's of leasing industry experience, will leverage knowledge and resources to meet your operational, financial, and tax objectives in an efficient and thoughtful way.



"I have enjoyed a long term business relationship with the leasing professionals at Encore. I have found them to be innovative, professional and responsive."

**Bruce Himes**  
*Chief Financial Officer*  
*Western Waterworks*



## SOFTWARE AND TECHNOLOGY LEASING SOLUTIONS THAT WORK FOR YOU!

### Lower Cost Alternative

Comparing common acquisition methods - cash, traditional credit lines and leasing -and adjusting each alternative for the effects of taxes and the potential return on investment of saved capital dollars, leasing can be the least expensive acquisition alternative.

### Conservation of Capital

Eliminating the up-front capital outlay is a primary reason companies lease. Since cash is not tied up in high technology equipment and software ownership, it can be available for company growth. Additionally, existing bank credit lines can be better utilized for more appropriate corporate purposes.

### Tax and Financial Reporting Advantages

Lease rental payments for an operating lease are fully deductible for income tax purposes. Also, leasing may reduce tax record keeping associated with capitalization and amortization/ depreciation. Leases classified as operating leases for financial reporting purposes are not reflected on the balance sheet and may improve important financial ratios

### Simplicity

A lease is generally easier to obtain and document and is less restrictive than most bank loan agreements. Additionally, the tax and financial accounting of a lease can be easier and more straight forward than a loan.

### Managing Obsolescence Risk

The rapid pace of technological change presents a constant challenge for business. Leasing transfers the risk of ownership to the leasing company, which is in a better position to manage those risks. Leasing also assists in maintaining a disciplined approach to technology,

### Choosing Encore Leasing Group

With all the options available to businesses to pay for technology purchases, how does one choose between paying cash, borrowing from a bank, or leasing it from Encore?

## HERE ARE SOME THINGS TO CONSIDER WHEN MAKING A FINANCING DECISION AND COMPARING THE OPTIONS AVAILABLE TO YOU.

DECISION CRITERIA	ACQUISITION METHOD		
	PAYING CASH	BANK LOAN	ENCORE LEASE
Upfront Capital Needed	Considerable, cash equal to 100% of total cost	Potentially material based on size of down payment	Nominal, typically only one payment
Effect on Existing Credit Facilities	None - Significant, based on availability under facility	Potentially significant if it reduces the availability of existing facilities	None
Effect on Working Capital	Considerable, current assets are reduced by purchase price	Potentially material as working capital is reduced by current portion of obligation (12 months of payments)	None - Nominal

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