

LALC LOS ALTOS LEASING CO.

FAMILY OWNED AND OPERATED SINCE 1983

MERCEDES DESIGNED E55 AMG TO PERFORM

Stuttgart- Fuel prices are heading up. The economy is gasping. But boys still gotta have their toys. The limited edition 2004 Mercedes-Benz E55 AMG is part racecar and part family sedan, with a price that is expected to be north of \$70,000 when it goes on sale in April.

AMG is the performance brand within a brand at Mercedes-Benz. Each vehicle that gets the AMG treatment receives horsepower, braking, handling and other enhancements and is the top performance model in its range. Every Mercedes-Benz class offers an AMG model. AMG enthusiasts typically aren't worried about gasoline prices, said Joachim

Schmidt, worldwide head of sales and marketing for Mercedes-Benz, Maybach and Smart. Likely, they care more about bragging rights. "(Our customers) like to have good performance. They like to have fun." Schmidt said at an October press event here. At the heart of the 2004 E55 AMG is the super-

charged 5.5-liter intercooled V-8, which produces 469 hp and 516 pounds-feet of torque. Mercedes' early estimates put 0-to-60 mph acceleration at 4.5 seconds and top speed of 150 mph. The car is based on the redesigned E-Class



2004 Mercedes Benz E55

sedan, which debuted in the United States in summer. To handle the horsepower boost, the AMG 5.5-liter V-8 features several enhancements not offered on the standard E-Class V-8:

- Reinforced crankcase with special stiffening ribs and side bolts

- Balanced crankshaft and extended stroke, which lengthens from 84 to 92 millimeters.
- Forged connecting rods
- Modified cylinder heads that handle increased airflow.

- Camshafts with extended valve opening times that improve the fuel supply to the combustion chambers.

The E55 AMG's spring struts; shocks absorbers, stabilizers and electronic suspension control system are re-engineered for high speed driving. To enhance stability, the E55 AMG

is two-fifths of an inch lower than the E-Class sedan. On the road, the E55 AMG automatically drops an additional three-fifths of an inch when the car accelerates past 87 mph to reduce aerodynamic drag. Mercedes expects to sell 800 to 1,200 E55 AMG's annually in the U.S.

LUXURY TAX ON CARS COMES TO AN END

For shoppers still in the market for a fancy car, the holidays just got a little brighter—the federal luxury tax on automobiles went out with the old year. The tax, enacted in 1990 as a part of a package of taxes on "envy items," including boats, furs, jewelry, and airplanes, has long been a thorn in the side of high-end car dealers. The levy originally amounted to 10 percent of the amount by which a car's price exceeded \$30,000. Congress backtracked in 1993 and repealed the tax on the other luxury items after being blamed for the

collapse of the pleasure boat industry. But cars continued to be taxed. The tax raised \$400 million to \$450 million most years, hitting a high of about \$530 million in 1996, said David Regan, executive director of legislative affairs at the National Automobile Dealers Association. The industry persuaded Congress in 1996 to end the tax. Because of concerns about revenue, it was phased out, with the tax lowered as the threshold for its application to \$40,000. Revenue fell as it phase-out progressed, and it would have raised

about 1 million this year had it remained in effect. "This year's 3 percent would add \$1,200 to the cost of many high-end luxury cars" and sport-utility vehicles, said Paul Taylor, chief economist of the dealers association. "That amount coming off the transaction price in 2003 provides an impact of nearly the same magnitude as a \$1,200 cash rebate. Just as cash rebates and other incentives helped luxury-car sales in 2002, the repeal of the luxury tax should help boost sales in 2003."

WHY LEASE?

People tend to look at leasing a car and leasing a house as pretty much the same thing. At the end of a lease, the customer has nothing to show except a shoebox full of cancelled checks, no equity. That view is mistaken. While leasing a house is generally a better deal for the landlord than for the tenant, leasing a vehicle is really better, or at least different, deal for the customer. The difference stems from the fact that real estate is an appreciating asset while cars depreciate over time. Leasing is, in effect, an insurance policy against the depreciation in the vehicle. Here are several other advantages:

- At the end of the lease they have a paid contract. There is no chance of being upside down on a trade in.
- There is no depreciation risk
- Consumers can limit their liability in the event of a serious accident
- "Gap" protection is available to cover any negative equity on a trade
- For small businesses and for younger couples, leasing can free up borrowing capacity
- To answer the objection that a customer drives more miles than permitted in the lease, it is an absolutely bogus objection. Customers will pay more for excess miles one way or the other regardless of whether they buy or lease their vehicles. An excess mileage clause in a lease is actually less expensive than factoring high mileage into the trade value of a car.

We are proud to bring you our updated newsletter to keep the auto enthusiast current on what is new with Los Altos Leasing Company and the auto industry for 2003. Please don't get confused by our name, Los Altos Leasing Company does much more than just lease new and used vehicles. We also have the ability to finance or sell new or used vehicles. Another new opportunity for Los Altos Leasing is our capability of selling extended warranties for almost every make and model of vehicle. Whether you want to extend your current new car warranty or make sure your older car will be protected, we can help you.

NEW VEHICLES

We have access to every make and model of car, truck and SUV available. Los Altos Leasing has contacts all over the state of California that can find the exact car you are looking for. We don't want you to settle for a car just because it is the only one at the local dealer. Since we are a dealer as well, we have the ability to buy at fleet pricing and receive all of the manufacturer's dealer cash and customer cash rebates. We also have all manufacturer incentives, lease rates and finance rates updated every month so we are always aware of changes. Our automotive software programs give us the opportunity to provide you with pricing, options, and colors of the vehicle in questions. Los Altos Leasing can also order the exact car you are looking for and usually get it in much less time than if you went to the dealer yourself. The new vehicles are delivered directly to our office, ready to go and you will never have to step into a dealership.

USED VEHICLES

Los Altos Leasing can lease, finance and sell any used vehicle as well. We have access to many used car databases and have lease returns coming in all the time. Even if you find a used vehicle on your own, we can provide a lease or finance package that will fit your needs. Please look at our used car page on our website for our latest inventory.

LEASE/FINANCE

Los Altos Leasing offers many leasing and financing packages for every make and model, new or used vehicle. Not only do we have many of our own funding sources, but we have access to every manufacturer's programs as well. Let us help you decide which is the best way to go and tailor a program that fits your needs.

TRADE-INS

Let us help you with your trade in. Whether it is two years old or twenty years old, we have many contacts that will give us bids on your car. Don't be fooled by dealers that can only provide you with one trade in price. We will also help you sell your vehicle. Let us do

all of the advertising, showing of the vehicle, and final delivery so you do not have to. We will do all the work for you.

SERVICE/BODY SHOPS/ACCESSORIES/INSURANCE/DETAILERS/ DMV WORK

If there is anything having to do with your vehicle and don't know where to go, let us give you our recommendations of the top service shops, detailers, accessory dealers, etc. Let us take care of your DMV issues. We have made a great relationship with our local DMV and help you with any problems that occur.

PURCHASE LEASE BACK

We purchase your vehicle from you at market retail and lease it back to you. This can help you free up some much-needed cash.

EXTENDED WARRANTY'S

We have the ability to sell extended warranty's for almost every make and model up to 14 years old and up to 115,000 miles. We are also capable of extending your new car's manufacturer's warranty up to 84 months or 100,000 miles.

*Ask about
our used vehicles
for lease or
finance!*

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