

Lease'T'Own® Training Manual



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Who to Call

Insurance Claims, Insurance Company or Agent problems, etc..	Dan Blowers
Legal Questions regarding contracts, bankruptcies, recovering your vehicle, right to cure, state inspectors, etc.	Dan Blowers
General Ren'T'Own® and Lease'T'Own® program questions	Sales & Training Staff
Need Funding for your RTO/LTO® Fleet? LTO® Financial	Jay Blowers
Administrative assistance for your LTO® Financial funded fleet	Diane Blesener
Training or Re-Training Needs	Laura Buckner
If your dealership name or contact information changes	Diane Blesener
Questions regarding your Monthly Statement	Diane Blesener
Copy of Contingent Liability Insurance Certificate	Diane Blesener
Problems accessing the Dealer Resources	Marketing
Questions or problems regarding the Dealer Locator on www.rtolto.com	Marketing
For Free Marketing Assistance	Marketing
To be featured in our Blog, Facebook Page, or Twitter Feed	Marketing
To purchase or have questions about our GPS Devices - Features, installation, tracking website, etc...	Jay Blowers
For more information on Daily Rentals	Sales & Training Staff
To order Dealer Supplies or Forms – www.northlandsupplystore.com	Michelle Eibner
If your specific situation is not listed here	Cindy Cox - Receptionist

Program Highlights

- Excess Contingent Liability insurance is required on **ALL** Lease'T'Own® cars.
- Two levels of excess contingent liability insurance are available to you.
 - **GOLD** - \$1,000,000 (one million) coverage and collision damage with \$1,000 deductible per vehicle - \$23 per vehicle/per month - includes physical damage coverage and customer insurance tracking.
 - **SILVER** - \$1,000,000 (one million) coverage per vehicle. - \$8.95 per vehicle/per month - self managed program.
 - See page 57 for a comparison of the two coverage levels.
- Coverage is obtained by:
 - **FAXING** the signed lease agreement and valid proof of insurance to Northland for the **Gold** coverage. Documents should be sent in at the time the lease is written to ensure coverage (see page 74)
 - **ADDING** your vehicle into the Fleet Management tool for **Silver** coverage. Vehicle should be added to the portal at the time of lease to ensure coverage (see page 65)
- **COVERAGE PLUS** - the comp/collision protection program is recommended for all vehicles using the SILVER level excess contingent liability insurance coverage. (see page 28)
 - Coverage for Coverage Plus is obtained by adding the vehicle to your comp/collision policy through the ARSinsure on-line system.
- GPS Tracking devices should be added to ALL Lease'T'Own® vehicles. They are available for purchase at www.northlandsupplystore.com
- Data entered into your Dealer Management System (AutoManager, Dealer Plate, ComSoft, etc....) system is **NOT** communicated with Northland. Your DMS data is for your internal use only.
- Your account will be considered "ACTIVE" once you've submitted your first signed lease agreement with valid proof of insurance.
- If no contracts are submitted within a 6 month period, your account will be considered "INACTIVE" and subject to a reinstatement fee.

**SETTING UP YOUR
LEASE'T'OWN® BUSINESS**

Licensing Requirements

In order to operate a Lease'T'Own® business, all dealers are required to have a Dealers License. A few states listed below have additional requirements.

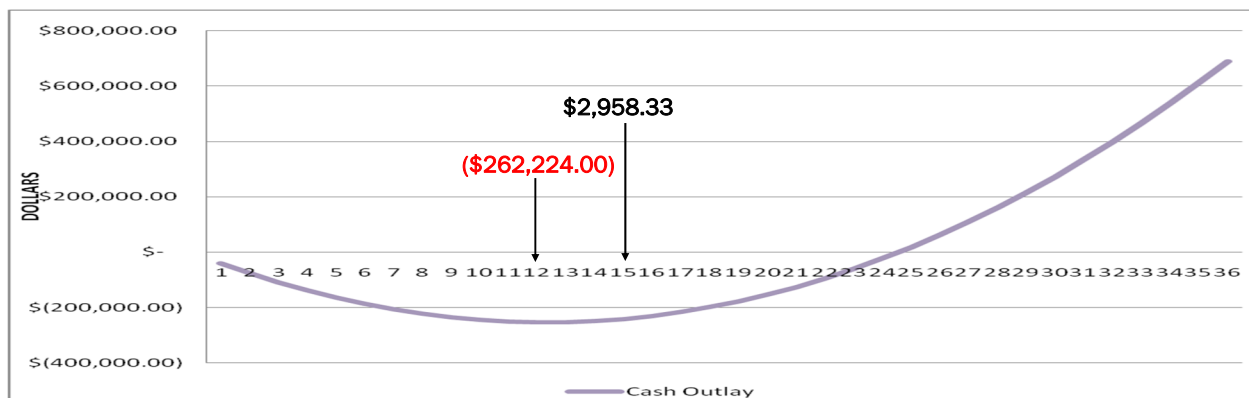
State	License Type	State	License Type
CT	Lease License	OH	Lease License
IA	Lease License	PA	Tax License
IL	Rental Tax Number	RI	Lease License
LA	Lease License	TX	Lease License
MO	Lease License	UT	Sales Tax License
NJ	Lease License	WV	Lease Permit

Capital Recommendations

- This business model can be operated as conservatively or aggressively as you want.
- LTO® does not have any requirements for submitting a certain number of contracts each month. We do however, urge you not to underestimate the amount of customers you will have available for this program!

True Story....a new LTO® dealer in North Carolina had 5 vehicles on his lot set aside for Lease'T'Own®. He placed an advertisement in the local newspaper and the next morning before he even opened, he had over 20 customers waiting for those 5 cars!

This chart illustrates the amount of money and length of time for your Lease'T'Own® business model to become self sufficient. The analysis shows the results if you were to add 10 vehicles per month for 36 months into your LTO® Fleet. All lease income is re-invested back into your business for the purchase of additional vehicles each month. In month 12, your highest cash outlay is at \$262,224.-00. This is the recommended amount of capital you need to operate a successful LTO® business. At month 15, your ROT/LTO® fleet becomes self sufficient with excess cash flow available.



LTO[®] Financial, LLC

As a valued Lease'T'Own[®] dealer, we'd like to extend an offer for you to join an elite group of fellow dealers participating in a program with LTO[®] Financial, LLC.



- LTO[®] Financial provides the ability for you to use your Lease'T'Own[®] fleet in exchange for funds to buy additional vehicles
- LTO[®] Financial purchases qualified Lease'T'Own[®] vehicles and their corresponding Consumer Lease Agreement from approved Lease'T'Own[®] dealers.
- The Lease'T'Own[®] dealer acts as a "Dealer Agent" on behalf of LTO[®] Financial.
- Dealer-Agent collects the periodical payments from the Lessee and pays LTO[®] Financial a calculated specified amount from those payments for a set period of time.
- Upon completion of the term, LTO[®] Financial signs the title back to the dealership.
- LTO[®] Financial provides the dealer with an excellent cash flow and the opportunity to continue growing a successful business.

ONLY A LIMITED NUMBER OF DEALERS WILL BE ACCEPTED

(Not available in all states)

Vehicle Selection

- You have the freedom to choose any vehicle for the Lease'T'Own® program. Any age - any mileage - any price range.
- Be sure to choose vehicles that, once marked up to lease price, are still affordable for your customer base.
- Nationally, we find that vehicles around \$3,000-\$8,000 wholesale price are the most common choice for LTO®.
- Be sure to choose vehicles that are in good condition and require minimal expense to detail and prepare for leasing. Pre-inspect the vehicles before delivery.
- Consider vehicle mileage and condition as it relates to the term of the lease agreement. Lower mileage vehicles typically are leased on longer terms and higher mileage vehicles on shorter terms.

Preparing Your Vehicles

- LTO® Vehicles should follow the same preparation process you have for your retail vehicles.
- Keep track of all expenses incurred while preparing the vehicles as this figure will be used to calculate the lease cost.
- Make note of any noticeable body damages as these will need to be filled out on the Vehicle Inspection form at the time of lease.
- All LTO® Vehicles should be titled as a "LEASED VEHICLE" in the name of your dealership.
- The cost of titling and registration can be reimbursed from the customer at the time of leasing via the LTO® Consumer Lease Agreement.

Dealer Management Software

Ease your administrative tasks and increase efficiency with a dealer management software system. Below is a list of software companies that contain and support Northland's Lease'T'Own® contracts and forms.

Be sure to mention that you are a Lease'T'Own® dealer with Northland when you call! Some companies offer discounts for Northland dealers or may require special modules or access to Northland's forms.

- Auto Manager - www.automanager.com 1-800-300-2808
- ComSoft - www.comsoft.com 1-800-849-3838
- Dealer Plate Software - www.dealerplate.com 1-763-202-7553

Vehicle Pricing

This example is what many dealers use, but remember it's your vehicle and you can set the leasing price and up-front money at whatever you wish.

Take the wholesale cost of the vehicle and add on any expenses you incurred to bring the vehicle up to saleable condition. Also, add on the expense of the GPS tracking device.

Wholesale Cost of Vehicle	\$5,000.00	
Add GPS Cost	+ \$165.00	
TOTAL Cost of Vehicle	\$5,165.00	←This is the total expense you have in the vehicle

Setting The Lease Price

To set your lease price, we recommend that you take your total wholesale investment and multiply it by 2.2 to 2.4

Total cost of vehicle from above calculation	\$5,165.00
Multiplier	X 2.2
Lease Price of your RTO/LTO® Vehicle	\$11,363.00

Remember, these vehicles need to be marked up enough to make the extra work worthwhile!

Divide the Lease price by the lease term to determine your customer's weekly, bi-weekly, or monthly payment.

<u>LTO® Pricing</u>	
Lease Price	\$11,353.00
36 Month Lease	/36
Monthly Payment	\$315.64

Establish the Up-Front Money

The up-front money formula we recommend should be approximately 8 - 10 % of the total payments.

The up-front money is non-refundable after being paid by the customer. This is pure profit to the dealer and covers the cost of the transaction.

Lease Price	\$11,353.00
Multiply	x 10%
Up-Front Money	\$1,100.00

Profit Example

LTO® Vehicle @ \$341.98 p/month for 36 months	\$11,353.00
Add Up-Front Money	+ \$1,100.00
	\$10,253.00
Minus Wholesale Cost of Vehicle	-\$5,165.00
GROSS PROFIT	\$5,088.00

Lot Layout

- Prepare a “Lease Price Vehicle List” showing upfront money, payment amount, and various term length to “fit” the vehicle to your customer.
- One idea might be to organize your LTO® lot by weekly payment price. For example, \$65.00 per week vehicles in the back row, \$75.00 per week next, and \$85.00 per week in the front.
- Organizing by price will allow the customer to naturally gravitate to the price range that they are comfortable with.

Staffing Needs

In addition to your Sales staff, you will want to have one or two administrative employees dedicated to work on collections and insurance.

We recommend the administrative staff be full time employees and able to back each other up.

Suggested Responsibilities

Insurance Administrative Employee

- Verification of accurate insurance binders for new contracts.
- Work closely with local insurance agents for corrections on binders and policies.
- Receive correspondence from insurance companies and ensure policies are kept current.
- Receive and act on correspondence from Northland.
- Communicate with customers on obtaining accurate and current insurance.
- Communicate internally when a vehicle should be recovered due to not having accurate or current insurance.

Collection Administrative Employee

- Collect & Process customer’s payments.
- Monitor payment due dates.
- Contact customers when due date passes.
- Communicate internally when a vehicle should be recovered due to payment default.

Ensure all employees (sales and administrative) have been trained on Lease’T’Own® and fully understand the concept and processes. This understanding is critical to the success of your LTO® program!

Free training and re-training is available from Northland upon request. We recommend refresher training quarterly and whenever new employees come on board.

Titling & Registration

- When you are talking with the Department of Motor Vehicles, be sure you refer to your vehicle as a LEASED vehicle.
- Each state is different with regards to titling and registering leased vehicles. You can refer to the State Leasing Code section of the NADA book for a quick reference.
- Due to the variations in leasing laws from state to state, we recommend that you consult your local Department of Motor Vehicles for the exact procedures on titling and registering a leased vehicle.
- In most states, your dealership name will be listed as the “Lessor” on the title and registration. Your customer will be listed as the “Lessee” on the registration. This will vary by state.
- In most cases, you will be able to recoup the cost of licensing and titling from the customer through the Consumer Lease Agreement.

Internal Filing & Recordkeeping

We recommend that you keep individualized files for each customer containing the following:

- Customer Information Sheet & accompanying documents
- Copy of Drivers License
- Vehicle Inspection Form
- Consumer Lease Agreement with Exhibit A and all addendums
- Original Insurance Binder
- Ongoing Insurance Documentation
- Any correspondence

Advertising/Marketing Ideas

- Dealers report advertising for about 6 months when starting their LTO® business before word of mouth really seems to catch on. From that point, minimal advertising is needed to get customers on your lot.
- **DO NOT** advertise a cash price on the vehicles. Advertise the periodic payment amount and the up-front money requirement.
- Develop a social media strategy utilizing Facebook, Twitter, YouTube, Blog, etc...
- Utilize the website **www.RtoLto.com** to educate your community on what the Lease'T'Own® programs are all about.
- Offer a referral program for your LTO® Customers. The reward could be a free oil change, tire rotation, gas card, \$50 - \$100 cash, half off their next periodic payment, etc...
- As a Lease'T'Own® dealer, you have permission to use our registered trademark in your advertising, website, or in-house publications. See the Associate Agreement for more details.
- Some dealers will offer free oil changes or free car washes at their location as a way to keep an eye on the vehicle and to ensure that the required maintenance is being done.
- Design a business card with benefits of LTO® on one side and your dealership info on the other.
- Apply a Bumper Sticker, License Plate Holder, or window sticker to your Leased vehicle that advertises LTO at your dealership.
- Having a step by step outline of how the Lease'T'Own® process works is very helpful to the customer. Returning the vehicle at any time for any reason sounds "too good to be true". Presenting the process out step by step offers a sense of comfort to the skeptic customer. Northland has a sample outline of this available to review.

**SELLING THE
REN'T'OWN® / LEASE'T'OWN®
PROGRAM**

What is RTO®/LTO®

Lease'T'Own® is a marketing terms to describe our very profitable business model of **Used Car Leasing**.

Used Car Leasing provides an alternative to conventional financing for your credit challenged customers. This program offers a service to your customers that most dealers can't provide.

LTO® allows your customer to pay for the periodic use of a used vehicle with an option to purchase or return at any time. You remain titled owner of the vehicle giving you control over the vehicle and leverage over delinquent payers.

LTO® was founded in 1990 by Allen Lentsch, Executive Director of the Northland Independent Automobile Dealers Association. Based on his years of experience in the car industry and on feedback from dealers like yourself, Mr. Lentsch developed the concept of Lease'T'Own® as a way for dealers to overcome the issues they were facing in their everyday business. Issues such as customer bankruptcies, costly repossessions, delinquent payers, tax burdens, etc... LTO® overcomes these issues and also provides dealers with higher profits than wholesale or retail. Most importantly, LTO® provides dealers with a steady flow of monthly income!

LTO® is a combination of key components put together to provide the dealer with the **Strategy, Support** and **Supplies** to enhance current business plans and increase profits.

Key Components of LTO®:

- Proprietary Lease'T'Own® Contracts
- Insurance Protection for the Dealer
- GPS Tracking Device (Available for Purchase)
- Outstanding Dealer Support

LTO®	Buy-Here-Pay-Here
Vehicle Title remains in your Dealership Name	Vehicle title is registered to the Customer
Federal Statute Protection to assist with Bankruptcies	No protection against Bankruptcies
No Repossessions - You own the Vehicle	Repossessions can be difficult & time consuming
More control over slow or delinquent payers	Slow payers have the vehicle and title
Pay Income Tax on revenue as it's earned	Pay Income tax on full contract at the end of the first year
Origination Fee - Profit straight to your bottom line	No Origination Fee
Customer can't trade vehicles with anyone but you. YOU own the vehicle!	Customer can trade vehicle with anyone
Complete turnkey program	Build your own program

How To Sell RTO/LTO®

- The process starts with changing your frame of mind of what you're actually doing. You are not selling cars - you are providing a service. You are helping the customer by allowing them to make periodic payments toward the ownership of YOUR vehicle. You are doing them a HUGE favor. You are letting them use one of your vehicles as if you were their close friend. You are helping them out when no other dealer would. You are the HERO in their eyes. They like you, they trust you, they are thankful for you. In return, they will communicate with you, they will pay you, they will take good care of your vehicle, and they will tell all their friends and family about you.
- The secret behind every successful LTO® dealer is how they treat the customer:
 - BE NICE!
 - Commit to do right by your customer!
 - Take care of the customer and they'll take care of you by telling their friends and family!
- LTO® has several benefits for your customer:
 - Approval for a vehicle is not based on credit history
 - Affordable payments - weekly, bi-weekly or monthly
 - Flexible terms
 - Pay for the periodic use of a vehicle
 - Easily trade in and trade up
 - They are NOT locked into a high interest rate loan
 - Able to return the vehicle at any time, for any reason, without penalty
- Be very clear, at the beginning, about the expectations you have for the customer:
 - Customer needs to carry primary insurance - comp/collision and liability or liability only insurance depending on which coverage level you choose.
 - Customer needs to properly maintain the vehicle and assume all costs while in possession of the vehicle.
 - Customer needs to bring the vehicle in every 4 months or 4,000 miles for an oil change.
 - Customer needs to pay on time.
 - Customer needs to communicate with you if there are any issues. The more up front and timely they are with their communication, the greater chance you'll be able to work something out.
 - Customer can return the vehicle AT ANY TIME. If they return the vehicle in good condition, they can walk away with no further penalties and no further damage to their credit. Tell the customer when they get back on their feet, they can come back and see you - you'd love to get them back into another vehicle!

How To Sell RTO/LTO® cont...

- Your relationship with the customer is no longer “make the sale and get them off the lot” and it’s definitely not adversarial. Your relationship now needs to be one of open communication, respect, and nurturing. You want this customer (and their friends and family members) as a customer for life, not just for one sale. See section called “Rolling your Vehicles” for more info on this.
- Develop relationships with a few insurance agents in town who understand LTO® and what’s needed for the endorsements on the insurance binders. Refer your customer to these insurance agents for their primary insurance coverage as an additional service.
- Consider rewarding your customers for their loyalty, referrals, etc....
 - Offer a vehicle maintenance program for oil and filter changes, and general maintenance. Do the program in-house or work with an auto service provider for additional revenue and to help the customer keep dependable transportation.
 - Offer a sign-up promotion to new customers - receive a gas, restaurant, or retail store gift card when you sign a LTO® contract.
 - Offer a referral program for your current LTO® customers - if someone they refer to the dealership signs a LTO® contract, they earn a reward.

Example rewards could be:

- ⇒ Magazine Subscription
- ⇒ Gift card to a restaurant, retail store, or grocery store
- ⇒ \$50.00 - \$100.00 cash
- ⇒ 50% off their next periodic payment

- Have your customer check out our education website at www.RtoLto.com. This site was designed with three purposes in mind:
 1. **EDUCATING** the car buying public on what LTO® is all about
 2. Offering an easy way for customer to **LOCATE** local LTO® dealers (FREE LEADS)
 3. Offering a comfortable and easy way for customers to **APPLY** on-line for a LTO® vehicle. (FREE LEADS and pre-qualified customers!)

This is a helpful tool to get customers to understand what LTO® is all about!

Who Are Your Customers

What picture represents your idea of a sub-prime or bruised credit customer?

ALL of these people to the side could realistically be considered “sub-prime”. These people represent the estimated 70% of the public that can’t get normal financing today. They are good people that are victims of the economy. They got caught in a divorce, a medical problem, or a temporary unemployment situation that has ruined their credit score.

They are stable people that have jobs, have lived in your area for a long time and their credit score will get better with time.

They need help today and you feel bad sending them away. They will remember who helped them when they needed it and you want to be that per-



son!

Consider **John Anderson**. He has worked for the same company for 12 years. He worked his way up to Vice President, but has recently gone through a divorce. His ex-wife got the house and the good car and all he got was a bruised ego and the second car. He needs a nice car. He still has a job which pays well. His life will go on and his credit will recover. He will not come back to you after his credit recovers if you don't help him today!

Consider **Amy Smith**. She is a single mom who worked her way through school to become a nurse. She has a full time job with duration of about three years. Her car lies dead in your repair shop, but some mistakes in her past are still haunting her credit. How are you going to help her today and keep her for a long term customer when her credit recovers?

Every dealership has the potential to keep these customers with the Lease'T'Own® program!

***Your customer is NOT someone who will be using the vehicle for business needs rather than personal ones.** For example: Carrying Equipment (ladders, supplies, tools, etc), Carrying Hazardous (or flammable) material, Carrying Housekeeping Equipment for a business, Equipped with cranes, winches, snowplows (not for use on private property only), Towing for Hire, Delivery of Goods (including but no restricted to pizza, flowers, wholesale, retail), Rural Newspaper Delivery, Trucking – Local and long haul, Messenger, Deliverer, Chauffeur, Taxi driver

Qualifying Your Customers

You simply need to qualify these customers based on **stability** rather than credit. Follow your normal credit procedure, but concentrate on length of employment, length of residency, and years with the same bank. Additionally, verify references, income, and current debt.

Stable customers have three basic needs:

- They need a job
- They need a car to get them to work
- They need a place to live

You can look at even just two of those basic needs and decide if they are stable enough to pay for a car. If they have worked for the same employer for several years, it's likely that the employment will continue. If they have lived at the same address for some time, it shows that they can be trusted to pay the necessities. Stability is the Key!

Most of this information can be gathered while making small talk with the customer. For more detailed information gathering, use the provided Customer Information Sheet or something similar. The most critical pieces of information are the 6 references. Several of these references should be close relatives. The references will be invaluable for helping to locate the customer if they should default on payments.



We recommend that you inquire about the intended use of the leased vehicle. Your Excess Contingent Liability Insurance is intended for vehicles that are for **personal** use. Any vehicle being used for commercial use will not be covered.

Commercial use includes but is not limited to:

- Carrying Equipment (ladders, supplies, tools, etc)
- Carrying Hazardous (or flammable) material
- Carrying Housekeeping Equipment for a business
- Equipped with cranes, winches, snowplows (not for use on private property only)
- Towing for Hire
- Delivery of Goods (including but no restricted to pizza, flowers, wholesale, retail),
- Rural Newspaper Delivery
- Trucking – Local and long haul
- Messenger
- Deliverer
- Chauffeur
- Taxi driver, Uber Driver, Lyft Driver

Rolling Your Vehicles

3 Customers - Same Vehicle

Joe Leases the '03 Toyota Camry

Wholesale cost of Car	\$ 5,000.00
Lease Price after Markup	\$11363.00
Term of Lease	36
Customer's Monthly Payment	\$ 315.64
Customer's Up-Front Money	\$ 1,100.00

12 Month Recap:	
Customer's Up-Front Money	\$1,200.00
Payments for 12 Months	\$3,787.68
Total Income for 12 Months	\$4,987.68

When Joe comes in to make his payment, I ask if there's any other vehicle on the lot that he likes better. Of course, after driving around the same car for 12 months, the thought of something different intrigues him! Joe finds another LTO® vehicle on the lot, they terminate the current lease and initiate a new lease for the different vehicle.

I put the '03 Toyota Camry out for lease to the next LTO® customer.

Alice Leases the same '03 Toyota Camry

Wholesale cost of Car	\$ 5,000.00
Lease Price after Markup	\$11,363.00
Term of Lease	36
Customer's Monthly Payment	\$ 315.64
Customer's Up-Front Money	\$ 1,100.00

12 Month Recap:	
Customer's Up-Front Money	\$1,100.00
Payments for 12 Months	\$3,787.68
Total Income for 12 Months	\$4,987.68

Since Joe only had the car for 12 months, I put the Camry back out on LTO® for the same monthly payment to my new customer, Alice. Around 12 months I ask Alice the same question about whether there's a car on the lot she likes better. Of course there is! I terminate Alice's current lease and initiate a new one for the different vehicle.

I put the '03 Toyota Camry out for lease to the next LTO® customer.

Mark Leases also the '03 Toyota Camry

Wholesale cost of Car	\$ 3,500.00
Lease Price after Markup	\$ 8,063.00
Term of Lease	30
Customer's Monthly Payment	\$ 268.77
Customer's Up-Front Money	\$ 800.00

30 Month Recap:	
Customer's Up-Front Money	\$ 800.00
Payments for 30 Months	\$8,063.00
Total Income for 30 Months	\$8,863.00

Mark leases the 03 Toyota Camry and since it's about a year older now, I drop the wholesale value, markup, upfront money and lease term accordingly. I let Mark finish out the lease term and purchase the vehicle for a residual value of \$500.00

Recap of 54 Months:

Total Monthly Payments & Up-Front Money	\$1,8838.36
Residual Value (Final Purchase Price)	\$ 500.00
Total Income received from Vehicle	\$ 19,388.36

Plus the value of the depreciation on the vehicle: \$4,500.00

Look at how much added profit "Rolling the Vehicle" brought! The \$5,000 investment we made on the front end, ended up giving us **almost \$20,000 plus tax benefits!**



Helpful Tips

- The LTO® business model will change the way you do business and will change the way your customers see you in the community.
- Most customers aren't bad - most will pay on time, and most will take care of the vehicle. Don't design your business plan around the exceptions.
- Once you start seeing your customers in a different light, they will start seeing you differently too.
- Returned vehicles are OK! The profit adds up fast regardless of how many customers you lease it to! First, make sure the customer knows they can come back to you for another vehicle once they heal up financially. Next, detail the returned vehicle and re-lease it to the next customer! You get to collect additional up-front money and you'll have a new stream of payments coming in.
- Rich or Poor - customers like to change vehicles! Your LTO® customers can only change a vehicle with you! We call this "Rolling your Vehicle". Starting around months 12-18, begin asking your customer if there's anything on the lot they like better than what they're driving now. Offer to cancel their current contract and for minimal up-front money, start a new contract with the other vehicle. Keep rolling them from one vehicle to another and keep them as a customer for life!
- Save money on your advertising! Treat the customer right and they'll talk!
- With BHPH, one dealer reported approximately 24% repossessions with none of those customers ever doing business with them again. With LTO®, he still had to recover 24% of his vehicles but without the expense and time consuming paperwork. Of the 24% returned vehicles, 55% of the customers returned to lease another vehicle.
- When you are talking with the DMV, insurance agent, inspector, police, etc... be sure you clarify that these are **LEASED** vehicles. Our LeaseT'Own® marketing name can lead to the assumption that these are rental vehicles. It's important to clarify.
- Refrain from using the term "down payment" for the initial monies. The term refers to an installment sales contract. Instead, use the term "up-front money" on a leased vehicle.

Lead Generation Tool

Northland has launched a new website - www.RtoLto.com.

This website has been designed to educate customers on the benefits of Lease'T'Own® and most importantly, get the customer connected to **YOU!**

This website has the option for the customer to submit an easy on-line application or to use the Dealer Locator to find the closest LTO® Dealer to them.

DEALER LOCATOR



Customers will be able to access a list of LTO® dealers located near their zip code. The site will provide basic information such as:

- Dealership Name
- Address
- Phone

Only dealers who have become "active" by submitting at least one LTO® contract will be added to the dealer locator and be eligible to take advantage of **FREE LEADS!**

Just ONE contract is all it will take to be included in this opportunity!

If for some reason you don't want to receive free leads, please contact us at 800-879-3433 to be removed from the Dealer Locator.

ON-LINE APPLICATION

Customers will be able to access an on-line application from several convenient spots within the website. We've kept the application brief yet will provide you with all the details you need to match the customer up with an appropriate vehicle. Once the customer submits the application, their information will be sent electronically to all active LTO® dealers within their area.

Keep your eyes open for these important e-mails with a subject line of "LTO-New Customer Application"! Once you receive this **FREE LEAD...** Act Fast! Be the first dealer to match the interested customer with a RTO/LTO® vehicle!

SPREAD THE WORD!

Feel free to put this website address on your sales material, business cards, advertising, and anywhere else where your marketing meets your customers! Spread the word and let the public know what you can offer them! Also, don't forget to link www.RtoLto.com to your website for enhanced search results!



Find out more on our website...

www.RtoLto.com

Coverage Plus

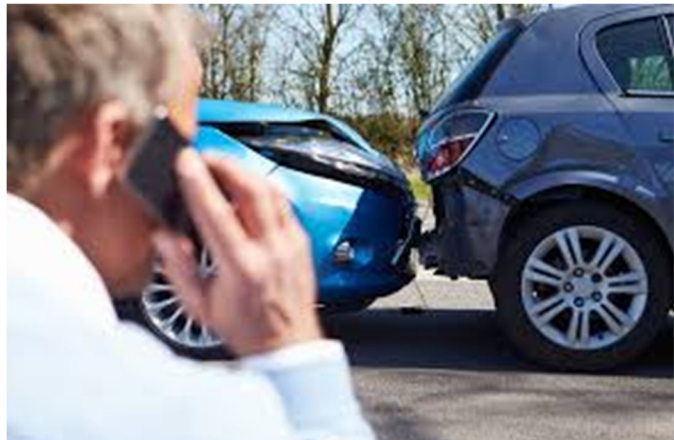
A PHYSICAL DAMAGE PROTECTION PROGRAM

The Lease'T'Own® lease agreement requires that your customer provides evidence of **full coverage** insurance (liability AND comp/collision coverage).

Your customer is able to obtain the required insurance from any licensed insurance agent and/or authorized insurance company of their choice.

In many cases, your customers will only have a policy for Liability coverage due to state laws. **THESE ARE THE PERFECT CANDIDATES FOR YOU TO OFFER THE COVERAGE PLUS PROGRAM!**

Your customer can satisfy the comp & collision requirement of the lease contract simply by you adding the leased vehicle to your existing physical damage policy— a.k.a. Coverage Plus!



Your vehicle is covered, the missing piece of the insurance requirement is satisfied, and your customer didn't have to leave the dealership to get it done!

Your customer reimburses you for the cost of the coverage at the same time they make their lease payment.

THE COVERAGE PLUS POLICY

The coverage plus policy provides physical damage coverage for your leased vehicles. This coverage is also known as "All Risk", providing an expanded version of comprehensive/collision coverage. This policy does not include towing and storage.

Coverage Plus protects your interest in the vehicle only. It does not provide the state required liability coverage for your customer. They will still need to obtain Liability insurance.

The policy pays the lesser of three options (less the \$500 deductible)

- Cost of repair
- Limit of Liability (policy limit is \$15,000)
- Actual cash value (NADA Clean Trade + NADA Clean Retail ÷ 2)

Coverage Plus

BENEFITS TO YOUR CUSTOMER

- Coverage Plus satisfies a portion of the insurance requirement of the lease contract
- All customers qualify! No credit check and no driving record check
- Affordable Rates! In many cases, your customer can save between \$25 - \$400 annually
- Easy Payments! Coverage Plus is paid along with each lease payment
- Rates will not change in the event of an accident or traffic violation

BENEFITS TO YOU

- There's no enrollment fee to take part in this program
- You are in control of the coverage - not your customer
- All insurance claims are paid directly to you. There's no need to worry about the customer not cooperating with the insurance company or receiving the payment in error. You get to file the claim and you get paid by the insurance company for the damage.

BUNDLE COVERAGE PLUS WITH OUR SILVER LEVEL EXCESS CONTINGENT LIABILITY INSURANCE



Through Northland you
 have access to affordable excess contin-
 gent liability insurance

have

access to affordable excess contin-

More info about our SILVER level insurance can be found later in this manual.

GPS Devices

**Northland offers a variety of GPS devices
with different features and prices to fit your needs!**

TECHNOLOGY DESIGNED TO PROTECT YOUR FLEET

- ✓ **Designed with the latest in CDMA based tracking technology**
- ✓ **Manage your fleet**
- ✓ **Quickly locate your vehicles**
- ✓ **Improve recovery efforts**
- ✓ **Positively impact customer payment behavior**
- ✓ **Wireless and Wired options available**

Each Lease'T'Own® vehicle should be equipped with a GPS unit before the vehicle leaves your lot. You can order these units directly through Northland by faxing in an order form to 952-894-8990, by calling 800-879-3433, or by visiting our on-line store at www.northlandsupplystore.com.

Federal Law does not require disclosure to the customer of a tracking device as long as the shut off feature is not used. If you use the shut off feature, Northland will supply you with the addendum to have your customer sign. Our dealers that do disclose to the customer that the device is on the vehicle, present it as a benefit to protect against theft.

Once the GPS devise has been installed on a vehicle, you must also perform an update on the website to activate and assign the device to a specific vehicle. Refer to the Quick Set Up and Install Guide for details on this process. Providing as much information as possible in the Vehicle Summary tab has proven to be helpful for dealers in the recovery process of their vehicles.

**STANDARD FORMS USED IN
LEASE'T'OWN® PROCESS**

Program Forms

CUSTOMER INFORMATION FORM

- This is a critical document! The information you gather here may be your only resource if the customer defaults on payments.
- Make sure the customer fills this form out completely.
- You are probably used to using these types of applications for qualifying credit ratings for financing. Remember, LTO® is different! Here you are looking for signs of stability and resources to contact in the event your customer should default.
- Be sure to obtain and verify 6 personal references. Parents, close relatives, employers church contacts, etc... look for anything and anyone that will keep them in the area.
- Be sure to ask what brought them to the area - this will help answer what/who may know your customer's whereabouts.
- The Customer Information Sheet is available to you electronically for additional copies.

ADDITIONAL INFORMATION NEEDED FROM THE CUSTOMER:

In addition to the Customer Information Sheet, you should also require the customer to submit the following:

- Valid Photo Drivers License
- Proof of Income (last 2 pay stubs)
- Proof of residency - utility bill, credit card statement, bank statement, phone bill, etc... (2 minimum)

Customer Information Sheet										DATE: _____		
Please Print												
Name			Maiden Name			Birth date						
E-Mail Address				Social Security #				Drivers License #				
Address				Apt/Floor		City/State/Zip		How Long				
Residence is: 1. Owned <input type="checkbox"/> 2. Rented <input type="checkbox"/>			Utilities in Whose Name:			Home Phone #		Work Phone #				
1. House <input type="checkbox"/> 2. Apartment <input type="checkbox"/> 3. Other <input type="checkbox"/>						Cell Phone #		Other Phone #				
Previous Address (of last 2 months at above)				City/State/Zip		From		To				
Current Landlord			Address			City/State/Zip			Phone #			
Previous Landlord			Address			City/State/Zip			Phone #			
Auto-Year-Make		Model		Color		License Plate#		State		Financed Through		
Job Title			Employer			Address			City/State/Zip			
Hire Date		Shift	Plant	Dept.		Supervisor		Phone #		Ext.		
Working		1. Full Time <input type="checkbox"/>	Paid	1. Once a Week <input type="checkbox"/>	Take Home Pay	Day of Week Paid		Additional Income				
		2. Part Time <input type="checkbox"/>		2. Every Two Weeks <input type="checkbox"/>								
		3. Not Working <input type="checkbox"/>		3. Once a Month <input type="checkbox"/>	\$							
What is Your Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Un-Married <input type="checkbox"/> Separated												
Which of the Following are Living in Your Household?						What is Your Total Annual Household Income Before Taxes?						
<input type="checkbox"/> Mother	<input type="checkbox"/> Grandfather	<input type="checkbox"/> Child	<input type="checkbox"/> Self	<input type="checkbox"/> Under \$8,000	<input type="checkbox"/> \$25,000-\$29,999	<input type="checkbox"/> \$8,000-\$9,999	<input type="checkbox"/> \$30,000-\$34,999	<input type="checkbox"/> \$10,000-\$14,999	<input type="checkbox"/> \$35,000-\$39,999	<input type="checkbox"/> \$15,000-\$19,999	<input type="checkbox"/> \$40,000-\$44,999	
<input type="checkbox"/> Father	<input type="checkbox"/> Spouse	<input type="checkbox"/> Friend	<input type="checkbox"/> Boarder	<input type="checkbox"/> \$20,000-\$24,999	<input type="checkbox"/> \$45,000 or more	<input type="checkbox"/> Grandmother	<input type="checkbox"/> Fiancee	<input type="checkbox"/> Boy/Girl Friend	<input type="checkbox"/> Other (Explain)			
Explain:												
Name of other Adult in Household			Maiden Name			Relationship			Sec. Sec. #			
Job Title			Employer			Address			City/State/Zip			
Hire Date		Shift	Plant	Dept.		Supervisor		Phone #		Ext#		
AT LEAST TWO OF THE SIX REFERENCES MUST BE RELATIVES. PLEASE FILL IN ALL SIX												
	Name		Address			City/State/Zip		Phone #		Relationship		
1.												
2.												
3.												
4.												
5.												
6.												
<small>RELEASE OF ADDRESS (LOCATION) INFORMATION TO DEALER</small> The undersigned hereby consents to the release of information concerning my address or location to dealer. In particular, this release shall permit the disclosure to dealer of such information regarding the undersigned in the possession of any agency or department of any state government or the United States of America, or of any other person or agency, or any current or past employer. This release shall be effective for 48 months from the date below. I understand that certain state and federal laws exist which protect my right to privacy by restricting access to state and federal agency files, or files held by third parties. My signature below indicates that I have knowingly and voluntarily waived the protection of state, federal and common law right to privacy laws for the limited purpose of providing address information to dealer.												
X _____										Date _____		
Applicant Signature												
READ STATEMENT BEFORE SIGNING: I certify that the information supplied by me on this form is true and correct. I authorize verification of the truthfulness of all information contained herein, including contact with any person or firm listed above, and fully release all parties from all liability for any damage that may result. Any false statement made above shall be sufficient basis for rejection of this order.												
I have read and understand the statement above. X _____										Date _____		
Applicant Signature												

Program Forms

VEHICLE INSPECTION FORM

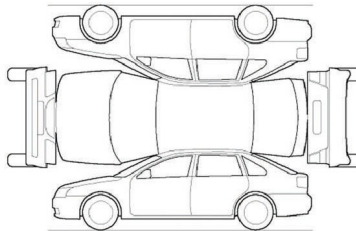
- Use this form as a Check-Out/Check-In tool.
- Walk around the vehicle with your customer and make notes together on the condition of the vehicle at the time of lease.
- Be sure to give your customer a signed and dated copy of the form for their records.
- Update this form during the lease term as you are informed of damages or if you notice damages during visits from the customer. Customer should initial any updates to the original form.
- If your customer turns in the LTO® vehicle before the end of the lease term, compare the current condition of the vehicle against this inspection form to determine if any charges are warranted.
- The Vehicle Inspection Form is available to you electronically for additional copies.

VEHICLE INSPECTION FORM

Initial Inspection Date _____ Mileage _____
 Voluntary Return or Termination Inspection Date _____ Mileage _____
 Year _____ Make _____ Model _____ Body Style _____ Color _____
 Vin Number _____

<input type="checkbox"/> Check engine oil fluid level	<input type="checkbox"/> Check front brakes & wear	<input type="checkbox"/> Check turn signals
<input type="checkbox"/> Check radiator fluid level	<input type="checkbox"/> Check rear brakes & wear	<input type="checkbox"/> Check rear brake and tail lights
<input type="checkbox"/> Check brake fluid level	<input type="checkbox"/> Check tire pressure & tread wear	<input type="checkbox"/> Check headlights high and low beam
<input type="checkbox"/> Check transmission fluid level	<input type="checkbox"/> Check spare tire pressure & jack present	<input type="checkbox"/> Pollution Control present & operational
<input type="checkbox"/> Check air filter	<input type="checkbox"/> Check rear axle fluid level	<input type="checkbox"/> All seatbelts and interior safety equipment present and in working order

PLEASE INDICATE GENERAL AREA OF DAMAGE



Vehicle Condition	Remarks	Estimated Cost to Recondition
Good Fair Poor		
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Glass, Windshield _____	_____
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Glass, Other _____	_____
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Paint _____	_____
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Body, Fenders _____	_____
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Bumpers _____	_____
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Tires _____	_____
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Breaks _____	_____
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Mechanical _____	_____
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Air Conditioning _____	_____
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Uphol. & Headliner _____	_____
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Floor Mats _____	_____
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Accident Damage _____	_____
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	General Appearance _____	_____
TOTAL RECONDITION COSTS _____		

We hereby acknowledge the current vehicle condition as represented on this form. Date _____

Lessee's Signature
(Rev. January 19, 2012)

OWNER/LESSOR Representative's Authorized Signature

Program Forms

PHYSICAL DAMAGE INSURANCE ADDENDUM

This addendum is used only with Silver Level insurance if you are offering the customer physical damage insurance through your dealership. Customers must be given a choice if they want to buy insurance from you or from another insurance company. This addendum is for the customer to sign acknowledging that they were given a choice.

Used with
Silver Level Coverage
Only

Physical Damage Insurance Addendum

I understand that I have the right to insure the physical damage on the vehicle listed on this lease with an insurance company I select that is acceptable to the Lessor. I have chosen to pay the dealer for the physical damage insurance as part of the lease payment at the rates listed below. I understand that failure to pay the lease payment may also cause the insurance to lapse.

Rates for Physical Damage insurance

Payment Frequency _____ Rate _____

Yr, Make, Model _____ Last six of VIN _____

This election on my part does not change any of my obligations under the lease.

LESSEE _____ LESSOR _____

PRINT NAME _____ BY _____

CO-LESSEE _____ PRINT NAME _____

PRINT NAME _____ DATE _____

Program Forms

INSURANCE BINDER REQUEST FORM

This is the most critical step of the process for GOLD level coverage!!

- This form is to be faxed to your customer's insurance agent before you go over the remaining paperwork with the customer.
- This step is done early in the process to ensure the agent has time to process and return the binder.
- Be sure that you and your customer refer to the vehicle as a LEASED VEHICLE when talking with the insurance agent. Sometimes our marketing name of Lease'T'Own® is confusing for the agents and they assume the vehicle is a daily rental.

NEVER let the customer drive off the lot in your vehicle without having an accurate insurance binder in your possession. You may not be covered by Northland's contingent liability insurance policy nor do you have legal defense without an accurate binder.

- The customer's primary insurance is intended to provide physical damage coverage for the vehicle and liability protection for the driver. It **DOES NOT** cover a legal award for damages brought against you as a result of an accident with our leased vehicle.
- Northland's Excess Contingent Liability Coverage is intended to protect your business from a lawsuit brought against you as owner of the vehicle.

REMEMBER:

Your excess contingent liability insurance coverage is *contingent* upon your customer having the proper primary insurance coverage in place.

Program Forms

**MORE INFORMATION ON THIS FORM IS FOUND IN
THE GOLD LEVEL INSURANCE SECTION**

Used with
GOLD Level Coverage
Only

(Insurance Agency Name)

(Agency Fax Number)

Sample Dealership
123 Any Street
Any City, MN 55337-5825
1-(800)123-4567 Fax: (123)123-4567

This is an Insurance Binder Request for a Leased Vehicle.

The customer listed below has leased a vehicle from our dealership and is required to carry full coverage insurance which includes Liability and Comp/Collision.

(Print Lessee's Name Here)

VEHICLE INFO: Year _____ Make _____ Model _____

17 Digit Vin # _____

Lessee's Signature

Date

INSTRUCTIONS FOR AGENT:

Our Contingent Excess Liability policy requires the following endorsements to be listed on the Lessee's policy **AND** to be shown on the insurance binder.

→ **If this requirement can't be met on your part, coverage should be immediately denied.**

LOSS PAYEE or LEINHOLDER:

Sample Dealership/RTO
123 Any Street
Any City, MN 55337-5825

AND

**ADDITIONAL INSURED or ADDITIONAL INTEREST or LESSOR or LEASING CO
or CERTIFICATE HOLDER or TPI:**

Sample Dealership/RTO
850 E Cliff Road
Burnsville, MN 55337

Please fax accurate binder to: (123)123-4567

This form is not the binder and should not be faxed back

BOTH ENDORSEMENTS MUST BE VISIBLE ON BINDER

Please call with any questions. 1-800-879-3433

Program Forms

CONSUMER LEASE AGREEMENT

- The first time through the Consumer Lease Agreement can be overwhelming. Do not hesitate to request additional training if you or your staff members are not comfortable with filling this form out.
- The first periodic payment is due upon signing the lease agreement to make it a true lease.
- Be sure the customer **AND** Dealership dates and signs this document. This is the most common mistake we see come through – unsigned contracts.
- Make sure there are no blank fields on the contract. A lease agreement does constitute a transaction between the lessee and the lessor. As such, incomplete or blank areas could raise issues and questions during audits or actions by legal counsels or other outside parties.
 1. Use N/A on lines that are not filled in with text
 2. Use a 0 (zero) or a DASH on lines not filled in with numbers
 3. Always ensure the lessee's initials appear in the appropriate sections.
- Some lease agreements require a residual value for the purchase option. The residual value of the vehicle **cannot** be Zero or a nominal amount.
- We recommend the residual value be calculated to be greater than 10% of the Gross Capitalized Cost.
- Be sure to circle the correct Periodic Payment Term – weekly, bi-weekly, or monthly.
- Consumer Lease Agreements **must** be at least one year or longer in term.
- Discuss your tax situation with your accountant. Some states require taxes to be collected up front, where others can be collected in the periodic payment.
- Many dealers prefer to use a Dealer Management Software program to generate their contracts. The following software companies have our forms already programmed in their software.
 - Dealer Plate (www.dealerplate.com 763-202-7553)
 - ComSoft (www.comsoft.com 800-849-3838)
 - AutoManager (www.automanager.com 800-300-2808)
- If you do not use Dealer Management software, use our free on-line calculator for figuring the amounts to fill in on the Consumer Lease Agreement.
- An electronic version of the Consumer Lease Agreement is available at no charge through Northland.

CONTINUATION LEASE

If your customer is unable to pay the residual amount at the end of the lease agreement, we suggest that you do a continuation lease to allow your customer to pay off the balance in smaller increments.

Consult Northland's Trainer for details on the proper procedure for filling out a Continuation Lease.

CLOSED-END MOTOR VEHICLE LEASE AGREEMENT

You, the undersigned Lessee, are leasing the Vehicle described below from the independent dealer (Owner, a Northland Associate, named below. As used in this Agreement, "you" and "your" mean the person(s) (whether one or more) signing this Agreement as Lessee. The terms "Lessor," "we," "us" and "our" mean the Owner. The term "Lease" means this Motor Vehicle Lease Agreement and "Vehicle" means the leased motor vehicle described below.

Name and Address of Owner/Lessor _____ Bus. Ph. _____
 Name and Address of Lessee _____
 County _____ Driver's Lic. # _____ State _____ Res. Ph. _____ Cell Ph. _____
 Name and Address of Co-Lessee _____
 County _____ Driver's Lic. # _____ State _____ Res. Ph. _____ Cell Ph. _____
 Ins. Co _____ Insurance Agent _____ Ph. _____

LEASE DISCLOSURES Lessee's E-Mail: _____

A. DESCRIPTION OF LEASED MOTOR VEHICLE:

Year _____ Make _____ Model _____ Body Style _____ VIN # _____
 Color _____ Veh. Lic. # _____ New N/A Used Odometer Reading _____

B. TRADE-IN VEHICLE DESCRIPTION: Gross Agreed-Upon Value of Trade-In \$ _____ less Payoff (Estimated), Prior Credit or Lease Balance on Trade-In \$ _____
 Year _____ Make _____ Model _____ VIN # _____ equals Net Trade-In Allowance (if less than 0 then enter 0) \$ _____

FEDERAL CONSUMER LEASING ACT DISCLOSURES			
Amount Due at Lease Signing or Delivery (itemized below)*	(Weekly) (Bi-Weekly) (Monthly)** Periodic Payments** Strike all but one. Your first periodic payment of \$ _____ is due on SIGNING OR DELIVERY , followed by _____ payments of \$ _____ due on the _____ of each (week) (second week) (month) ** starting _____ . The total of all of your periodic payments is \$ _____ (Lessee(s) initial)	Other Charges (not part of your periodic payment) Disposition fee (if you do not purchase the Vehicle) \$ _____ _____ \$ _____ _____ \$ _____ Est. Fees/Taxes due by the end of the Lease \$ _____ Total \$ _____	Total of Payments (The amount you will have paid by the end of the lease) \$ _____

*Itemization of Amount Due at Lease Signing or Delivery		How the Amount Due at Lease Signing or Delivery will be paid:	
Amount Due at Lease Signing or Delivery:			
Security deposit (refundable)	\$ _____		
Capitalized cost reduction	\$ _____	Net trade-in allowance	\$ _____
Title fee	\$ _____	Rebates and noncash credits	\$ _____
Registration fee	\$ _____	Amount to be paid in cash	\$ _____
First periodic payment	\$ _____		
Document preparation fee (not gov. fee) \$ _____	\$ _____		
Origination Fee (not a document fee)	\$ _____		
(non-refundable)		Applicable Taxes	\$ _____
		Total Amount Due at Lease Signing or Delivery \$ _____	Total \$ _____

Your Periodic Lease Payment is Determined as Shown Below:

Gross capitalized cost. The agreed upon value of the vehicle of (\$ _____) and any items you pay over the lease term (such as service contracts, insurance) and (any outstanding prior credit or lease balance \$ _____) \$ _____
 *(If you want an itemization of this amount, please check this box [])

Capitalized cost reduction. The amount of any net trade-in allowance, rebate, noncash credit, or cash you pay that reduces the gross capitalized cost - \$ _____

Adjusted capitalized cost. The amount used in calculating your base periodic payment = \$ _____

Residual value. The value of the vehicle at the end of the lease used in calculating your base periodic payment - \$ _____

Depreciation and amortized amounts. The amount charged for the vehicle's decline in value through normal use and for other items paid over the lease term = \$ _____

Rent charge. The amount charged in addition to the depreciation and any amortized amounts + \$ _____

Total of base periodic payments. The depreciation and any amortized amounts plus the rent charge = \$ _____

Lease payments. The number of periodic payments in your lease ÷ _____

Base periodic payment = \$ _____

Periodic sales/use tax Rate: _____ % + \$ _____

Total periodic payment = \$ _____

Early Termination. You may have to pay a substantial charge if this Lease is ended early. The charge may be up to several thousand dollars. The actual charge will depend on when the Lease is terminated. The earlier you end the Lease the greater this charge is likely to be.

Excessive Wear, Use and Excess Mileage. You will be charged for excessive wear and damage based on our standard for normal use (see back). You will be charged at quarterly intervals for excess mileage at a charge rate of _____ cents for each excess mile over _____ miles per month. Non-payment of excess mileage charges is a breach of this Lease. The excess mileage dollars received will be refunded in the event you complete an option to purchase the vehicle. _____ (Lessee(s) initial)

Purchase Options: A. At the end of the Lease: You will have an option to purchase the Vehicle at the end of this Lease after all payments have been made, for an amount equal to the **Residual value plus official fees and taxes.** B. **Early Purchase Option:** You have an option to purchase the Vehicle early for an amount equal to the remaining balance of the **Base Periodic Payments plus the Residual value** less any applicable discounts that may apply (if any) plus any other amounts due including **Official fees and taxes.**

Other Important Terms. See below and on the reverse side, Exhibit A and all attached Addenda, which are incorporated by reference into this Lease as if fully stated herein, for additional information relating to binding arbitration, early termination, purchase options, maintenance responsibilities, warranties, late and default charges, insurance and any security interests, if applicable and other important lease terms.

- ADDITIONAL PROVISIONS:**
- Estimated Total Amount of Official Fees and Taxes Payable During the Lease \$ _____
 - Delinquency Charges.** If you do not pay any periodic payment in full within _____ business days after it is due, you agree to pay us a delinquency charge of \$ _____/00 or _____ % of the periodic payment (or as otherwise specified by applicable state laws). _____ (Lessee(s) initial)
 - Insurance. INSURANCE FOR PHYSICAL DAMAGE AND INSURANCE FOR LIABILITY FOR BODILY INJURY AND PROPERTY DAMAGE CAUSED TO OTHERS IS NOT INCLUDED IN THIS LEASE.** You are required to purchase and maintain insurance for the benefit of the public and the Owner. You agree to provide the Required Insurance coverage in (at least) the amount and types specified on the back of this Agreement. _____ (Lessee(s) initial)
 - Maintenance.** During the Lease Term, you will be solely responsible for maintaining, servicing and repairing the Vehicle to keep it in good condition and for payment of all maintenance, service, repair and operating expenses, including gas, oil and filters. Also see the back of this Lease. _____ (Lessee(s) initial)
 - Acknowledgement of Vehicle Condition.** By signing this Lease, you acknowledge that you are receiving the Vehicle in good operating condition and all equipment is functional, except as expressly noted on the attached Vehicle Inspection Sheet. _____ (Lessee(s) initial)
 - Right of return.** You have the right to return the vehicle, and receive a refund of any payments made if your credit application is not approved, unless non-approval results from an incomplete application or from incorrect information that you have provided. Also see Section 14. Scheduled Lease Term; Early Termination on the back.

NOTICE TO LESSEE AND CO-LESSEE— READ BEFORE SIGNING

PLEASE REVIEW THESE MATTERS CAREFULLY AND SEEK INDEPENDENT PROFESSIONAL ADVICE IF YOU HAVE ANY QUESTIONS CONCERNING THIS TRANSACTION. BY SIGNING BELOW, YOU ACKNOWLEDGE THAT:

A. THIS IS A CLOSED-END MOTOR VEHICLE LEASE AGREEMENT, NOT A PURCHASE AGREEMENT. YOU HAVE NO OWNERSHIP RIGHTS TO THE VEHICLE UNLESS YOU EXERCISE AN OPTION TO PURCHASE THE VEHICLE AS CONTAINED IN THIS LEASE. B. DO NOT SIGN THIS LEASE BEFORE YOU READ BOTH SIDES OR IF ANY SECTION IS NOT COMPLETED. C. THERE ARE NO VERBAL OR WRITTEN TERMS OR CONDITIONS OTHER THAN THOSE IN THIS LEASE AGREEMENT. D. YOU ARE ENTITLED TO AND HAVE RECEIVED A COMPLETED EXACT COPY OF THIS LEASE AGREEMENT INCLUDING ANY CREDIT STATEMENT WHEN YOU SIGN IT. E. YOU MAY PREPAY THE UNPAID BALANCE AT ANY TIME WITHOUT PENALTY.

LESSEE _____ OWNER/LESSOR _____
 PRINT NAME _____ BY _____
 CO-LESSEE _____ PRINT NAME _____
 PRINT NAME _____ ITS _____ DATE _____
 (Rev. January 19, 2012) Copyright © 2012 Northland Auto Enterprises, Inc. All rights reserved. W2

Program Forms

We've designed an on-line calculator for figuring the amounts to fill in on the Consumer Lease Agreement. Below is a sample snap-shot of the tool.

The "INPUT" tab is where you fill in your vehicle information.

W1, 2, 3, 4 Calculator - For Training Only

Enter your numbers below to calculate numbers for completion of the lease agreement

	Manual Entry Fields		Dealer Gross Profit	
Wholesale cost	\$5,000.00	(4)	\$8,328.00	
GPS cost	\$187.00	(5)		← We have two models priced at \$187 or \$116 with different functionality and terms
KAP cost (Vehicle Warranty)	\$429.00	(6)		
Other cost to get vehicle (Road Worthy)	\$115.00	(7)		← Figures provided are for example <u>ONLY</u>
Sub-Total	\$5,731.00	(8)		
Multplier	2.2	(9)		← Typical multipliers are 2.0, 2.2 or 2.4
Additional items payable over term	\$0.00	(10)		← This would be items like: (such as service contracts, insurance) and (any outstanding prior credit or lease balance) <i>Hardly Ever Used.</i>
Sales Tax Rate	7.125%	(11)		
Title Fee	\$35.00	(12)		
Registration Fee	\$72.00	(13)		← Be sure to check for the proper taxes
Document preparation fee (not gov. fee)	\$75.00	(14)		← Be sure to check your state law
Frequency of payments	Weekly	(16)		← Select: Weekly, Bi-Weekly or Monthly <u>based on Lessee income schedule</u>
Length of Contract	156	(15)		
Gross Capitalized Cost	\$12,608.20	(18)		
Capitalized Cost Reduction	\$0.00	(19)		← Additional up-front money the lessee has available to reduce periodic payments.
Origination Fee (not a document fee)	\$1,260.80	(20)		← Fee to open the lease. This does not reduce the periodic payments. Recommended 8 - 10% of Capitalized Cost (see row 18)

After completing data entry, click on Output tab below for a summary.

Please call Northland at 800-879-3433 for questions

NOTE:
 This spreadsheet calculator is a tool to assist in determining how to build a lease. It is intended for illustration purposes only and to aid in completing fundamental calculations.
 Final numbers and margins in the actual lease agreement are the responsibility of each individual dealership.
 CONFIDENTIAL--Only for use by Northland's enrolled dealers. No Reproduction or Distribution without expressed written consent.

COLOR-LEDGEND
Manual Entry Fields
Locked-Calculated Fields

The "OUTPUT" tab shows you what to enter into each field of the Lease Agreement.

FEDERAL CONSUMER LEASING ACT DISCLOSURES						
Amount Due at Lease Signing or Delivery (itemized below)	Your first periodic payment of	Other Charges				Total of Payments
	\$77.84 is due...					
	Total of all your periodic payments is	Est. Other Fees/Taxes due over term		\$1,153.78		
\$1,615.81	\$12,142.37	Total		\$1,153.78		\$13,824.35
*Itemization of Amount Due at Lease Signing or Delivery						
Amount Due at Lease Signing or Delivery	(Row #)	How the Amount Due at Lease Signing or Delivery will be paid:				
Security Deposit (refundable)	0.00	(9)	Net trade-in allowance			
Capitalized cost reduction	0.00	(10)	Rebates and noncash credits			
Title Fee	35.00	(11)	Check or money order			
Registration Fee	72.00	(12)	Amount to be paid in cash			
First periodic payment	77.84	(13)				1,615.81
Document preparation fee (not gov. fee)	75.00	(14)				
Origination Fee (not a document fee)	1,260.80	(15)				
Applicable Taxes	95.18	(16)				
Total Amount Due at Lease Signing	\$1,615.81				Total	\$1,615.81

Program Forms

BINDING ARBITRATION AGREEMENT

Arbitration is a well-established and widely-used means to end disputes. With mandatory arbitration, a borrower or consumer must agree to use an arbitrator, rather than the courts, to resolve any issues. Consumers waive their rights to sue as an individual or with a class action suit when they sign a mandatory binding arbitration clause as part of a contract.

BINDING ARBITRATION AGREEMENT

OWNER/LESSOR Name: _____

LESSEE Name: _____ CO-LESSEE Name: _____

DESCRIPTION OF LEASED MOTOR VEHICLE: Year _____ Make _____ Model _____ VIN# _____

By executing this Binding Arbitration Agreement ("Agreement"), Lessee(s) and Owner/Lessor, including anyone to whom Owner/Lessor assigns this Agreement (collectively referred to as the "Parties") hereby agree, except as otherwise provided in this Agreement, to resolve by binding arbitration and not by a court action any controversy, claim or dispute of whatever nature between them, whether based upon contract, tort, federal, state or local statute or regulation or other common law doctrine (a "Dispute") arising out of or relating to: (1) the lease by Lessee(s) or condition of the above-referenced Vehicle; (2) any products and services purchased in conjunction with the Vehicle; (3) any credit application submitted or financing obtained in connection with the above-referenced Vehicle; (4) any resulting transaction, relationship and/or agreement between the Parties and any documents incorporated therein by reference and/or the breach, termination, enforceability, scope or validity thereof (including the interpretation and scope of this Agreement and the arbitrability of any Dispute); and/or (5) any alleged promises, representations and/or warranties made to or relied upon by the Parties, and any alleged unfair, deceptive, or unconscionable acts or practices.

Notwithstanding any other provisions in this Agreement, the Parties agree that they retain their right to exercise any self-help remedies such as repossession or provisional remedies available by law or pursuant to an agreement between them. Both Parties also retain the right to seek remedies in small claims court or equivalent state court for Disputes that are properly within that court's jurisdiction. Until a Party entitled to do so demands arbitration, any Party may proceed with such other rights and remedies and neither Party waives the right to require arbitration under this Agreement by exercising such other rights and remedies or by initially agreeing to litigate a claim in court. In addition, if a Dispute originally brought in a small claims court (or equivalent state court) is transferred or appealed to a higher trial court or if a new Dispute is asserted after the initial filing of such litigation, either Party shall have the right to require arbitration under this Agreement.

This Agreement evidences a transaction involving interstate commerce. The Parties acknowledge and agree that the Federal Arbitration Act (9 U.S.C. §1 et seq.) ("FAA") and not any state law shall govern any arbitration under this Agreement, and that any Dispute between them shall be arbitrated according to the rules of the **American Arbitration Association** (the "AAA") (1-800-778-7879), 1633 Broadway, Floor 10, New York, New York 10019 (www.adr.org). A copy of the Arbitration Rules may be obtained by visiting the website indicated or by contacting the AAA directly. The Rules in effect at the time the demand for arbitration is made will govern.

"Lessee(s) claims" shall be arbitrated according to the AAA's Consumer Due Process Protocol, its Commercial Arbitration Rules, and its Consumer-Related Disputes Supplementary Procedures and fee schedule. If the Owner/Lessor initiates the arbitration proceedings, it will pay the entire cost of the initial filing fees. If the Lessee(s) initiates the arbitration proceedings, the Lessee(s) will pay the initial filing and administrative fees specified by the Arbitration Rules up to the amount of \$225. The Owner/Lessor will, upon Lessee(s)'s request, pay that portion of the initial filing and administrative fees that exceeds this amount up to a maximum of \$500. Each Party shall be responsible for its own attorney, expert and other witness fees and other costs of arbitration.

To initiate an arbitration proceeding, the demanding Party must notify the other Party, in writing, that it wishes to arbitrate a Dispute. The "demand" for arbitration must briefly state the basis for the Dispute, list the names and addresses of the Parties involved, and specify the amount of monetary damages involved and/or any other remedy sought. The arbitrator(s) shall be attorneys or retired judges and shall be selected according to the applicable Arbitration Rules. Both Parties agree that the arbitration proceedings shall take place in the county and state where the Owner/Lessor is located and the transaction occurred. They further consent to the jurisdiction of the courts of said county and state for purposes of enforcing this Agreement and the decision of the arbitrator(s).

The arbitrator(s) shall apply and be bound by the governing state and federal law when making any decision and award and shall have no authority to render an award that is inconsistent with applicable law. The arbitrator(s) shall resolve all discovery disputes. Either Party may demand, at any time, a written decision from the arbitrator(s) setting forth the findings of fact and/or conclusions of law and further agree that the arbitration proceedings and the decision of the arbitrator(s) shall be open to the public, even if the Rules selected provide otherwise. Judgment on the award rendered by the arbitrator(s) may be entered in any court that has jurisdiction. **Nothing in this Agreement shall be interpreted as limiting or precluding the arbitrator(s) from awarding monetary damages (provided they don't exceed actual compensatory damages) or any other relief provided for by law. Neither party is precluded from filing a complaint with the Office of the Attorney General of the Owner/Lessor's state or from participating in a mediation program administered by the Attorney General or Better Business Bureau, but the Parties agree that by entering into this Agreement, they are waiving their right to a court or jury trial and their right to bring or participate in any class action or multi-plaintiff action in court or through arbitration.** Once one of the Parties has demanded arbitration, binding arbitration is the exclusive method for resolving any and all Disputes between them. The decision of the arbitrator(s) shall be final and binding, except for any right of appeal provided by the FAA and the Arbitration Rules that governed the original arbitration proceedings. The cost of appeal shall be borne by the appealing Party.

If any term of this Agreement conflicts with the terms of any other agreement between the Parties, the terms of this Agreement shall prevail. If any part of this Agreement shall be declared unenforceable for any reason, the remainder of the Agreement shall remain enforceable. BY SIGNING BELOW, CUSTOMER ACKNOWLEDGES THAT HE OR SHE HAS READ THIS AGREEMENT AND AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS AGREEMENT. THIS AGREEMENT IS INCORPORATED BY REFERENCE INTO THE LEASE AGREEMENT BETWEEN THE PARTIES. IT MAY NOT BE MODIFIED OR AMENDED EXCEPT BY A SEPARATE WRITTEN AGREEMENT SIGNED BY CUSTOMER(S) AND AN AUTHORIZED OWNER/LESSOR REPRESENTATIVE.

LESSEE Signature

OWNER/LESSOR Representative Signature

N/A

CO-LESSEE Signature

Execution Date

Program Forms

EXHIBIT A LIST OF ADDENDA

To comply with the single document rule, this form essentially joins all of the addendums together in connection with the consumer lease agreement. All of the exhibits and addendums must be attached to the lease and delivered to the lessee as one document.

Example addendums that could be listed on Exhibit A are:

- ⇒ Vehicle Inspection Form
- ⇒ GPS Disclosure Agreement
- ⇒ Etc...

EXHIBIT A
LIST OF ADDENDA/ADDENDUMS
“ONE SINGLE DOCUMENT”

The following additional terms, documents and agreements are attached to this Lease agreement as Addenda/Addendums and by this reference are incorporated into this total lease agreement as if fully set forth herein AS **“ONE SINGLE DOCUMENT”** (enter all that apply):

Addendum: Binding Arbitration Agreement (mandatory addendum) .

Addendum: Excluded Driver Addendum (mandatory addendum) .

Addendum: Vehicle Inspection Sheet (mandatory addendum) .

Addendum: _____ .

Addendum: _____ .

Addendum: _____ .

Addendum: _____ .

Addendum: _____ .

Addendum: _____ .

Addendum: _____ .

Addendum: _____ .

Addendum: _____ .

Addendum: _____ .

Addendum: _____ .

Addendum: _____ .

Addendum: _____ .

Addendum: _____ .

Addendum: _____ .

By signing below, you acknowledge that (1) the Lease is completely filled out, (2) you have read this entire Lease including this Exhibit A and all documents attached as Addenda/Addendums carefully and agree to all the terms therein, including the additional terms on the reverse side of the Lease and all attached Addenda/Addendums, and (3) you have received a complete copy of this Lease and all attached Addenda/Addendums and any credit statement, which you have signed in connection with the Lease.

This is all “ONE SINGLE DOCUMENT”

LESSEE _____ OWNER/LESSOR _____

PRINT NAME _____ BY _____

CO-LESSEE **N/A** _____ PRINT NAME _____

PRINT NAME _____ ITS _____ DATE _____

NOTE: To comply with the one single document rule, the last step will be to actually **attach all information, documents and agreements that relate to the obligations of the lessor and lessee to each other in connection with the lease**. Mark each as an addendum to tie it to the agreement, matching the reference made to it in this Exhibit A. Each addendum needs to be physically attached to the lease and delivered to the lessee with and as part of the lease. Nothing should be delivered separately to the lessee.

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Program Forms

EXCLUDED DRIVERS ADDENDUM

In order for the contingent liability insurance to be in effect, there needs to be underlying primary insurance coverage in place. When an excluded driver is involved with an accident, the primary insurance coverage is voided and therefore, no contingent liability insurance coverage is available either. This document clearly explains to your customer that an insurance policy with an excluded driver listed with not be acceptable unless approved by you.

Excluded Driver(s) Addendum

**I understand that any insurance with excluded drivers
now or in the future will be unacceptable
unless the reason is explained in advance to the Owner/Lessor
and accepted.**

(Some states list and exclude all underage children in the household.)

**This rule applies to the insurance offered at the date of signing and to
any other insurance that may be purchased now or in the future
to protect this leased vehicle.**

LESSEE _____ OWNER/LESSOR _____
PRINT NAME _____ BY _____
CO-LESSEE **N/A** _____ PRINT NAME _____
PRINT NAME **N/A** _____ ITS _____ DATE _____

Program Forms

GPS DISCLOSURE

This form is used when you've installed a GPS tracking device in your Lease'T'Own® vehicle.

GPS DISCLOSURE
Addendum to Lease Agreement

Name and Address of Owner/Lessor _____
Name and Address of Lessee _____

DESCRIPTION OF LEASED MOTOR VEHICLE

Year _____ Make _____ Model _____ Body Style _____ VIN # _____
Date of Lease Agreement: _____

THIS ADDENDUM is hereby made a part of the Lease Agreement (the "Lease") between the Owner/Lessor (the "Lessor") and the Lessee – Co-Lessee (the "Lessee") identified above, as if fully set out therein. "Vehicle" or "Property" means the Leased motor Vehicle described herein. In the event of conflict or inconsistency between the terms of this Addendum and the terms of the Lease, the terms of this Addendum shall control.

BY SIGNING BELOW, THE LESSEE AGREES AND CONSENTS TO ALL OF THE TERMS AND CONDITIONS OF THIS ADDENDUM

- Tracking and Starter Disabling Device.** The Lessee agrees to permit the Lessor to install and use a device (the "Device") on the Vehicle that allows the Lessor to track the location of the Vehicle and/or disable the starting system. In addition, this Device allows the Lessor to track the Vehicle for law enforcement in the event it is stolen. This Device is also intended to protect the Lessor until the Lessee has fully paid and performed all the Lessee's obligations under the Lease and the Lessor has removed the Device from the Leased Vehicle.
- In the event the Lessee exercises a purchase option, as provided in the Lease, the Device WILL NOT be sold with the Vehicle. The Lessor will remove Device from the Leased Vehicle at no cost to the Lessee. The Lessee agrees to the removal of the Device and at the Lessor's designated location during normal business hours, but prior to completing the purchase option.
- The Lessee holds the Lessor harmless from and free from any liability, loss, damage or injury resulting from (1) any activation or malfunction of the Device, and (2) any damage to the Vehicle or personal injury caused by any tampering with, or the unauthorized removal of, the Device.
IMPORTANT NOTICE: The Lessor shall treat the misuse, alteration, disconnection, removal, disabling or otherwise tampering with the Device as fraudulent and as an attempt to do theft by conversion, to steal, to misappropriate, or to embezzle the Vehicle (or as otherwise specified by law) from the Lessor. Any of the foregoing shall be an Event of Default under the Lease.
- The Lessor's Use of the Device.** If the Lessee does not make all or any of the Lessee's payments to the Lessor on time, as shown in the Lessor's records, or any other Event of Default occurs under the Lease or this Addendum at any time, the Lessor has the right, exercised at the Lessor's sole discretion (**ONLY AFTER COMPLYING WITH STATE APPLICABLE PROVISIONS REGARDING DEFAULT, CURE OF DEFAULT AND NOTICE OF RIGHT TO CURE ANY DEFAULT**), to use the device to disable the Vehicle's starting system and/or locate the Vehicle for recovery. Any delay or forbearance in the Lessor's exercise of this right does not operate as a waiver of that right. **THE LESSEE AGREES THAT THE LESSOR IS NOT RESPONSIBLE FOR ANY CONSEQUENCES RESULTING FROM THE USE OF THE DEVICE TO DISABLE THE VEHICLE'S STARTING SYSTEM, OR TO LOCATE THE VEHICLE FOR RECOVERY.**
- The Lessor's Use of Information Obtained Through the Device.** the Lessee agrees that the Lessor may (i) use the Device to gather information about the location of the Vehicle, (ii) use that information to assist in the recovery of the Vehicle or other exercise of our remedies under the Lease, (iii) give that information to other persons who may or may not be affiliated with Lessor in connection with the recovery of the Vehicle or other exercise of the Lessor's remedies under the Lease, and (iv) also provide that information to law enforcement. The Device and all information that the Lessor obtains from the Device is and remains the sole property of the Lessor.
- Default.** The Lessee agrees that the Lessee's breach of any of the Lessee's obligations under this Addendum is an **Event of Default** under the Lease.
- No other Amendment.** Except as otherwise expressly provided in this Addendum and any other addendum to the Lease, all terms and provisions of the Lease remain in full force and effect as written in the Lease.

INSTALLATION OF THE DEVICE IS REQUIRED AS A CONDITION OF THE LEASE
IF THIS IS NOT ACCEPTABLE, DO NOT SIGN THIS OR ANY OTHER RELATED DOCUMENTS.
BY SIGNING BELOW, THE LESSEE AGREES AND CONSENTS TO ALL OF THE TERMS AND CONDITIONS OF THE ADDENDUM. THE LESSEE ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS ADDENDUM.

LESSEE _____ OWNER/LESSOR _____
PRINT NAME _____ BY _____
CO-LESSEE **N/A** _____ PRINT NAME _____
PRINT NAME **N/A** _____ ITS _____ DATE _____

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Program Forms

VEHICLE DELETION

The "Deletion Form" is used whenever your customer is returning a vehicle before the lease term is up and are immediately leasing a different vehicle.

This communicates to Northland's Insurance Rep that they need to delete one vehicle and add the other - again eliminating the chance of you being charged for the deleted vehicle the next month.



Used with
GOLD Level
Coverage Only

GOLD COVERAGE VEHICLE DELETION FORM

Dealer Name: _____

Today's Date: _____

Customer (Lessee) Name: _____

Vehicle Description: _____

VIN (Last 6): _____

REASON FOR REMOVAL

- Voluntarily Returned
- Recovered
- Wrecked
- Stolen
- Paid Off
- Exchanged for: _____
VIN: (last 6) _____
- Other _____

FAX TO: 952-894-8990

Program Forms

TEMPORARY SWAP

A temporary swap occurs when you are letting your customer use one of your vehicles temporarily while their leased vehicle is being repaired. Typically a “swap” is under 30 days.

Use the “Temporary Swap Leased Vehicle Addendum” to ensure that all the terms and conditions of the original lease continue to be in force with the swapped vehicle. Before using the Addendum make sure the addendum and “length of time” of the swap is allowed and is compliant with your state laws.

1. Have the Lessee sign the Temporary Swap Addendum and provide a copy to the Lessee.
2. Your customer must obtain a new insurance binder for the swapped vehicle.
3. Attach a copy of the addendum and insurance binder to the original lease in your files.
4. Copies of the Addendum and the new binder need to be faxed to Northland at 952-894-8990.

Temporary Swap & Excluded Driver(s) Addendum

Original Leased Vehicle Information

Year _____ Make _____ Model _____ Body Style _____
 VIN # _____

Temporary Swap Vehicle Information

Year _____ Make _____ Model _____ Body Style _____
 VIN # _____

LESSEE NOTICE: All terms and conditions of the original lease agreement continue in force.
DEALER NOTICE: Before using this Addendum, make sure this Addendum and “Length of Time” of the swap is allowed and is compliant with your state laws.

Excluded Driver(s)

I understand that any insurance with excluded drivers now or in the future will be unacceptable unless the reason is explained in advance to the Owner/Lessor and accepted.
(Some states list and exclude all underage children in the household.)

This rule applies to the insurance offered at the date of signing and to any other insurance that may be purchased now or in the future to protect this leased vehicle.

LESSEE _____ OWNER/LESSOR _____
 PRINT NAME _____ BY _____
 CO-LESSEE _____ PRINT NAME _____
 PRINT NAME _____ ITS _____ DATE _____

OWNER/LESSOR DEALER:

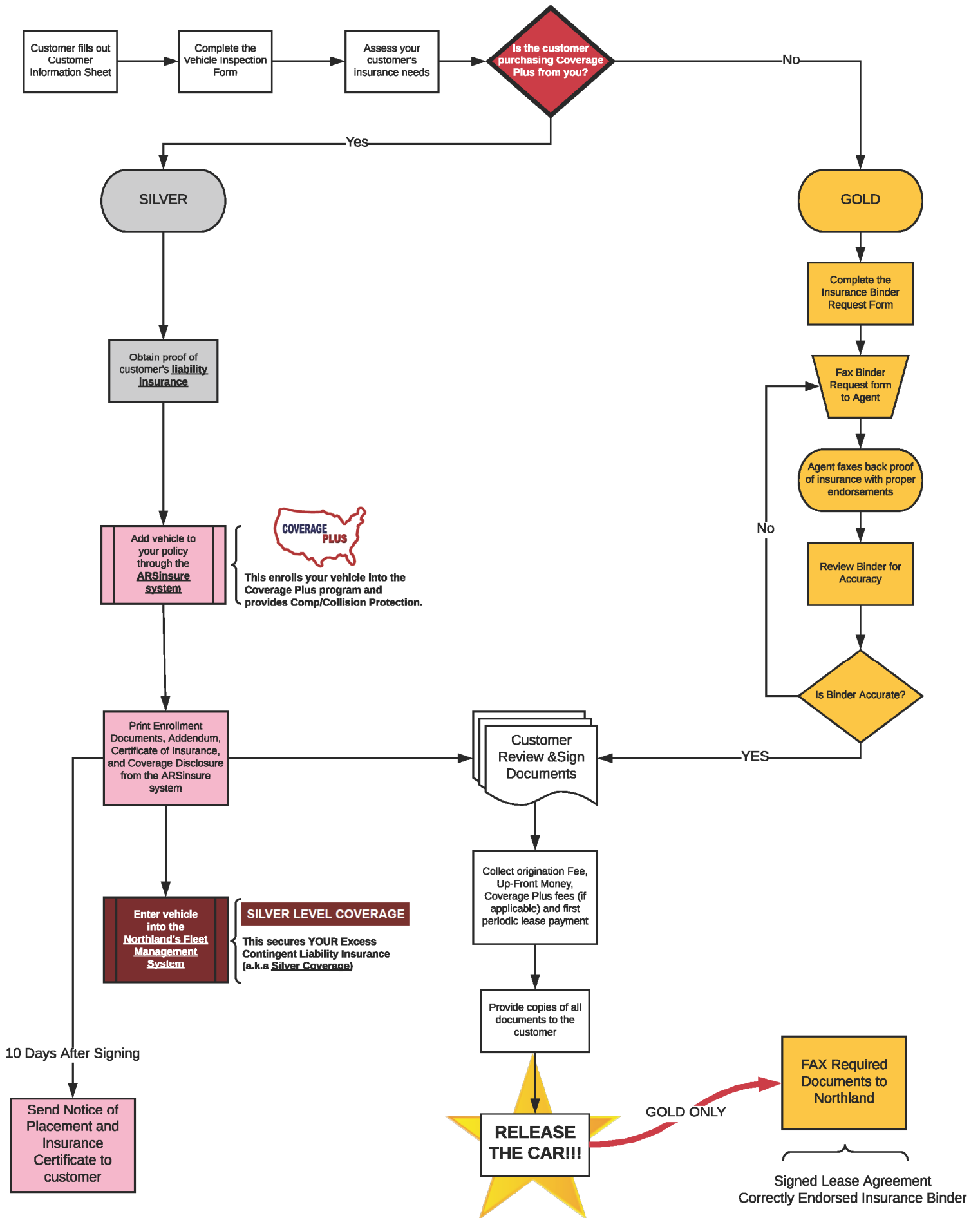
1. Have Lessee Sign and then Give a Copy of this document to LESSEE for their file.
3. Obtain a New “Insurance Binder” from the Lessee’s Insurance company covering this vehicle.
4. Attach a copy of these signed documents to the original lease in this lessee’s file.
5. Fax copies to Northland at: **952-894-8990**

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Used with
 GOLD Level
 Coverage Only

COMPLETING A LEASE'T'OWN® DEAL

COMPLETING A REN'T'OWN® / LEASE'T'OWN® DEAL



Completing a LTO[®] Deal

How you complete a Lease'T'Own[®] deal depends on where your customer is obtaining their Physical Damage insurance from.

If your customer chooses to purchase physical damage insurance from your dealership, (Coverage Plus) then you complete a deal using our **SILVER LEVEL** excess contingent liability insurance.

If your customer has obtained full coverage insurance from one our approved carriers, then you complete the deal using our **GOLD LEVEL** excess contingent liability insurance.

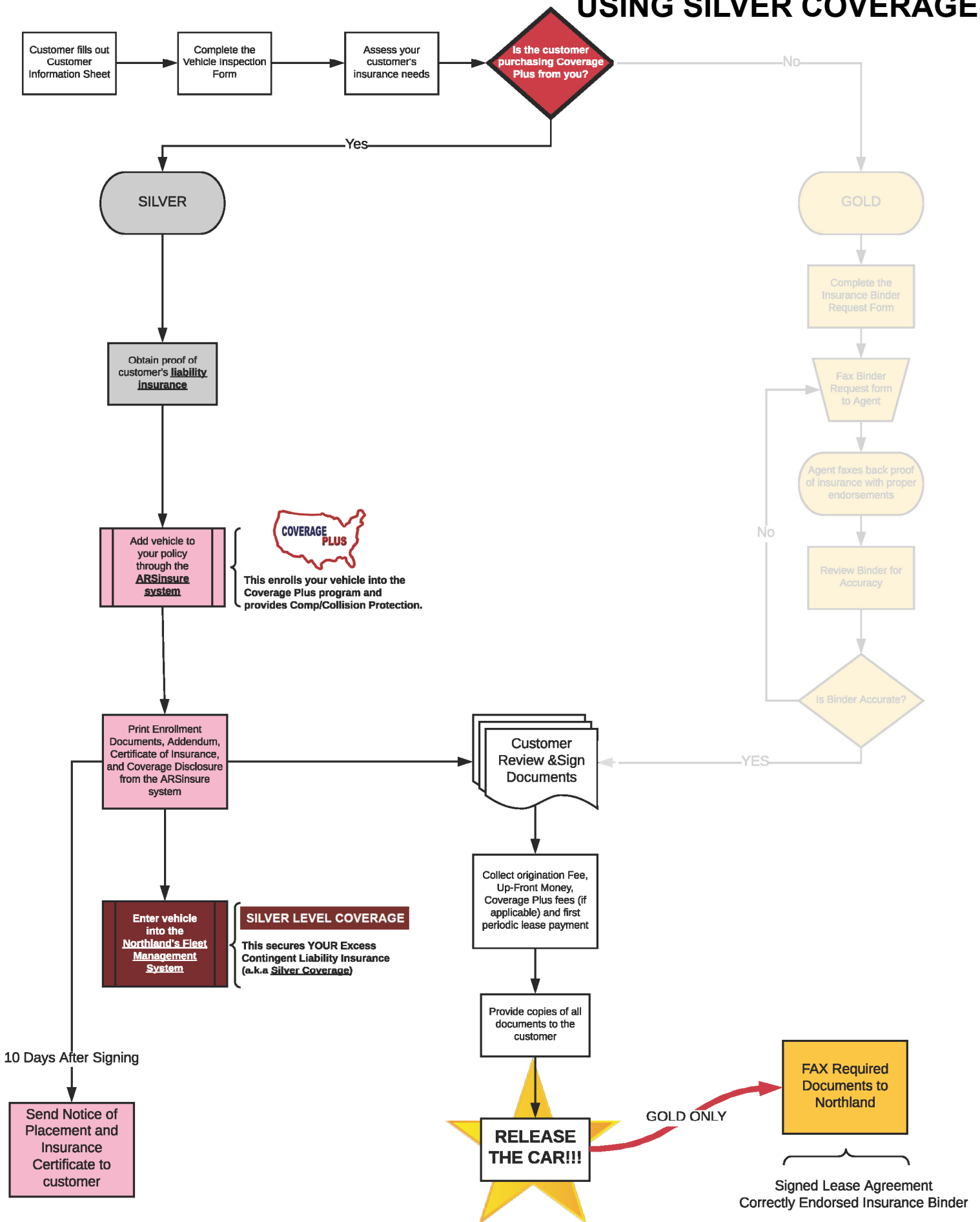
The SILVER and GOLD levels have distinct differences, advantages, and processes. Please review the features list below and the process flow on the next page to see which program works best with your staff and customers.

You may have different vehicles in each program - you do not need to pick just one level for all your cars.

FEATURES	SILVER	GOLD
1M Excess Contingent Liability Insurance	✱	✱
1M Excess Physical Damage Insurance (\$1,000 Deductible)		✱
On-Line Fleet Management Tool - 24/7 access	✱	
Customer's Insurance Tracking		✱
Non-Approved Insurance Companies		✱
Insurance Policy Endorsements Required		✱
Fleet Status Reporting		✱
Personal Account Representative		✱
Premium amount per car/per month	\$8.95	VOLUME BASED STARTS at \$23.00
	Prices are subject to change	

**COMPLETING A LEASE'T'OWN®
DEAL WITH SILVER
LEVEL COVERAGE**

COMPLETING A REN'T'OWN® / LEASE'T'OWN® DEAL USING SILVER COVERAGE



Completing a LTO® Deal Using SILVER COVERAGE

1. Begin by having your customer fill out the Customer Information Sheet.
2. Together with the customer, inspect the vehicle and complete the Vehicle Inspection Form
3. Enter your customer and vehicle information into the ARSinsure on-line tool for your Coverage Plus comp/collision protection. Print all documents and have your customer sign where applicable. **Be sure your customer has also obtained Liability insurance from another agent.**
4. Enter the vehicle into Northland's On-Line Fleet Management tool to secure your SILVER excess contingent liability insurance. (see next page for instructions on how to do this)
5. Have your customer review and sign the following documents:
 - Consumer Lease Agreement
 - Binding Arbitration Agreement
 - Excluded Drive Addendum
 - GPS Disclosure Addendum (if applicable)
 - Exhibit A List of Addenda
6. Collect the Origination Fee, any up-front money, and the first periodic lease payment from the customer.
7. Provide copies of all documents to the customer. It's also important to keep copies of all signed documents in your deal jacket.
8. **RELEASE THE CAR!**

TIPS:

- ◆ Do not leave any blank spaces on any document!!!
- ◆ Dealer needs to sign and date the Consumer Lease Agreement
- ◆ The Lease Agreement date should reflect the date that the car leaves the lot
- ◆ COLLECT FIRST PERIODIC PAYMENT AND ALL UP-FRONT MONEY DUE ON DATE OF SIGNING!

Your Customer's Insurance

PHYSICAL DAMAGE COVERAGE

Your customer has agreed to purchase their physical damage insurance through your dealership.

See Training Manual for COVERAGE PLUS instructions

LIABILITY COVERAGE

Your customer is required to also obtain Liability insurance **as required by state law**.

We recommend that you obtain proof of their liability insurance.

Any insurance company can be used for your customer's Liability Insurance coverage. There are no restrictions or endorsement requirements.

Although not required, we recommend that you do request to be listed on your customer's policy as "Additional Insured". With that endorsement, you should receive notice whenever there is a change to the customer's policy.

FYI

We recommend that you inquire about the intended use of the leased vehicle. Your Excess Contingent Liability Insurance is intended for vehicles that are for **personal** use. **Any vehicle being used for commercial use will not be covered.**

Commercial use includes but is not limited to:

- Carrying Equipment (ladders, supplies, tools, etc)
- Carrying Hazardous (or flammable) material
- Carrying Housekeeping Equipment for a business
- Equipped with cranes, winches, snowplows (not for use on private property only)
- Towing for Hire
- Delivery of Goods (including but not restricted to pizza, flowers, wholesale, retail),
- Rural Newspaper Delivery
- Trucking – Local and long haul
- Messenger
- Deliverer
- Chauffer
- Taxi driver

Your Dealership's Insurance

SILVER LEVEL EXCESS CONTINGENT LIABILITY INSURANCE

If your customer is using the Coverage Plus physical damage insurance, you will need the SILVER level excess contingent liability insurance.

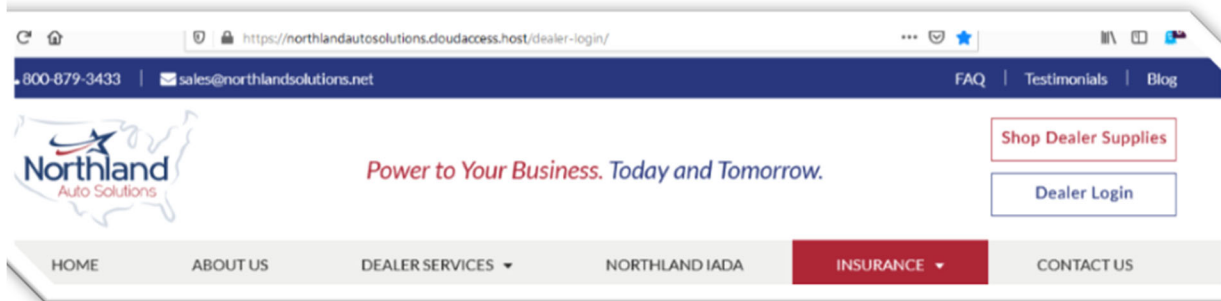
SILVER level insurance provides:

1. **CONTINGENT STATUTORY (your state limits) LIABILITY:** In case of cancellation or non-renewal of the customer's insurance, this coverage will provide for bodily injury & property damage until the vehicle is recovered by the dealer, or new coverage is secured by the customer.
2. **CONTINGENT EXCESS LIABILITY:** In case of cancellation or non-renewal of the customer's insurance, this coverage will provide for bodily injury & property damage until the vehicle is recovered by the dealer, or new coverage is secured by the customer. The actual amount available under Contingent Excess Liability for the payment of damages is the difference between the LTO® financial responsibility limits of the jurisdiction in which the accident occurred and \$1,000,000.

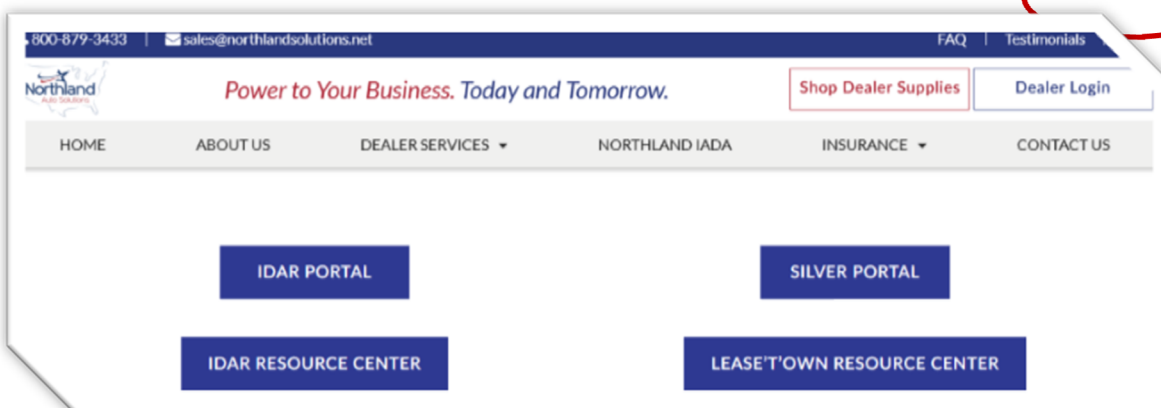
To secure the SILVER level excess contingent liability insurance, you must enter the vehicle information into Northland's on-line Fleet Management Tool which can be found at our website - www.NorthlandAutoSolutions.com

Fleet Management Tool

The SILVER PORTAL can be found on our Website – WWW.northlandautosolutions.com in the Dealer Login



Select the SILVER PORTAL option.



You will be prompted to enter your Username and Password. If you do not have a Username, please contact Northland at 1-800-879-3433 and tell the receptionist that you would like to speak to someone about the SILVER Portal.

SILVER LEVEL COVERAGE

Login

Enter your email address and password to login.

Click "Sign Up" to apply for a new account!

Email Address

Password (forgot?)

Remember me

[Sign In](#)

Once logged in you will be taken to your Home Page. From here you can review your ACTIVE vehicles, Add Coverage to Vehicles, or Remove Coverage from Vehicles.

SILVER LEVEL COVERAGE

Home Add Vehicle Remove Vehicle Fleet History PASSWORD RESET REQUEST

Logged in as: [User Name] Account Settings - Log Out [User Name]

Home

Home Add Vehicle Edit My Dealer

Active Fleet

search by keyword [input] search

Coverage Status is Covered [icon] add filters [icon] [icon] 25 per page [dropdown]

Stock #	Vin #	Vehicle Year	Vehicle Make	Vehicle Model	Color	Date Entered
54	JTMZD3	2008	toyota	ra4	blue	02/25/2020 3:16pm
	3n1ab7a	2015	nissan	sentra	gray	02/20/2020 8:38am
	3wej7at	2013	volkswagen	beetle	gold	02/19/2020 1:07pm

By default, only the first 25 items are shown. You may need to display more items or search using a keyword to find what you're looking for.

Active Fleet

search by keyword [input] search

* filters [icon] [icon]

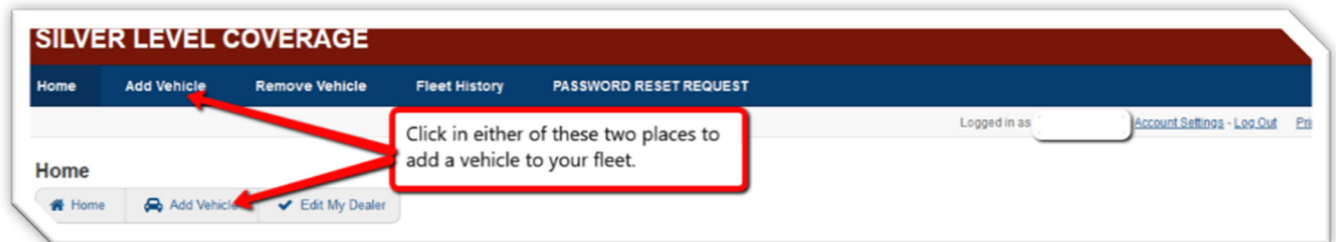
25 per page [dropdown]

Click here to search for a vehicle.

You can change the number of items viewable by selecting a different choice.

Adding A Vehicle

Click on the Add Vehicle button as shown below



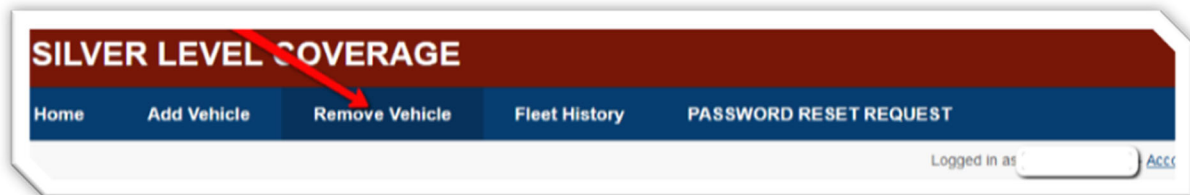
Complete all of the fields needed. Please verify the accuracy of the VIN number, Year, Make, and Model as coverage may not be extended in the event of an error.

The screenshot shows the 'Add Vehicle' form on the Silver Level Coverage website. The form is titled 'Add Vehicle' and has a 'Submit' button at the bottom. The form fields are: Stock #, Vin #, Vehicle Year, Vehicle Make, Vehicle Model, and Color. Red arrows point to the Vin #, Vehicle Year, Vehicle Make, and Vehicle Model fields, indicating that these fields are required for completion.

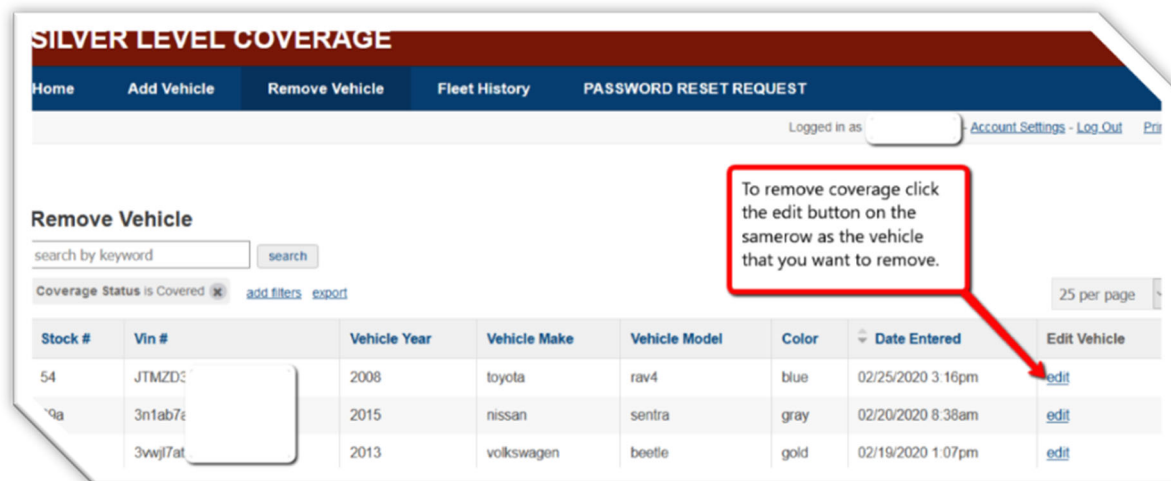
Click on the Submit button when complete. Successful submissions will send you a confirmation email for you to keep in your records.

Removing A Vehicle

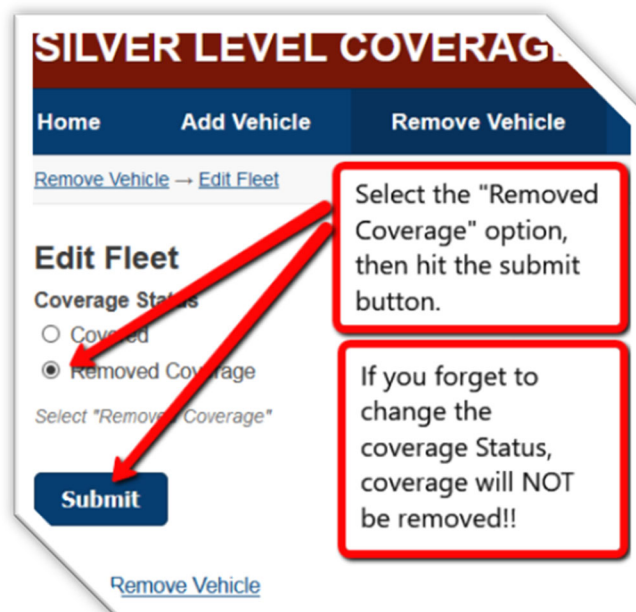
To remove coverage from a vehicle, click the Remove Vehicle option from the top toolbar.



Locate the row for the vehicle that you want to remove. Click on the Edit button to the far right of the row.



Select the "Remove Coverage" option, then hit submit. You will receive a confirmation email for you to keep for your records.



Silver Insurance Premiums

SILVER LEVEL COVERAGE

Northland will take payments directly from your checking account or credit card (whichever payment method you have chosen) for your insurance premiums once a month, at the beginning of the month, as follows:

- \$8.95 per vehicle*

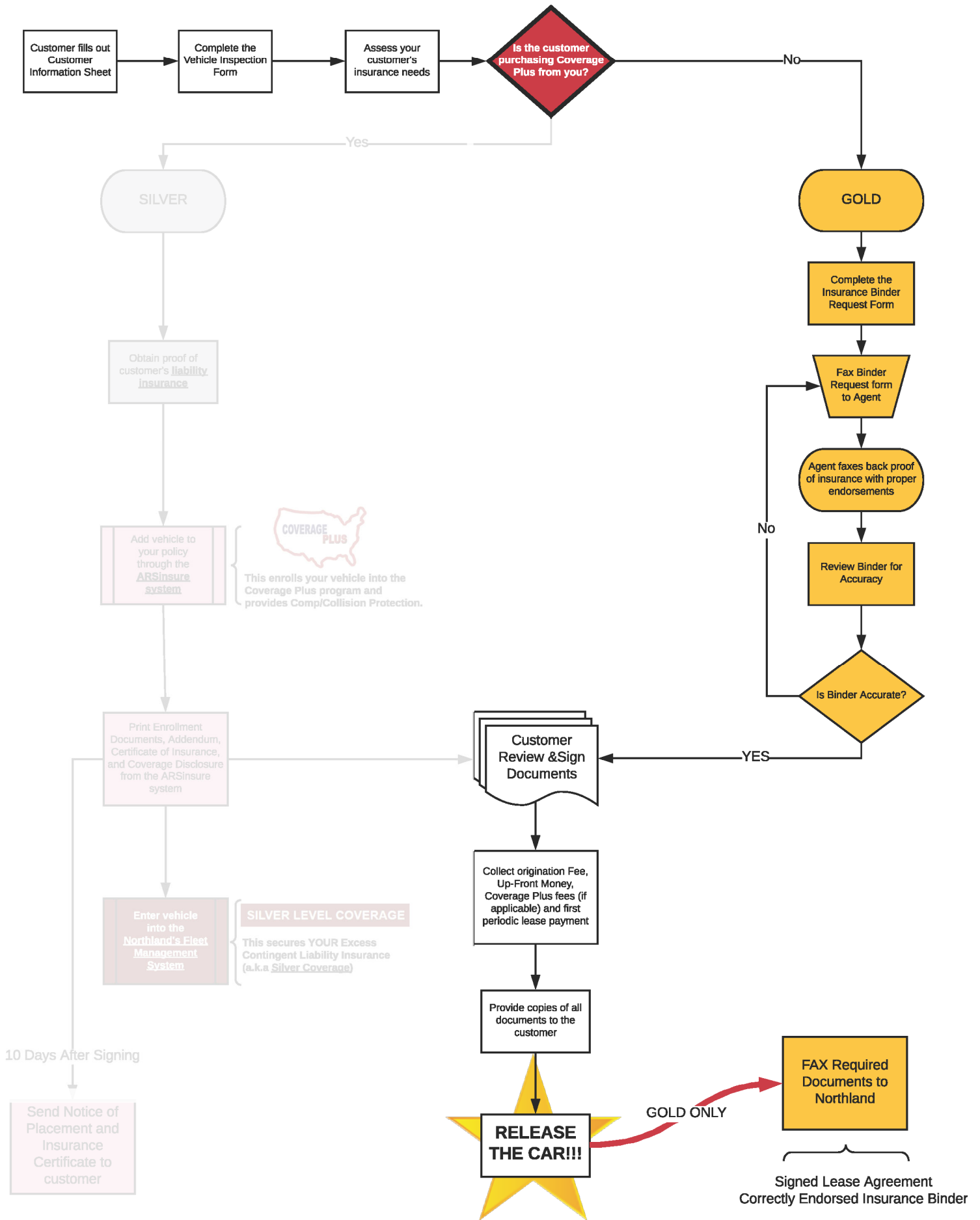
You will be billed for all vehicles that are listed at “Covered” in the Fleet Management Tool.

You will continue to be billed for coverage until you remove coverage via the Fleet Management Tool. Unless there is an error on the part of Northland, credit will not be issued for the current month’s statement. Any changes will be reflected on the next month’s statement.

*Price is subject to change.

**COMPLETING A
LEASE'T'OWN® DEAL WITH
GOLD LEVEL COVERAGE**

COMPLETING A REN'T'OWN® / LEASE'T'OWN® DEAL



Completing a LTO® Deal using GOLD coverage

1. Begin by having your customer fill out the Customer Information Sheet.
2. Together with the customer, inspect the vehicle and complete the Vehicle Inspection Form
3. Fax the Insurance Binder Request form to the customer's insurance agency .
THE BINDER MUST BE FAXED BACK TO THE DEALERSHIP AND CONTAIN THE PROPER ENDORSEMENTS BEFORE THE VEHICLE CAN BE RELEASED TO THE CUSTOMER!
4. Have your customer review and sign the following documents:
 - Consumer Lease Agreement
 - Binding Arbitration Agreement
 - Excluded Drive Addendum
 - GPS Disclosure Addendum (if applicable)
 - Exhibit A List of Addenda
5. Review the returned insurance binder to ensure accuracy, ***THIS STEP IS CRITICAL***
Your vehicle may not be covered by our excess contingent liability policy if the binder is not correct!
 - Circle Loss Payee/Leinholder & Additional Insured/Additional Interest on the binder.
 - Please do not highlight these sections as it does not show through on the fax transmission.
6. Collect the Origination Fee, any up-front money, and the first periodic lease payment from the customer.
7. Provide copies of all documents to the customer. It's also important to keep copies of all signed documents in your deal jacket.
8. **RELEASE THE CAR!**

AFTER THE CUSTOMER LEAVES

1. Fax the following documents to Northland at 952-894-8990
 - Signed consumer lease agreement
 - Accurate Insurance Binder with Loss Payee and Additional Interest circled
2. File all paperwork into a deal jacket

Your Dealership's Insurance

Each LTO® customer must furnish properly endorsed primary insurance coverage.

Each LTO® dealer receives contingent liability insurance of \$1,000,000 (one million) and collision damage with \$1,000 deductible per vehicle.

The insurance is comprised of three distinct coverage forms. This coverage is dependent upon the dealer holding a valid certificate of the customer's insurance coverage.

1. **CONTINGENT STATUTORY (your state limits) LIABILITY:** In case of cancellation or non-renewal of the customer's insurance, this coverage will provide for bodily injury & property damage until the vehicle is recovered by the dealer, or new coverage is secured by the customer.
2. **CONTINGENT EXCESS LIABILITY:** In case of cancellation or non-renewal of the customer's insurance, this coverage will provide for bodily injury & property damage until the vehicle is recovered by the dealer, or new coverage is secured by the customer. The actual amount available under Contingent Excess Liability for the payment of damages is the difference between the LTO® financial responsibility limits of the jurisdiction in which the accident occurred and \$1,000,000.
3. **CONTINGENT PHYSICAL DAMAGE:** In case of cancellation or non-renewal of the customer's insurance, this coverage will provide for comprehensive & collision with \$1,000 deductible until the vehicle is recovered by the dealer, or new coverage is secured by the customer. \$35,000 limit per vehicle. No coverage is provided for conversion—theft by fraud.

Excluded and uninsured drivers: The dealer's contingent liability policy does not provide coverage for an excluded or uninsured driver listed on the policy, neither does the customer's insurance provide coverage. This financial responsibility then falls on the dealer.

Your Customer's Insurance

YOUR CUSTOMER IS REQUIRED TO CARRY THE FOLLOWING:

- Liability for bodily injury or death of others in an amount of at least \$30,000 per person and \$60,000 per occurrence; liability for property damage to others in an amount of at least \$10,000 or the minimum amount set forth in the applicable state financial responsibility law.
-
- Connecticut, Maine and Rhode Island require liability of \$100,000 per person and \$300,000 per occurrence with \$50,000 for property damage.
-
- Collision and comprehensive (including fire and theft coverage) with a deductible not to exceed \$500.00
- Properly endorsed Insurance.

Non-Acceptable Insurance

Northland maintains a list of "**Not Acceptable**" Insurance Carriers for LTO® **GOLD** level Insurance coverage .

- If an insurance company will not list both a Loss Payee and Additional Insured on the policy, we consider them "not acceptable".
- If an insurance company does not provide a notice of policy change to both the Loss Payee and Additional Insured, we consider them "not acceptable".
- We do not add insurance companies to this list easily. We will work with the insurance company to find a satisfactory solution that ensures proper communication to the customer, the dealer, and to Northland before we resort to putting them on the not acceptable list.
- Insurance policies with excluded drivers will not be accepted unless the reason is explained in advance to the Owner/Lessor and is accepted.
- This list has been developed for your protection.
- Communicate these restrictions clearly to your customer.

Request the most current list of not acceptable insurance companies from your Northland Insurance Representative.

Insurance Endorsements

REQUIRED ENDORSEMENTS FOR GOLD COVERAGE

Two endorsements are required on your customer's primary insurance policy for your LTO® GOLD covered vehicles.

1. **Your Dealership Name/RTO with your business address** listed as "Loss Payee" or "Lienholder"
 - By having your dealership name/RTO and your address as the "Loss Payee" it ensures that any monetary award be sent to you rather than to the customer.

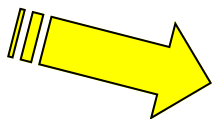
 2. **Your Dealership Name/RTO with 850 East Cliff Road Burnsville, MN 55337** listed as "Additional Insured", "Additional Interest", "Lessor", "Lease Holder", or "TPI-Third Party Interest".
 - By adding your Dealership Name/RTO and Northland's address on the customer primary insurance policy as the "Additional Insured", you receive two important benefits.
 1. Northland will receive the same correspondence from the insurance company as you and the customer receive. This ensures that Northland will be notified of any change of status on your customer's policy and therefore, can provide you assistance.
 2. The "Additional Insured" endorsement also provides legal defense for law suits brought against you, as the titled owner, for damages caused by your customer. Legal defense often costs vehicle owners \$30,000 - \$50,000 dollars even if the other party doesn't win!
- The "/RTO" ending to your dealership name allows Northland to communicate with the insurance agent on your behalf.
 - Other documents that can be accepted in place of a binder of proof of insurance are:
 - Policy Change Request
 - Declaration Page of the policy
 - In absence of any of these documents, we can, as a last resort, accept a signed letter, on the agent's letterhead confirming coverage and endorsements.
 - The Binder Request Form, ID Cards (driver's license, photo ID, Military ID, etc...) and applications will not be accepted as valid insurance.
 - Binders with "Excluded" or "Uninsured" drivers will not be accepted.
 - Vehicles being used for business purposes will not be covered.

Insurance Endorsements

- Don't assume that the insurance binder is correct. Unfortunately, many insurance companies don't get it right on the first attempt.
- You will want to verify that the agent has listed the following information correctly on the policy.
 - Correct Endorsements ****MOST CRITICAL**** Locate and circle the Loss Payee/ Leinholder and Additional Insured/Additional Interest endorsements making sure that the addresses are correct.
 - Correct coverage amounts
 - Make sure Comp & Collision have been added
 - Verify the correct vehicle description and VIN Number
 - Make sure BOTH the Lessee and Co-Lessee are listed on the policy
 - Check the expiration dates to make sure you are receiving a current binder.



**YOUR DEALERSHIP MAY NOT BE COVERED
BY OUR CONTINGENT LIABILITY
INSURANCE POLICY OR HAVE ANY LEGAL
DEFENSE IF THE CUSTOMER'S
INSURANCE BINDER IS NOT ACCURATE!**



Your Insurance Representative at Northland is here to help you!
Don't get frustrated and don't give up on your attempt to obtain proper proof of
Insurance.

Call 800-879-3433 for assistance!

Insurance Premiums

Northland will take payments directly from your checking account or credit card (whichever payment method you have chosen) for your insurance premiums once a month, at the beginning of the month, as follows:

- A) If the contract is dated from the 1st to the 15th of the month, the premium is \$23.00
- B) If the contract is dated from the 16th to the 31st of the month, the premium is \$11.50 (1st month only - the full premium of \$23.00 is due for each month thereafter)

For Example:

If your LTO® contract is dated for the 17th of January, you will not see a charge until February's statement. On February's statement, you will see a \$11.50 charge under a column called "Contract Premium" indicating this is the initial charge based on your contract date. There will also be a \$23.00 charge under a column called "Monthly Premium". This is your charge for February's insurance premium. This process will be outlined in more detail in a later section.

As mentioned, each month you will receive a statement showing all vehicles Northland has on record for your Lease'T'Own® fleet. Please review this statement promptly and carefully! Your account will be charged based on the number of vehicles listed on this statement. Contact your insurance representative immediately if you notice any discrepancies. Unless the discrepancy is an error on the part of Northland, credit will not be issued for the current month's statement. Any changes will be reflected on the next month's statement.

Insurance Premium Discounts

Northland offers a premium discount based on fleet size.

After a dealer hits a milestone level, they must maintain that amount of cars in order to receive the discounted price. If a dealer falls below the milestone for two consecutive months, they will be placed back to the higher insurance premium until he can get back over the milestone level.

\$1,000,000 (One Million) Coverage	
# of Vehicles on RTO/LTO® Fleet	Monthly Premium Amount
1 - 100 Vehicles	\$23.00
101 - 200 Vehicles	\$21.00
201+ Vehicles	\$19.00

PREMIUM AMOUNTS ARE SUBJECT TO CHANGE

Titling & Registration

- When you are talking with the Department of Motor Vehicles, be sure you refer to your vehicle as a LEASED vehicle.
- Each state is different with regards to titling and registering leased vehicles. You can refer to the State Leasing Code section of the NADA book for a quick reference.
- Due to the variations in leasing laws from state to state, we recommend that you consult your local Department of Motor Vehicles for the exact procedures on titling and registering a leased vehicle.
- In most states, your dealership name will be listed as the “Lessor” on the title and registration. Your customer will be listed as the “Lessee” on the registration. This will vary by state.
- In most cases, you will be able to recoup the cost of licensing and titling from the customer through the Consumer Lease Agreement.

Internal Filing & Recordkeeping

We recommend that you keep individualized files for each customer containing the following:

- Customer Information Sheet & accompanying documents
- Copy of Drivers License
- Vehicle Inspection Form
- Consumer Lease Agreement with Exhibit A and all addendums
- Original Insurance Binder
- Ongoing Insurance Documentation
- Any correspondence

Submitting Your Deal

FAX: 952-894-8990

The following documents need to be submitted to Northland via Fax or Email (to your Ins Rep)

- Completed Consumer Lease Agreement (signed and dated)
- Accurate Insurance Binder
- GPS Disclosure Addendum (if applicable)

AFTER THE DEAL
FOLLOW UP ACTIVITIES

Collections

- Collections are obviously the most important part of the LTO® program. You need to set up collection rules and live by those rules.
- Check to see if your state has “Right to Cure” laws protecting the consumer. Familiarize yourself with the Right to Cure laws for your state before pursuing any collection methods.
- Be sure you explain to your customers that if they are unable to make a payment on time, please call or stop by to talk about it. Make sure they know the door of communication is open.
- If the customer has not paid you on the due dates, you need to contact that customer within the first 24 hours.
- Remind your customer that if they’re unable to make their payments, they just need to stop by, drop off the vehicle and the keys. Part as friends with the understanding that when they get back on their feet financially, they can come back, and you will get them into another vehicle.
- If the customer informs you that he or she will have the payment to you within the given grace period, and the customer fails to follow through with that promise of payment, you need to pick up the vehicle. If you are in a Right to Cure state, you need to follow the proper procedures outlined by the state law.
- Limit vehicle recoveries by consistent and timely action—remember it’s YOUR vehicle!
- Individual payment logs and monthly payment logs are available from Northland at no cost to our LTO® dealers.
- Consider using a payment service. Whether you accept payments by paper check or credit card, ACH processing has been proven to save dealers time and money. It’s also a convenient service for your customers.

Customer Bankruptcies

- Since you own the LTO® vehicle, the customer should not put it into a bankruptcy. However, if a customer does include your vehicle in a bankruptcy, do not pick up the vehicle until after the bankruptcy judge releases the vehicle.
- Ask the Bankruptcy Judge to release it because it’s a leased vehicle titled in your business name and owned by you.

Contact Northland at 800-879-3433 for further guidance on this issue.

Vehicle Recovery

- You are the titled owner of the Lease'T'Own® vehicle, therefore, in the event of breach of contract, you can recover your property.
- Check with us to see if your state has “Right to Cure” laws protecting the consumer. Familiarize yourself with the Right to Cure laws for your state before pursuing the recovery of your vehicle.
- We recommend that you file a stolen vehicle report with your local police department if all attempts to recover your vehicle have failed. The reason for the stolen vehicle report is to relieve your dealership of the insurance liability in case of an accident.
- If the police department will not take the report, we recommend that you send a registered letter to the police department. Keep a copy of the receipt in your files so if there’s an accident and you are sued, our insurance company can show the court that you did due diligence and had no control over the use of the vehicle. A sample letter has been included below:

Date:

Law Enforcement Address Here

To Whom it May Concern:

Re: Missing or stolen Vehicle Report

We hereby request to report the following vehicle as missing or stolen. Furthermore, it may be misappropriated, embezzled, or is theft by conversion.

(insert if applicable) We believe the Lessee has not maintained the required insurance coverage, which is a default in the Lease Agreement and is now possibly driving the vehicle without insurance, exposing the general public to loss.

(Insert if applicable) We believe the Lessee has disabled our GPS tracking device, a default in the Lease Agreement, in an attempt to avoid recovery. This is a strong indication of an attempt to do theft by conversion, to steal, to misappropriate, or to embezzle the vehicle. See copy of the Lease GPS Discloser Addendum.

The Lessee has failed to return the vehicle, upon demand within the provision of the Lease agreement. A copy of our Title and Lease Agreement and demand for return are attached.

Our business is 100% legal owner and 100% titleholder of the subject vehicle described below.

Year: _____ Make: _____ Model: _____ Color: _____

Vehicle Identification Number: _____ License Plate: _____

Lessee Name: _____

Lessee Address _____

Lessee Phone Number _____

Lessee Driver’s License No & State _____

We further request a copy of the Missing or Stolen Vehicle Report to assist in recovery of our vehicle and for insurance purposes. Thank you for your cooperation!

Returned Vehicles

Returns & Deleted Vehicles

Whether your fleet vehicle is returned voluntarily, recovered, stolen, wrecked, purchased, etc... Be sure to **call, email, or fax** your Northland Insurance Representative **immediately** when a vehicle is removed from your LTO® Fleet.

It's critical that Northland knows the vehicle has been removed from your fleet so you are not charged an insurance premium for the next month.

For your convenience, we've developed a "Deletion Form" that can be used if you'd prefer. Many dealers use this form as part of their internal recordkeeping as well.

Vehicle Exchange

The "Deletion Form" is used whenever your customer is returning a vehicle before the lease term is up and are immediately leasing a different vehicle.

This communicates to Northland's Insurance Rep that they need to delete one vehicle and add the other - again eliminating the chance of you being charged for the deleted vehicle the next month.

Temporary Swap

A temporary swap occurs when you are letting your customer use one of your vehicles temporarily while their leased vehicle is being repaired. Typically a "swap" is under 30 days.

Use the "Temporary Swap Leased Vehicle Addendum" to ensure that all the terms and conditions of the original lease continue to be in force with the swapped vehicle. Before using the Addendum make sure the addendum and "length of time" of the swap is allowed and is compliant with your state laws.

1. Have the Lessee sign the Temporary Swap Addendum and provide a copy to the Lessee.
2. Your customer must obtain a new insurance binder for the swapped vehicle.
3. Attach a copy of the addendum and insurance binder to the original lease in your files.
4. Copies of the Addendum and the new binder need to be faxed to Northland at 952-894-8990.

Customer Insurance Tracking

Your Contingent Liability Insurance Coverage is “contingent” upon your customer having the proper primary insurance coverage in place.

The goal of our Customer Insurance Tracking Division is to monitor the status of your LTO® Customer’s primary insurance, communicate to you and your customer about the required actions, and if needed, assist you to obtain proper insurance coverage.

Northland offers administrative assistance to your dealership with our Contingent Insurance Tracking Services at no additional charge.

Although our Customer Insurance tracking services are in place, you will want to implement your own insurance tracking procedure within your operations. Northland acts as a back up to your internal procedure to help ensure coverage for all your RTO/LTO® vehicles.

Typical Tracking Process

NEW CONTRACTS: Upon receiving a new contract and insurance binder, the insurance representative will audit the binder for accuracy. If something on the binder is incorrect, you will be contacted and given instruction of what’s needed. **ACTION IS NEEDED IMMEDIATELY!**

EXISTING CONTRACTS: As Northland receives communication from the insurance companies, the insurance representatives will update Northland’s database and communicate the needed action to you. Please note....Our insurance representatives will never “talk” with your customers.

WEEKLY ACTIVITY REPORT: We will provide you with a weekly update of your fleet and insurance status. Larger dealers find this to be helpful for reconciling.

Please take the communication from Northland seriously! Immediate action is needed from you to either contact your customer or to begin the process to recover your vehicle.

Your customer should contact you before changing insurance companies to ensure the new company is approved. You will need a copy of the new binder or policy declaration page immediately to ensure the endorsements are properly added. This new proof of insurance should be sent to Northland.

Activity Report

You will receive an activity report from your insurance representative when there has been a change to your fleet. If no changes occur, you will be sent the report once a week.

SAMPLE DEALERSHIP										DATE:	4/19/2016
Name	Model	Vin	Policy#	Ins Co	Exp Date	Cancel Date	Status	Drivers Not Lstd	Xcluded Driver	Notes	
Jessika Desimone	2005 Dodge Dakota Quad Cab SLT	1H539437	1421782B2438C	Geico	5/16/16		Active				
Kelly Bardzel	2005 Jeep Grand Cherokee	5C608546	2841654D1538	Progressive	5/17/16	2/22/16	Cancel 30 Day				
Kelly McKenna	2005 Pontiac Bonneville SE	1H539977	5837_E960543	Progressive	9/20/16		Active			04/12 Still looking for vehicle-Target Research	
Kristie Moreau	2006 Chevrolet Trailblazer	7C839186	APA003724383	First Acceptance	9/28/16	4/28/16	Cancel Pending				
Shannon Moyer	2006 Chrysler 300	1U768436	CSPA30202	Geico	4/19/16		Expired Pending				
Teresa Poslosky	2007 Ford Escape XLS	56102901	IAP00254260	Erie Insurance	7/22/16		Active				
William Craven	2007 Nissan Maxima	5S245286	Q07-2213848	State Farm	8/24/16		Active				

- Any changes that have occurred that day are highlighted in yellow.
- Added or deleted vehicles will be highlighted in yellow on the day they were added or deleted.
- The report will be sorted so the items at the top are the items that need action or need to be watched.
- If there are any special instructions they will be listed in the notes section.
- This report should be reconciled weekly to make sure vehicles are covered under the GOLD program. If they are missing, please fax or email paperwork to your insurance representative.

Activity Report Codes

Not having current insurance on file could affect whether or not a claim is approved under the Contingent Excess Liability Insurance policy.



CODE	EXPLANATION OF CODE	REQUIRED DEALER ACTION
BAD INS	The Primary Insurance on this vehicle is from an insurance carrier that is not supported by the RTO/LTO® program and can't be accepted	Obtain accurate insurance from an accepted carrier and <u>fax a copy to Northland immediately.</u>
CANCEL_PEND	A notice has been received identifying that the customer's primary insurance on this vehicle will be cancelled soon.	Your customer needs to be contacted immediately to rectify the problem. <u>Fax proof of accurate insurance to Northland.</u>
CANCEL-1D, 30D	The customer's primary insurance has cancelled.	<u>Contact your customer immediately!</u> Obtain proof of accurate insurance or have the customer return your vehicle. <u>Fax proof of accurate insurance to Northland.</u>
EXPIRED_PEND	A notice has been sent to you identifying that the customer's primary insurance will be expiring soon.	Your customer needs to be contacted immediately to rectify the problem. <u>Fax proof of accurate insurance to Northland.</u>
EXPIRED-1D, 30D	A notice has been sent to you identifying that the customer's primary insurance has expired.	Contact your customer immediately! Obtain proof of accurate insurance or have the customer return your vehicle. <u>Fax proof of accurate insurance to Northland.</u>
INCORRECT INS	Your customer has changed insurance companies or upon the renewal of the policy, a change has been made as the proof of insurance we have received is inaccurate. Most likely, the endorsements are incorrect.	Contact the insurance agent and correct the endorsements. <u>Fax proof of accurate insurance to Northland.</u>
TERMINATED	Insurance has been canceled or expired for more than 60 days and the vehicle will be removed from your fleet.	Contact your customer immediately! Obtain proof of accurate insurance or have the customer return your vehicle. <u>Fax proof of accurate insurance to Northland.</u>
TERM-PEND	Dealer and Northland insurance rep have discussed the situation surrounding a vehicle in the TERMINATED status and have agreed on a resolution.	Contact your customer immediately! Obtain proof of accurate insurance or have the customer return your vehicle. <u>Fax proof of accurate insurance to Northland.</u>
NO INSURANCE	We have received a contract but do not have any insurance on record for this vehicle. The contract can not be accepted without proper insurance!	Contact your customer immediately! Obtain proof of accurate insurance or have the customer return your vehicle. <u>Fax proof of accurate insurance to Northland.</u>
NO CONTRACT	Dealer's records show that this vehicle should be on the Fleet. Northland has not received the contract or proper insurance for this vehicle. Insurance coverage is not added until paperwork is sent in.	Dealer needs to <u>fax contract and accurate insurance to Northland</u>
WRONG INSURANCE	We have received incorrect insurance along with a new contract. Most likely, the endorsements are incorrect.	Contact the insurance agent and correct the endorsements. <u>Fax proof of accurate insurance to Northland.</u>
Z-UNKNOWN	We have received insurance communication on this vehicle but have not received a contract.	Dealer should check Fleet records to see if a contract should be sent to Northland. If not, contact the customer or insurance company to have your dealership removed from the policy endorsements. <u>Notify Northland if this is NOT a RTO/LTO® Vehicle</u>

**DEALER RESOURCES
&
PROGRAM ENHANCEMENTS**

Resources

Don't forget that Northland offers many resources to you as part of your membership in our Lease'T'Own® program!

FREE LEADS

Watch your in-box for emails from sales@northlandsolutions.net with the subject line: **RTO/LTO—New Customer Application.**



This is a SALES LEAD! Consumers have the ability to apply for a Lease'T'Own® car through our website www.RtoLto.com. When a customer fills out the on-line application, it is automatically forwarded to the closest 5 dealers to their zip code. This means you need to act fast! The customer will be waiting to hear from you and is interested in a Lease'T'Own® car!

If you haven't already, check out www.RtoLto.com. Try the dealer locator and make sure we have your contact information set up the way you want it. Only dealers who have submitted at least one contract are eligible for the free leads.

TRAINING

Training isn't only offered when you first sign up with Northland. Training is always available! In fact, we recommend that you go through refresher training at least quarterly. Anyone on your staff is eligible for training. We can go through the program from beginning to end or zone in on specific areas. For example, your administrative staff may want specific training on how to fill out the contract or how to identify properly endorsed insurance. Your sales staff may want training on how to sell Lease'T'Own® or how to qualify a customer for Lease'T'Own®. Whatever area you have questions in, we can train you! Contact us at 800-879-3433 to schedule training.

DEALER RESOURCE CENTER

Recently added to our website is a Dealer Resource portal. The password to enter the portal is: profit

In here you will find:

- Dealer Updates & Alerts
- Training Videos
- Forms
- Insurance Information & Forms
- Logos for advertising



If there are other items that would be beneficial to in this dealer resource area, please be sure to let us You can submit your requests to any of our staff members or if you'd prefer, by email at sales@northlanddealers.com

have know.

ON-LINE INFORMATION

Connect with Northland On-Line! About once a month we publish articles related to the Ren'T'Own® business. We encourage you to subscribe to our blog so you are notified when new articles arrive.

Don't worry, we won't fill your in-box with ads and junk - these articles are intended to be helpful and relevant to your business. We share best practices, selling tips, training information, and the occasional "you can't make this stuff up" real life stories from dealers like yourselves. We even have a Dealer Spotlight section where dealers share their experiences from being in the Ren'T'Own® business.



Northland is also active on Facebook and Twitter (@northlandRTO)

SPECIALIZED AREA ASSISTANCE

Your expertise is in selling cars and you do a darn good job at that! But what happens when your



customer files bankruptcy? Do you know the procedure to keep your Ren'T'Own® car out of bankruptcy? Do you know what to do if your customer's insurance company denies a claim? Does your state have "Right To Cure" law that affects your Ren'T'Own® cars? Having problems with an insurance agent who can't figure out what an additional insured endorsement is? The best and easiest answer to all of these questions is to **CALL NORTHLAND!** We have people on staff that know the answers! Our services have saved dealers thousands of dollars in legal fees, recouped thousands of

dollars of insurance claims for our dealers, and have taught dealers how to keep themselves out of trouble. We are here to serve you!!

DAILY RENTAL DISCOUNT

As a valued Ren'T'Own® or Lease'T'Own® dealer, you are eligible for a \$200 enrollment discount for our Daily Rental Program.

Program Enhancements

Are you looking for ways to add profit, add security, and to ease the administrative tasks of your LTO® business? Consider these recommended program enhancements.

NORTHLAND's IDAR Program - www.northlandautosolutions.com

You have the Vehicles - Northland has the Program! If you are upside down on a vehicle, rent it for several months and get "right side up"! Many rental customers need a vehicle and you have the opportunity to sell them one. Remember...Rentals draw customer traffic to your business. The IDAR Program works well in tandem with LTO®. A \$200 enrollment discount is available to all LTO® Dealers.

DEALER MANAGEMENT SOFTWARE

Ease your administrative tasks and increase efficiency with a dealer management software system. All three of these software systems contain the forms and contracts for Ren'T'Own® and Lease'T'Own®.

AutoManager, Inc.	www.automanager.com	1-800-300-2808
ComSoft Software	www.comsoft.com	1-800-849-3838
Dealer Plate Software	www.dealerplate.com	1-763-202-7553

TAX MAX REFUND SERVICE - www.taxmax.com **1-866-642-4107**

At Tax Refund Services Tax Max, our sole purpose is to provide our dealerships, agents, their customers and our clients with the outstanding quality customer service they deserve.

Since 1995, Tax Refund Services Tax Max has specialized in car dealer, payday lending, tax preparation and electronic filing. We have structured our Tax Max program to give the dealer maximum results with minimal time and effort.



Dealer Supply Store



We carry a wide variety of supplies for your dealership office, sales lot, and service areas!

Detailing Supplies	Mirror Tags
State Forms	NADA Books & Subscriptions
Funnels	Pennants & Balloons
Key Tags & Key Boards	Snow Rakes
License Plate Accessories	Windshield Stickers
Markers	Customized Products

www.northlandsupplystore.com

FREE SHIPPING ON ORDERS OVER \$75.00!

