LEASING 101

WHY SHOULD YOUR COMPANY CHOOSE TO LEASE WITH D&M?

- Improved Cash Flow
- Reduced Administrative Burden
- D&M has simplified the procurement process. D&M can obtain any make or model vehicle your company chooses.
- D&M will customize the funding terms to meet your company's needs.
- D&M will secure any and all applicable fleet incentives.
- Ensure your fleet is fresh, safe and efficient through active management.

Leasing Terminology

Lessee – The entity leasing the vehicle

Lessor – The entity providing the vehicle

Depreciation Reserve – The portion of the monthly payment applied to principle reduction

Monthly Lease Charge – Interest and management fee

Book Value – The value at which a vehicle is carried on a balance sheet; equals capitalized cost minus accumulated depreciation

Reduced Book Value/Residual Value – The depreciated value of a vehicle at the end of a lease

Capitalized Cost – The cost of the vehicle at the inception of the lease

Lease Term – The schedule of monthly payments (24 – 60 months)

COMPONENTS OF AN OPEN-END LEASE

- Similar to bank financing
- No mileage restrictions
- No charges for wear or tear
- Lessee may purchase the vehicle at Lease Term for the Reduced Book Value
- Lessee is responsible for taxes, license and registration fees
- Lessee is responsible for maintaining and insuring the vehicle

COMMONLY ASKED QUESTIONS

- **Can we put decals on vehicles?** Yes, the company can treat these vehicles as they would one that was purchased.
- **Where do I need to have these vehicles maintained?** The company should treat these vehicles as they would an owned vehicle. Follow the manufacturer's services guidelines and utilize their standard providers or the manufacturers' service centers (dealerships).
- **Are there mileage restrictions?** No.
- **Can D&M lease a vehicle down to a balance other than $1?** Yes. D&M can establish a residual value that reflects the age and mileage of the vehicle. We will customize the lease to meet the needs and goals of the company.
- **Can D&M lease vehicles other than cars/trucks?** Yes, D&M can lease any vehicle.
- **How long does it take to get a vehicle?** The preferred method for acquiring vehicles is through factory ordering. D&M will place an order with the manufacturer based upon the company's specifications. This will allow the company to have a uniform fleet at the lowest possible cost. This process takes 8 – 12 weeks on average but can take longer for foreign manufacturers. If the company has an immediate need, vehicles can be acquired from dealer inventory.