

Save Time and Money with Leasing Options From Interstate Fleets

In today's business climate, it's imperative that your company keeps costs in check while maximizing services and value to your customers. Interstate Fleets, Inc. can help you face these challenges with many different leasing options and a variety of fleet management services.

Put More Than 50 Years of Experience to Work For You

Established in 1953, Interstate Fleets Inc. is a nationwide independent leasing company that serves the vehicle and equipment needs of a wide variety of businesses. As a privately held organization, we can respond quickly and tailor any program to fit your needs. We offer a full array of leasing options with no affiliation to any make or model.

Why Interstate Fleets, Inc.?

At Interstate Fleets Inc., we are dedicated to your complete satisfaction. Our philosophy of always putting our customers first enables us to outperform other vendors in delivering high quality service.

We pride ourselves in taking the time to learn about your business and the unique challenges you face. After a complete understanding of your goals and strategies, we will work with you to tailor a specialized lease program—all the while keeping an eye on your company's bottom line.



**INTERSTATE
FLEET
SERVICES**

Driving your business to the next level.™

INTERSTATE FLEET SERVICES

List of Services:

- Vehicle leasing
- Equipment leasing
- Full maintenance and maintenance management options
- Title and registration
- Used vehicle sales, leasing, disposal
- Customized billing and reporting
- Fuel programs
- Vehicle upfitting and lettering
- Accident management
- Warranty negotiations
- Lease term adjustments
- Temporary vehicles
- Vehicle relocation
- Nationwide coverage



INTERSTATE FLEET SERVICES

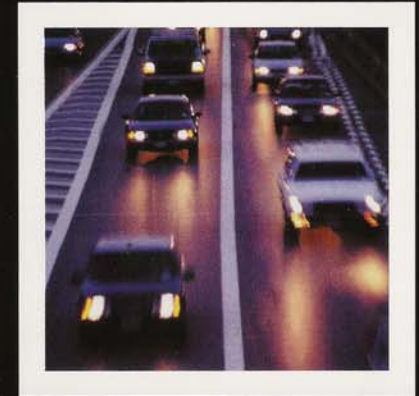
Driving your business to the next level.™

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Since 1953

THE FACTS ABOUT COMPANY VEHICLES:



**Whether to
lease,
to own
or to
reimburse.**



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Leasing

Leasing is an efficient and economical method of vehicle acquisition and fleet administration for all companies that need to conserve capital for primary business concerns. Leasing keeps credit lines open, improves cash flow and, with the right lessor, provides the full-time services of an experienced leasing and management organization.

Advantages

Financial

- No cash outlay, no lump-sum payments, no down payments
- Frees up funds for profit-making investments
- Keeps credit line open for company growth
- Vehicle financing covered 100%
- Off-balance sheet financing of vehicles
- Budgetable expense—predictable monthly cash flow
- Capital outlay is only for the portion of the vehicle that is used
- Choice of financing options and terms
- Availability of multiple financing sources
- Annual credit reviews - no need to analyze for each individual order
- Deferment of expenditures over the term of the lease
- No sales tax where use/rental tax applies
- Use taxes paid in future dollars over the term of the lease
- Vehicles obtained at predetermined (wholesale) prices
- Lower costs through lessor's volume purchasing power

Administrative

- No separate purchasing and selling organization necessary
- One-source supplier for vehicles, maintenance and sale
- Full range of lease types and terms
- Unrestricted choice of makes, models and vehicle types
- Expertise in vehicle selection and replacement timing
- Wide variety of nationwide sale methods for used vehicles
- Lessor handles recordkeeping and administrative functions:
 - Accounting
 - License, title and insurance compliance
 - Federal, state, and local tax administration
- Availability of other lessor services:
 - Maintenance and repair cost controls
 - Warranty and extended warranty recovery
 - Extensive national account vendor network
 - Upfitting, lettering, etc.
- 100% pass-through of factory fleet incentives when applicable
- Consolidated monthly billing covering all expenditures
- Virtually no out-of-pocket driver expenses
- Increased control over corporate image and employee moral
- Customized, flexible programs for every type of fleet
- Temporary replacement of vehicles

Disadvantages

- Fleet locked in for a set period of time
- Not advisable under certain tax situations

Ownership

Vehicle ownership requires a substantial investment in time, money, staff and equipment - costs that a lessor spreads over time and over many vehicles thereby reducing overhead to customers.

Advantages

Financial

- Depreciation available to purchaser

Administrative

- Control over image and suitability of vehicles

Disadvantages

Financial

- Requires cash outlay
- Requires outside financing/use of company credit lines
- Loss of profitable cash investment opportunities
- No volume purchasing power
- Vehicles capitalized on balance sheet
- Loans recognized on balance sheet
- Must manage loan portfolio
- 100% sales tax impact on purchase
- Corporations subject to Alternative Minimum Tax

Administrative

- No fleet management expertise
- Must maintain vehicle purchasing and selling personnel
- Requires extensive tracking and recordkeeping
- Uses owner's computer space/time/personnel
- Administrative burdens fall on corporation
 - Vehicle "shopping" and price negotiations
 - License, title, tax and insurance compliance
 - Maintenance and repairs
 - Warranty and extended warranty recovery
 - Rental and emergency replacements
 - Financing and accounting
- Limited vendor network for services
- Limited manufacturer fleet incentives and rebates
- Owner must monitor government laws and regulations
- Owner involved in used car business
 - Must handle negotiation, paperwork, and disposal of vehicles
 - Price haggling for direct sales to employees

Driver Reimbursement

Driver reimbursement is the most costly, least efficient and least equitable way to obtain business transportation. It offers the least amount of control by the employer over operating costs, safety, and the model, value, condition or style of an employee's vehicle. Moreover, reimbursement requires costly recordkeeping to substantiate and process driver claims.

Advantages

Financial

- No company cash outlay
- No balance sheet effect
- Use of future dollars

Administrative

- Purchasing, maintenance and selling are done by the employee
- No tracking of driver's personal use of company vehicle
- No vehicle cost related to terminated/transferred employee

Disadvantages

Financial

- Reimbursement puts financial pressure on employees
 - Driver must buy vehicle at retail price
 - Driver must borrow at higher individual rates
 - 100% impact of sales tax at acquisition
- Driver pays retail prices for maintenance, repairs, parts, tires, emergency rentals, etc.
- Business usage increases driver's insurance premium and creates higher fuel and operating costs
- Personal vehicle tends to be kept longer, thus increasing operating costs and downtime
- Outside supplier reimbursement programs are very expensive

Administrative

- Burden of handling multiple expense and mileage reports
- No controls over age, type and image of employee's vehicles
- No assurance of safety/reliability of employee-owned vehicles
- Employer must monitor insurance coverage and insure that company is named as an additional insured
- Utility requirements of vehicles are likely to be inadequate
- Research and tracking are required to ensure fair compensation for issues such as different mileage, usage, territories and geographic locations
- Loss of recruitment advantage/employee retention due to absence of a company vehicle
- Less control over downtime when company does not oversee maintenance
- Reimbursement programs are often hard to explain to drivers; are perceived as unfair and can cause dissatisfaction