

LEASE TYPES

Which Leasing Option Best Fits Your Needs?

FAIR MARKET VALUE LEASE

Provides the lowest monthly payment and has potential tax benefits. This lease is great for companies that are either growing or interested in keeping their data and communication equipment up-to-date. At the end of the term, you have the option to refresh the equipment with the most current technology, return the equipment, or purchase the equipment at the fair market value (capped at 15% of initial cost).

\$1.00 BUYOUT LEASE

In addition to having the option of owning the equipment at lease end for \$1.00, your equipment appears as an asset on your balance sheet while the related debt appears as a liability during the life of the lease. Eligible for Section 179 tax break.

10% PURCHASE OPTION LEASE

Along with the Fair Market Value Lease, the 10% Purchase Option Lease is ideal for companies that want to keep their technology current and need to keep their monthly payments manageable. At the end of the term you have the option to refresh the equipment with the most current technology, return the equipment, or purchase the equipment at 10% of its initial cost. This lease is good for businesses that do not want to make an ownership decision at the start of the lease, but want to know the future purchase price up front in case they decide to exercise their purchase option.

LEASE COMPARISON	Fair Market Value Lease	10% Purchase Option Lease	\$1.00 Buyout Lease
Monthly Payment Rate	Lowest	Average	Highest
Purchase Option	Yes, at fair market value but capped at 15% of initial cost	Yes, at 10% of initial cost	Yes, at \$1.00
End of Lease Price	Exact amount unknown although maximum is capped	Known at lease origination	Known at lease origination
Ownership Decision	End of lease	End of lease	Lease origination

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