

## WINE CELLAR AND LOCKER BENEFITS



# Why clubs should consider wine cellars & lockers

### **Increase Wine Sales**

Having wine available to store at their club will increase the members' desire to buy more wine to enjoy and entertain. Often clubs give discounts to members to purchase wine directly. Storage in a climate controlled cellar is very important so the member knows that their valuable wine is in a safe environment.

### **Club Restaurant & Bar Sales**

Clubs are looking for ways to increase food and drink sales at their restaurants and bars. Members with lockers are more willing to stay at the club to dine and entertain because they have their private wine collection at the club. This will increase food and bar sales.

### **Additional Revenues from Rental Fees**

Having lockers at clubs is a popular new trend. Members are willing to pay for the service of having their wine accessible to them. Average rents are between \$50 and \$100 per month. Many clubs can get a 100% return on their investment in just one year using the purchase plan. Another popular method is to use the Apex lease option. In most cases we can show that the rental income will exceed the monthly lease payments for a positive cash flow from the beginning. Both the purchase and lease options do not take into account the added revenue from food and bar sales from members staying at the club rather than going elsewhere to dine and entertain.

### **Members' Social Benefits**

Members who are wine enthusiasts create social networking clubs such as wine tasting events, wine-maker dinners, wine related travel events, wine buying clubs and so forth.

### **Wine Management and Inventory Solutions**

Apex offers a complete wine management and inventory product with centralized touch screens, personal pass code for each member, internet access of the member's wine collection from any computer, access to learn more about wine, wineries, ratings, tasting notes and many other features.

### **Locker Design Décor Goals**

Most of the clubs with which Apex works prefer to have their cellars and lockers built to match the overall décor of the club. This is the specialty of Apex. With our on-site consulting and project management, full line cabinetry shop and refrigeration department, we can be a "one-stop shop" for design, project management, installation and long-term service.



## Purchase and leasing options



**Paid in Full Option:** The club may have the project planned within a capital improvements budget. Here are a couple of real life examples showing the “Return on Investment” (ROI) if your club purchases everything outright from Apex.

Project Cost	Approx. # of Lockers	Rental fees <sup>1</sup>	Rental income	ROI Period <sup>2</sup>
	12-24 bottles each			
\$50,000	50	\$75/mo.	\$3,750/mo.	13.3 months
\$100,000	120	\$75/mo.	\$9,000/mo.	11.1 months

<sup>1</sup> Rental fees per locker will vary from club to club. Rates between \$50-100 are common. For this example we use \$75/mo.

<sup>2</sup> This does not include the added revenue from dining and bar drinks.

**Finance Option:** Apex has developed a relationship with a finance company that understands our industry. We can help arrange a finance option that fits within your budget. The lease option will preserve capital and allow you to expense the payments without having to show it on the balance sheet as long term debt.

Project Cost (60-month lease)	Lease	Approx. # of Lockers 12-24 bottles each	Rental fees <sup>2</sup>	Rental income	Net Revenue <sup>3</sup>
	Payments <sup>1</sup> (\$1 buyout at end)				
\$50,000	\$1,013/mo.	50	\$75/mo.	\$3,750/mo.	<b>\$2,737/mo.</b> Profit
\$100,000	\$2,027/mo.	120	\$75/mo.	\$9,000/mo.	<b>\$6,262/mo.</b> Profit

<sup>1</sup> Exact lease payments are based on the credit rating of the club.

<sup>2</sup> Rental fees per locker will vary from club to club. Rates between \$50-100 are common. For this example we use \$75/mo.

<sup>3</sup> This does not include the added revenue from dining and bar drinks.

**Apex Partners Program** A great way to help pay for your locker project is to sign up for the partners program. Apex will give the club a percentage of the sale for a lead telling us about a club member that is building a private wine cellar. It is very simple. All we need is the name of the member and we do the rest. After the project is complete we send the club a check as a thank you. You can get more details of this program from your Apex Cellar Consultant.

