



## **The Ervin Advantage**

### **Experienced Professionals in Equipment Leasing**

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*Celebrating 28 Years of Service Excellence*  
*1978 to 2006*



# Equipment Leasing Advantages for Your Customers

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## **Capital Conservation**

- Leasing frees up money for growth. Instead of making an outright purchase with a sizable down payment with after tax dollars, you make payments on a schedule that suits your business needs.

## **Additional Credit Source**

- Leasing enables you to keep more capital and credit available for short-term business needs and expenses.

## **Budget Expansion**

- Affordable monthly payments allow you to obtain equipment and make productivity improvements on an as-needed basis, rather than waiting for next year's budget.

## **Fixed Payment Amounts**

- Lease payments remain constant, simplifying budget projections; whereas bank loan payments can increase as interest rates rise.

## **Potential Tax Advantages**

- Leasing may allow you to write-off 100% of the monthly lease payment as a rental depending upon your end of lease options.

## **Benefit and Cost Matching**

- By paying for the equipment usage, customers align the timing of cash outlays with the benefits of usage.

## **Acquisition Costs**

- Your lease payments can be structured to include delivery, installation and other service charges.

## **End of Term Flexibility**

- Lease-end options include lease renewal, equipment purchase, or return.

## **Ownership Risk Transfer**

- Your company reaps the benefits of equipment usage while Ervin assumes the risks involved in equipment ownership, making your operation more productive and worry-free.

## **Obsolescence is Obsolete**

- Ervin Leasing can position your operation at the forefront of technology. Leasing from Ervin allows you to upgrade equipment as needed and eliminate the risk of lost capital caused by lowered resale values of outdated equipment.



# Lease Options

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## **Fair Market Value –**

- Customer may purchase the equipment at its fair market value at the end of the lease term.
- Customer may continue to rent the equipment.
- Customer may return the equipment to Ervin Leasing.

The Fair Market Value purchase option provides the customer with the lowest monthly payment and may provide the most tax advantages. The customer may want to choose this option if the equipment has the potential to be upgraded at a later time.

## **Fixed 10% Purchase Option –**

- Customer may purchase the equipment for 10% of the original lease amount at the end of the lease term.
- Customer may continue to rent the equipment.
- Customer may return the equipment to Ervin Leasing.

The Fixed 10% purchase option allows the customer to budget for a fixed purchase price should they decide to purchase the equipment at the end of the lease term versus upgrading the equipment.

## **\$1.00 Purchase Option –**

- Customer may purchase the equipment for \$1.00 at the end of the lease.
- Customer may return the equipment to Ervin Leasing.

The \$1.00 purchase option allows the customer to finance the equipment that they intend to keep. This purchase option may provide the least amount of tax advantages and a higher monthly payment over other purchase options.

## **Calculating Lease Payments –**

Simply multiply your equipment proposal amount by the lease structure(s) factor you would like to provide to the customer. Ervin Leasing recommends quoting the monthly lease payment subject to any applicable sales tax. Other services such as freight, installation, software or other soft costs may be added to the equipment cost for lease purposes. Please check with your Ervin Sales representative for the amount of "soft costs" that may be added to the lease. All equipment and soft cost items must be itemized on the lease application or a copy of your sales order may be faxed with the lease application for credit processing.

## **Credit Criteria –**

Typically, Ervin Leasing requires only a completed and signed lease application for most transactions. Companies must be in business at least two years under the same ownership in order to qualify for the lease rates provided you. Your Ervin sales representative will review with you our credit criteria in greater detail.

## **What to do when the customer does not meet Ervin's credit criteria –**

Our Broker Division in Tampa, Florida is one of the largest and most respected lease brokers in the United States. We are proud that we are able to offer our vendors and customers the best of both worlds. For those transactions that do not meet our credit criteria, our broker division is capable of placing transactions with other reputable underwriters to meet almost any credit situation. Please contact your Ervin sales representative for information regarding the services of our broker division.