IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

LILIUM GROUP LLC, individually and on behalf of all others similarly situated, *Plaintiff,* v. **PENSKE TRUCK LEASING CO., L.P.** *Defendant.*	CASE NO. ________________ **COMPLAINT—CLASS ACTION** **JURY TRIAL DEMANDED**

CLASS ACTION COMPLAINT

Plaintiff Lilium Group LLC ("Lilium Group" or "Plaintiff"), as assignee of XBL Industrial Materials, LLC ("XIM"), brings this action against Defendant Penske Truck Leasing Co., L.P. ("Penske" or "Defendant") on behalf of itself and all others similarly situated and makes the following allegations in this Class Action Complaint:

Preliminary Statement and Summary of the Action

1. Plaintiff brings this nationwide class action to address and rectify Penske's abusive business practices harming its thousands of full-service lease customers. Penske has a pattern and practice of overcharging its customers for services on their trucks that are Penske's contractual responsibility. Penske's diagnosis and service of its customer's trucks routinely causes unreasonable and excessive downtime in the trucks' operations while the customers are required to continue paying for the trucks. This stops now.

2. Trucking is the backbone of American industry. Over seventy percent (70%) of goods in the U.S. are delivered by trucks, driving trillions of dollars in annual economic value to

the U.S. economy.[1] According to the Federal Motor Carrier Safety Administration, there are over two million motor carrier companies in the U.S. operating more than eight million trucks.[2]

3. Trucking is a capital-intensive business that requires significant investment in rolling stock. For example, modern Class 8 trucks (often called tractors or power units in industry parlance), which are among the most common types of heavy commercial trucks in the U.S., are increasingly complex machines that require significant preventative and unscheduled maintenance to deliver reliable service. There are around 3.7 million Class 8 trucks in operation, based on industry data.[3]

4. In broad categories, Class 8 and other trucks are used for commercial purposes by companies and individuals across the country. These range from shipping and logistics companies that provide transportation services as their primary business, to retailers or other businesses that use trucks to ship their inventory or assets, to small businesses or individual contractors operating small fleets of trucks or even a single truck for hire.

5. Trucks are held in four primary structures: (i) outright ownership, (ii) rentals, (iii) finance leases, and (iv) full-service leases.

6. Full-service leased trucks are central to this action. Full-service truck leasing is unique among the above holding structures because it offers a value proposition to companies that operate trucks by combining the capital recovery of finance leases with contractual service

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[1] *See* BUREAU OF TRANSP. STATISTICS, *Commodity Flow Survey 2017* (Dec. 10, 2018), https://www.bts.gov/newsroom/commodity-flow-survey-2017.

[2] FED. MOTOR CARRIER SAFETY ADMIN., *Registration Statistics* (Feb. 27, 2026), https://ai.fmcsa.dot.gov/RegistrationStatistics.

[3] *See, e.g.*, Trucknews.com, *3.7 million Class 8 vehicles on U.S. roads in 2021* (Sept. 29, 2023), https://www.trucknews.com/transportation/3-7-million-class-8-vehicles-on-u-s-roads-in-2021/1003178557/.

provided by (or at the expense of) the lessor for maintenance and other services. That combination creates a predictable, defined cost structure for each truck in an operator's fleet. By contrast, an ordinary finance lease without a full-service component renders the lessee responsible for maintenance and other services for the trucks—services it would need to either provide on its own (by hiring mechanics and technicians and maintaining a service department and facilities) or obtain from a third-party service provider.

7. Accordingly, and on information and belief, a full-service truck leasing customer would generally pay higher monthly lease payments, as compared to a finance leasing customer, for the same truck or trucks. This is because a full-service leasing customer's rates reflect the cost to the lessor of maintaining the vehicle(s) over time, whereas a finance leasing customer pays lower monthly lease payments but covers all maintenance costs by itself.

8. Companies that enter full-service leases for their businesses do so for a host of reasons, including conserving equity capital, ensuring predictable costs, and maintaining a high-performing fleet while reducing the administrative and operational obligations relating to maintenance, downtime management, and ownership of the trucks.

9. Providing maintenance for trucks requires a major investment in facilities, staff, equipment, overhead, and administrative resources. These costs also typically increase as a truck or fleet of trucks ages. As a result, the full-service leasing structure should benefit both the lessee and the lessor. The lessee's rental costs remain consistent and predictable, both when the trucks are newer and require less maintenance and when the trucks are older and require more maintenance. Meanwhile, the lessor receives consistent payments that should allow it to build a reserve when the trucks are newer and maintenance costs are lower. Similarly, by receiving consistent monthly payments for each truck, lessors that lease a fleet of trucks under full-service

leases should be able to offset higher maintenance costs of older vehicles requiring more maintenance with the additional net proceeds from newer vehicles requiring less maintenance.

10. The market for full-service truck leasing in the U.S. is dominated by two major national truck leasing companies, the larger of which is Defendant Penske.

11. Penske's fleet consists of over 400,000 trucks, ranging from light-duty cargo vans, to medium box trucks, to heavy duty semi-tractor trucks.[4]

12. By contrast, customers that lease trucks are generally much smaller companies, most leasing 10 trucks or fewer.[5]

13. Penske's website touts that it is its customers' "**trusted transportation partner**."[6] Consistent with certain of the reasons why its customers seek to lease trucks in the first place, Penske advertises that "[m]aintenance is included in Penske's full-service leases, minimizing the risk of unexpected maintenance expenses."[7]

14. Penske also promises its full-service leasing customers "efficient operations," including that its "proactive approach to maintenance keeps your trucks on the road where they

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[4] *See* Penske, *Our Companies*, https://www.penske.com/our-companies ("Penske Truck Leasing … maintains a fleet of approximately 433,000 vehicles"); Penske Truck Leasing, *Vehicle Leasing Options*, https://www.pensketruckleasing.com/truck-leasing/vehicle-options/ (describing types of trucks available) (last visited Mar. 17, 2026).

[5] *See* American Trucking Associations, *Economics and Industry Data*, https://www.trucking.org/economics-and-industry-data (last visited Mar. 17, 2026).

[6] Penske Truck Leasing, *Penske Truck Leasing*, https://www.pensketruckleasing.com/ (last visited Mar. 17, 2026).

[7] Penske Truck Leasing, *Lease vs. Own: How do You Choose?*, https://www.pensketruckleasing.com/truck-leasing/leasing-benefits/lease-vs-own/ (last visited Mar. 17, 2026).

belong"; that there is "less downtime because all maintenance is done in the same location"; and that "even when breakdowns do occur, customers have very little downtime."[8]

15. But, importantly, Penske demands complete control over all service work performed on trucks leased to its customers under full-service leases. Penske requires that it perform or designate who performs all service work, both preventative and non-preventative, on the trucks. Penske also prohibits customers from having service performed by anyone other than Penske or Penske's designees.

16. Penske maintains and controls the staff at its service centers, which are the principal locations where its customers may bring its trucks for service (although Penske can, and sometimes does, designate third-party providers that it selects for certain service work).

17. Penske's promise of adequate service, which is reflected in its standard full-service leasing contracts, along with its control over the service process, means that its full-service leasing customers rely on Penske for service and do not have maintenance and associated administrative capabilities in house for the portion of their fleet that runs under Penske full-service leases.

18. As the owner, lessor, and exclusive servicer of its customers' trucks, Penske holds immense power over its full-service leasing customers. Those customers rely on Penske—both for the trucks themselves and performance of the services needed to keep the trucks running—and because losing access to or use of their trucks for any reason can inflict substantial harm on their businesses.

19. As detailed in this Complaint, Penske has abused that power through a series of practices that deprive its customers of the benefit of the bargain and advantages of full-service

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[8] Penske Truck Leasing, *Efficient Fleet Operations*, https://www.pensketruckleasing.com/truck-leasing/leasing-benefits/efficient-operations/ (last visited Mar. 17, 2026).

commercial truck leasing, including avoiding the costs of preventative maintenance and other service, and receiving timely and efficient service—benefits for which customers have contracted in exchange for their continued monthly lease payments to Penske.

20. This case is brought to address Penske's abuses of its current and former full-service leasing customers over the course of several years and to rectify the exorbitant damages its customers have suffered as a result.

21. As detailed herein, Penske has routinely charged full-service leasing customers for service work on its trucks that are Penske's responsibility under Penske's standard full-service lease agreement. Penske's standard agreement requires that the customer pay for repairs of non-ordinary damage to the trucks caused by the customer's misuse or by third parties (e.g., collisions, theft, vandalism, etc.), ***but*** Penske is required to pay the costs of all routine and preventative maintenance, including all replacements and repairs necessary to keep the trucks in good working condition. However, Penske ***shifts*** routine and ordinary maintenance costs that would otherwise be Penske's responsibility onto its customers by charging for the work as though the costs were damage repair.

22. Penske is able to shift significant costs to its full-service leasing customers in this manner because of its complete control over the service process, which allows it to unilaterally determine whether a given charge is characterized as routine maintenance for which Penske is responsible or damage repair for which it bills customers. Penske's control over the service process similarly enables it to determine what information is provided to customers regarding service work that was performed on the trucks. Penske abuses this control by providing inadequate information to its customers regarding services performed, so that customers are unable to ascertain if or why the service charges are allegedly the customer's responsibility.

23. An independent issue that harms customers arises from Penske's failure to adequately staff its vehicle service centers. This issue results in Penske regularly failing to timely complete service work when leased trucks are in Penske's service centers, causing excessive downtime, crippling delays, and economic losses to its customers' businesses. Accordingly, full-service leasing customers receive less usage of the leased trucks than they pay for.

24. Penske representatives at the local and corporate level have admitted to these practices, including that: (a) Penske provides inadequate information to customers that fails to enable them to determine why they are responsible for service charges, (b) Penske lacks adequate staffing to timely complete service work, and (c) the staffing issues have resulted in delays across its full-service leasing customer base.

25. Customers can do little to address these abuses. Penske receives payment for service charges by automatically debiting the full amount of the charges from its customers' bank accounts (without the possibility of any deductions for disputed charges) and without meaningful opportunity for the customer to raise a dispute or even to ask for more information about the charges prior to Penske taking the funds by automatic transfers.

26. While Penske's wrongful charges are significant when added up over time, it is rarely economical or feasible for customers, focused on running their own businesses, to dispute charges on an individual basis. If a customer does want to dispute charges by withholding its payment, it runs the risk of defaulting on the lease, which can result in ruinous penalties under the lease agreement. As a consequence, customers are left having to pay for wrongful charges in full, and then having to dispute the charges with Penske after the fact and hope they can convince Penske to refund the charges—a determination which is within Penske's sole discretion.

27. On information and belief, Penske rarely issues refunds. And because Penske already has the customers' payment, it can—and does—simply refuse to engage with customers' disputes. Penske masks its refusal behind its bureaucracy, leaving the customer with no recourse. Meanwhile, individual wrongful charges are rarely if ever sizeable enough to warrant the customer taking legal action. As a consequence, Penske, which promotes itself as its customers' trusted partner in transportation, has transformed the service component of its full-service truck leases from a benefit intended for its customers into a significant profit center for itself.

28. There is no incentive, short of class litigation, for Penske to address these problems that plague its customers and surreptitiously erode the purpose and value of full-service truck leasing agreements in the first instance. To shift costs away from itself, Penske has reason to charge customers for as much service work as possible.

29. Penske has no reason to remedy its ongoing service delays either, because Penske collects its lease payments on the trucks regardless of the time that the trucks are not operational due to service downtime. Penske does not provide discounts or reimbursements to customers for monthly lease payments, even when a truck is subjected to excessive or unreasonable downtime.

30. There is little if any competitive pressure on Penske to change its practices. Full-service truck leases are typically multi-year agreements for commercial reasons that are intended to suit both the lessee and lessor. And it is often commercially unfeasible to terminate a commercial truck lease, because doing so would force the customer to immediately take its trucks out of operation in order to forfeit them back to Penske, while simultaneously procuring and deploying a new fleet of trucks across its operations. Many customers are forced to bear the costs and losses caused by Penske's abusive practices because they cannot afford the cost and disruption to their businesses that would result from terminating a Penske lease.

31. Plaintiff thus brings this class action on behalf of Penske's full-service commercial truck leasing customers to finally hold Penske accountable.

32. Plaintiff requests that the Court certify this case as a class action and render a class-wide judgment for damages against Penske, along with all interest, costs, and attorney's fees available under the law.

Parties

I. Plaintiff Lilium Group, LLC

33. Plaintiff Lilium Group, LLC is a limited liability company formed under the laws of the state of Texas. Its headquarters and principal place of business are located in Houston, Texas.

34. Plaintiff's sole member is Hazina LLC. Hazina LLC is a limited liability company formed under the laws of the state of Delaware. Its headquarters and principal place of business are located in Houston, Texas. Hazina LLC has two individual members, both of whom are residents and citizens of Texas.

35. As set forth in further detail below, Plaintiff asserts claims in this case against Penske as an assignee of one of its former portfolio entities. *See infra* ¶¶ 148–150.

36. Plaintiff seeks to represent a class of similarly situated businesses or other entities that are Penske's current and former full-service commercial truck leasing customers as defined herein. On information and belief, Plaintiff expects the class to be nationwide.

II. Defendant Penske Truck Leasing Co., L.P.

37. Defendant Penske Truck Leasing Co., L.P. is a limited partnership formed under the laws of the state of Delaware. Its headquarters and principal place of business are located in Reading, Pennsylvania. Penske can be served by service on its registered agent, Corporation Service Company, 2595 Interstate Drive, Suite 103 Harrisburg, PA 17110. On information and

belief, Defendant's limited partners are Penske Corporation, Penske Automotive Group, Inc., and Mitsui & Co. Ltd. On information and belief, Defendant's general partner is PTL GP, LLC.

38. Penske Corporation is a corporation organized under the laws of the state of Delaware. Its headquarters and principal place of business are located in Bloomfield Hills, Michigan.

39. Penske Automotive Group, Inc. is a corporation organized under the laws of the state of Delaware. Its headquarters and principal place of business are located in Bloomfield Hills, Michigan.

40. Mitsui & Co., Ltd. is a corporation organized under the laws of Japan. Its headquarters and principal place of business are located in Tokyo, Japan.

41. PTL GP, LLC is a limited liability company formed under the laws of the state of Delaware. Its headquarters and principal place of business are located in Reading, Pennsylvania.

42. The sole managing member of PTL GP, LLC is LJ VP Holdings LLC.

43. LJ VP Holdings LLC is a limited liability company formed under the laws of the state of Delaware. Its headquarters and principal place of business are located in Reading, Pennsylvania.

44. LJ VP Holdings LLC has two members, Penske Corporation and Penske Automotive Group, Inc.

Jurisdiction and Venue

45. Plaintiff incorporates by reference all preceding allegations as though fully set forth herein.

46. This Court has subject-matter jurisdiction over this action pursuant to the Class Action Fairness Act ("CAFA"), 28 U.S.C. § 1332(d), because at least one class member is of diverse citizenship from one Defendant; on information and belief, there are more than 100 class

members; and the aggregate amount in controversy exceeds $5 million, exclusive of interest and costs.

47. This Court has personal jurisdiction over Penske because its headquarters and principal place of business are located in Pennsylvania.

48. Venue is proper in this District under 28 U.S.C. § 1391(b)(1), because Penske's headquarters and principal place of business are located in Reading, Pennsylvania.

Background Facts

49. Plaintiff incorporates by reference all preceding allegations as though fully set forth herein.

I. Commercial Truck Leasing

50. Thousands of companies across the U.S. operate trucks, such as cargo vans, box trucks, and semi-tractor trucks, to provide all manner of transportation, delivery, and other services. These include shipping and freight companies, retailers who transport their own inventory, and a variety of other businesses needing to transport products, equipment, consumer goods or other items.

51. Many of these companies do not own, and instead lease, the trucks they operate. Trucks are depreciating assets, and the costs of purchasing them outright can be excessive or prohibitive for many companies. In contrast to ownership, leasing can also provide additional flexibility to companies to scale up or down, avoid the burden and expense of selling used trucks, and eliminate some of the administrative burdens of owning a fleet of trucks.

52. Given the number of companies that need trucks for their businesses, and the relative benefits to those companies that commercial truck leasing can provide, commercial truck

leasing is big business. It has been growing steadily and generates over $30 billion in annual revenue in the U.S.[9]

II. Full-Service Truck Leases

53. Apart from short-term rental agreements, there are generally two types of commercial truck leases: finance leases and full-service leases. A finance lease allows the customer to simply lease the trucks themselves. The lessor continues to own the trucks and gets any tax benefits of owning the trucks. But the customer is responsible for all costs of maintenance and service for the trucks as they arise. A finance lease would be expected to give the customer the benefit of paying lower fixed costs for the trucks, because the rental rates do not include the cost to the owner of the maintenance and service that the trucks will need over the period of use (since the customer is paying those costs itself). But at the same time, a finance lease forces the customer to bear the risk and costs of all maintenance and service obligations for the trucks.

54. By contrast, a full-service lease allows the customer to lease the trucks while the lessor remains responsible for the costs of maintenance for the trucks. The lessor continues to own the trucks for the duration of the lease (which may be for a number of years or miles), and the trucks would be returned to the lessor after the lease concludes. Under the full-service leasing model, the lessor owns and services the trucks and gets any tax benefits of owning the trucks, while the lessee is making lease payments effectively in exchange for using the trucks during the lease period.

55. A full-service lease would be expected to entail higher fixed rental rates charged to the customer, as compared to a finance lease, because rental rates for a full-service lease include

[9] *See, e.g.*, KPMG, *Truck & Trailer Rental and Leasing Industry Update Q2 2023*, https://corporatefinance.kpmg.com/us/en/insights/2023/truck-trailer-leasing-industry-update.html (last visited Mar. 17, 2026).

the cost to the lessor of maintaining the vehicles over time. However, even though the customer is paying a premium, the full-service leasing model would also be expected to give the customer the benefit of cost predictability by allowing for consistent costs over the period of use, even as the trucks require more, and more costly, service work as they age.

56. Trucking industry analyses have pointed to full-service truck leasing as a means for operators to achieve cost savings and other benefits over time.[10]

III. Penske

57. Penske is the largest U.S. commercial truck leasing company.

58. Penske's fleet consists of over 400,000 vehicles, and it maintains over 1,000 service locations nationwide.[11]

59. Penske's trucks are on the road all across the U.S. While Penske's rental and leasing brand is seen on the familiar yellow trucks with blue stripes, trucks that Penske leases often display the customer's branding or other designs at the customer's request. Thus, while Penske leases hundreds of thousands of trucks to customers, it would not be apparent from looking at the trucks that they are actually owned by Penske.

60. Penske touts that it is a trusted partner in transportation and targets its advertising to extoll the benefits of its full-service truck leases. For example, Penske claims that "[l]easing reduces maintenance and repair costs," such as "tires, oil changes and routine inspections," and

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[10] *See, e.g.*, Fleet Advantage, *Latest Fleet Advantage Equipment Lease vs Buy Study Showing Operating Cost Savings for Private Fleets and For-Hire Carriers*, https://www.fleetadvantage.com/press-releases/fleet-advantage-unveils-latest-equipment-lease-vs-purchase-study-showcasing-operating-cost-savings-for-private-fleets-and-for-hire-carriers (Oct. 10, 2017); KPMG, *Lease or Buy? Evaluating the Rising Costs of Truck Fleet Ownership* (2024), https://kpmg.com/kpmg-us/content/dam/kpmg/pdf/2024/fleet-cost-ownership-brief-final.pdf.

[11] Penske, *Our Companies*, https://www.penske.com/our-companies (last visited Mar. 17, 2026).

that "[a] full-service lease will cover maintenance and repairs at predictable monthly costs."[12] Similarly, Penske claims that "[a] full-service lease with Penske is a smart alternative for organizations that want to reduce repair, maintenance, replacement and staffing costs."[13]

IV. The Vehicle Lease Service Agreement (VLSA)

61. Penske offers full-service leases to commercial trucking customers. In exchange for the customers' lease payments, Penske provides the trucks and agrees to service those trucks.

62. Unlike ordinary vehicles, semi-tractor trailer trucks and other trucks used in the transportation industry are often operated over long distances, for extended periods of time, and in various road and weather conditions. As a result, these trucks require frequent service—including inspections, maintenance, replacements, and repairs—to remain in safe, working condition. Accordingly, the service component is a key aspect of full-service truck leasing agreements like those between Penske and its customers.[14]

63. Penske uses a standard form contract for its truck leasing and services agreements, called the Vehicle Lease Service Agreement ("VLSA"). On information and belief, Penske has used the standard form VLSA for several years, making only minor and non-material adjustments to it over time. A copy of Penske's VLSA is attached as **Exhibit A.**

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[12] Penske Truck Leasing, *Leasing Benefits*, https://www.pensketruckleasing.com/truck-leasing/leasing-benefits/ (last visited Mar. 17, 2026).

[13] Penske Truck Leasing, *Leasing Services*, https://www.pensketruckleasing.com/truck-leasing/leasing-services/ (last visited Mar. 17, 2026).

[14] *See* Penske Truck Leasing, *What Is Preventative Maintenance and Why Is It Crucial?*, https://www.pensketruckleasing.com/resources/resource-library/what-is-preventive-maintenance/ (last visited Mar. 17, 2026).

64. On information and belief, either all or the vast majority of Penske's full service commercial truck leasing customers lease their trucks under the VLSA or a similar form agreement.

65. The VLSA allows for some modifications to meet customers' needs. There are, for example, standard amendments that Penske and customers often attach to the VLSA. The VLSA may, for example, reflect modification of the trucks to fit the customer's needs. These modifications might include things like installing lighting, refrigeration, or temperature controls needed for certain types of cargo; installing equipment for loading, unloading, and securing the cargo; or integrating technology.

66. The VLSA also typically includes schedules reflecting the individual customer's particular lease arrangement (e.g., type and number of vehicles and rental rates).

A. Service Charges Under the VLSA

67. On information and belief, Penske's full-service truck leasing customers' VLSAs employ the same or materially similar terms with regard to the division of responsibility for the costs of servicing the trucks.

68. Under the VLSA, Penske is required to pay the expenses of:

a. All preventative maintenance, replacement parts and repairs necessary to keep the Vehicles in good repair and operating condition;

b. Oil and lubricants necessary for the efficient operation of the Vehicles;

c. All necessary tires as a result of normal wear and tear and tire failures not attributable to Misuse or other violation of the VLSA;

d. Road service because of mechanical and tire failures not attributable to Misuse or other violation of the VLSA;

e. Periodic exterior washing; and

f. Initial painting and lettering of each Vehicle at a cost not exceeding the per-vehicle allowance specified in the attached Schedules. *See* Ex. A art. 2.

69. By contrast, the VLSA obligates customers to pay for repair of damage to a vehicle caused by the customer, third parties, or unusual events. This damage includes physical damage, such as damage from misuse, casualty, collision, upset, fire, theft, malicious mischief, vandalism, graffiti, glass breakage, or mysterious disappearance. *Id.* at art. 9.a–b. In the event of such damage, the VLSA requires the customer to pay for all amounts necessary to restore the vehicle to good working order.

70. The VLSA terms give Penske near-total control over servicing the trucks. The customer is prohibited from allowing anyone other than Penske (or Penske's authorized designees) to make repairs to leased vehicles. *Id.* at art. 3. The customer is required to return each vehicle to a Penske service location on a monthly basis (or at other agreed-upon or scheduled intervals) for inspections, preventative maintenance, and repairs. *Id.* And the customer's drivers are required to notify Penske promptly of any issues with a vehicle. *Id.*

B. Payment of Charges Under the VLSA

71. On information and belief, Penske's commercial truck leasing customers' VLSAs employ the same or materially similar terms with regard to payments for charges such as monthly lease payments and damage-related service charges.

72. The VLSA requires that the customer pays Penske all charges (including lease charges and any other charges, including repair costs for which the customer is responsible) by specific deadlines. *Id.* at art. 7.b.

73. The VLSA also provides that "unless Customer protests the correctness of any invoice within thirty (30) days of its receipt, such invoice shall be presumed to be correct." *Id.* There is no modification of the payment timeline in situations where payments are in dispute.

Thus, even if a customer raises a dispute, full payment (including the disputed amount) is still due by the contract deadline.

74. Penske also requires customers to allow Penske to automatically debit their bank or other financial accounts via Automated Clearing House (ACH) draws that Penske initiates.

75. The payment deadline under the VLSA is strict, as are the consequences of non-payment. Failure to pay any charges when due constitutes an "event of default" under the VLSA. *Id.* at art. 13.a.

76. Triggering an event of default under the VLSA allows Penske to exercise remedies including:

a. Immediately terminating the VLSA;

b. Being relieved of all of Penske's obligations under the VLSA;

c. Taking immediate possession of the trucks wherever they are located, with or without any court order or legal process and without any liability to the customer for any damages caused by the repossession;

d. Taking possession of, and holding, any inventory or property of the customer inside of the truck and storing it at the customer's sole cost and risk of loss;

e. Requiring the customer to either purchase the trucks or make an "Alternative Payment" equal to the difference between the trucks' depreciated value and the fair market value;

f. Requiring the customer to pay not only outstanding lease charges (plus interest), but also future lease charges for up to 60 days thereafter; and

g. Filing suit to obtain any remedies under the VLSA, plus attorney's fees and expenses. *See id.* at art. 13.b–14.a.

77. If exercised, the above remedies would be onerous, if not ruinous, for Penske's customers. For some customers, having to immediately surrender all trucks would, as a practical matter, irreparably devastate their businesses. Other customers would simply not be able to afford

the cost of being forced to purchase the trucks from Penske or the other immediate financial consequences that Penske can impose in the event of a default.

78. Accordingly, Penske's VLSA customers not only rely on Penske for their trucks, but they are also subject to Penske's unilateral decision-making. Any non-payment of charges—even charges that might be incorrect—would either bankrupt or effectively end many customers' businesses if Penske exercises its contractual remedies.

C. Penske is Required to Timely Complete Service Work

79. Under the VLSA, Penske and the customer agree that "time is of the essence." *Id.* at art. 20. Thus, the VLSA gives customers a short payment deadline and it requires timely service by Penske.

80. Customers lease trucks from Penske for use in their businesses and need service work to be timely completed so that the trucks can return to operation for which they were leased in the first instance.

81. Under "Penske's Obligations," the VLSA provides that in the event a vehicle is disabled, Penske shall repair the vehicle "within a reasonable period of time" after receiving notification. *Id*. at art. 2.

82. While the VLSA does not contain a similar "reasonable period of time" clause with respect to maintenance work or repairs of damage that does not disable the vehicle, the VLSA still requires that those types of services be completed promptly. Completion of service in a reasonable time is both industry custom and necessary to provide customers with the benefit of their bargain, which is reflected in the VLSA's overarching provision that "[t]ime shall be of the essence of this VLSA." *Id*. at art. 20. And, it is reasonable to expect that service work for routine or preventative maintenance or for minor repairs would be completed in short order. Moreover, given the nature

of the industry, standard repair work including diagnoses have industry-standard times for service delivery.[15]

V. Understaffing at Penske Causes Extensive and Unreasonable Service Delays and Truck Downtime

83. Beginning at least as early as mid 2018, and on information and belief, Penske began experiencing major staffing shortages at its service center locations across the country, particularly for trucks mechanics and technicians—the employees that actually perform service work on the vehicles. Penske has specifically admitted their staffing shortage in discussions regarding the unreasonable service delays and extensive truck downtime that are the subject of Plaintiff's claims described in more detail below.

84. On information and belief, Penske's staffing shortages have worsened over time and Penske has not been able to secure adequate staffing levels of mechanics and technicians to keep up with its contractual service obligations to its customers under VLSAs.

85. Penske's service centers have a high volume of service work needing to be timely completed. The VLSA requires that each truck be returned to a service center periodically for routine/preventative maintenance. This requirement means that every truck leased under a full-service VLSA—potentially hundreds of thousands—is being brought to one of around 1,000 Penske service centers nationwide at scheduled intervals (usually at least every few months or based on mileage). And these visits would not include separate and additional service visits for unscheduled work that may be needed in between periodic visits.

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[15] *See, e.g.*, American Trucking Associations, Technology & Maintenance Council, *Average Standard Repair Times (SRT) for 103 Commonly Performed Labor Tasks in Fleet and Service Provider Operations (2025)* (May 19, 2025), https://tmc.trucking.org/sites/default/files/TMC_STD_REPAIR_TIME_SURVEY_NO6.pdf.

86. Despite the high volume, Penske agreed under the VLSA to timely complete all of this work. As a consequence, it is imperative that Penske maintain adequate staffing and otherwise operate its service centers to comply with its timely service obligations.

87. Penske's failure to properly operate its service centers, including by maintaining adequate staffing, has resulted in extensive delays in completing service work on its VLSA customers' trucks.

88. While major or complex repairs might reasonably take additional time, Penske is contractually required to expeditiously complete most preventative and routine maintenance work (e.g., inspections, oil changes, filter changes, fluid checks, brake adjustments, tire rotations, chassis lubrication, battery testing, etc.).

89. Similarly, most trucks need various parts to be replaced on a routine basis (e.g., brake pads, drums, rotors, tires, filters, belts, hoses, shock absorbers, alternators, batteries, etc.). Penske is reasonably expected to maintain at its service centers adequate supplies of these types of commonly-needed parts and is reasonably expected to promptly replace such parts. Penske's full-service leasing customers rely on Penske meeting these expectations.

90. Yet, on information and belief, not only does Penske routinely fail to complete even these routine types of services and replacements in a reasonable and timely fashion, Penske is often so short-staffed that it struggles with diagnostic work necessary for customers to decide whether to use a different truck for a job or make other similar operational decisions. In other words, once a truck is brought to a Penske service location, it may take multiple days for Penske to even determine what service work needs to be done. This delay in the diagnostic process is in addition to any delay in actually completing the service work itself.

91. Penske's failure to timely complete diagnostics and service work on its VLSA customers' trucks is a breach of the "reasonable period of time" and "time is of the essence" express requirements under the VLSA, as well as equivalent terms implied by industry custom and the covenant of good faith and fair dealing.

92. Penske's failure to timely complete diagnostics and service work results in excessive days of truck downtime, which forces customers to pay monthly lease payments for trucks that are not in operation and sitting idly in service centers awaiting completion.

93. In addition to the monthly lease payments, customers subjected to extensive vehicle downtime additionally suffer loss of business and profit, because the trucks are not in operation in their businesses.

94. Penske has admitted to the aforementioned issues, and its own employees have expressed frustration with staffing shortages and unreasonable and excessive service delays. It has have explained that these are widespread issues impacting most or all of Penske's truck leasing customers.

95. Despite this knowledge, Penske continued to tout its service offerings and capabilities and induce new customers to enter into VLSAs with Penske. Penske was affirmatively marketing to new VLSA customers, and attempting to expand its business and customer base, while knowing that it lacked the resources to service its existing customers or comply with its existing contractual obligations.

VI. Penske Wrongfully Charges Customers for Service Expenses in Breach of the VLSA

96. Separate from its delays in completing service work, Penske also regularly breaches its VLSAs by taking payment for charges for which it, not the customer, is contractually responsible under the VLSA.

97. Despite the VLSA's delineation between maintenance expenses (for which Penske is responsible) and damage repair costs (for which the customer is responsible),[16] on information and belief, Penske maintains a pattern and practice of regularly categorizing routine and preventative maintenance and replacements as damage repairs so that the customer is required to pay under the VLSA.

98. Penske's routine wrongful categorization of service charges allows it to collect lease payments from customers, but avoid incurring the service costs that Penske is required to pay under the VLSA, and shift the actual out-of-pocket costs of those services to its customers.

99. On information and belief, Penske's wrongful charging practices have resulted in a significant amount of maintenance charges billed to, and collected from, its customers.

100. Penske's routine wrongful service charges breach the express provisions of the VLSAs it has entered into with its customers.

101. Penske has been able to hide these wrongful charges because it exerts complete control over the service process and is thus capable of covering up any and all of its actions in this regard. First, Penske maintains complete control over all aspects of the process for servicing the vehicles. Penske controls and operates the service centers where customers are required under the VLSA to bring the trucks for all service work. Penske controls the mechanics and technicians within those service centers that perform the work (or has authority to designate any third parties that are permitted to perform the work). Penske controls what work is completed and how it is

[16] Notably, Penske's responsibility for service work extends not only to "maintenance" but also all replacements and repairs necessary to keep the vehicles in good repair and operating condition. And the customer's responsibility is limited to only certain types of damage repairs, namely damage caused by the customer, third parties, or casualty. *See supra* ¶¶ 68–69. For convenience, this section describes Penske's responsibility as covering "maintenance" and the customer's responsibility as covering "damage repair," but these terms should not be read as either limiting the scope of Penske's responsibility or broadening the scope of the customer's responsibility.

recorded for bookkeeping and billing purposes—i.e., damage-related repairs or maintenance. And Penske controls how service work that is completed is invoiced to the customers because it is the one that crafts the description of the charges, and thereby, has significant leeway and no oversight in doing so. Penske then requires prompt payment of all charges, even those that a customer may dispute.

102. By contrast, the customer has very limited visibility into the service process. If the customer has any representative at the service centers when service work is performed, it is the individual assigned to drive the truck, who is not a truck mechanic, has no knowledge regarding the divisions of responsibility for service costs under the customer's VLSA, and often has no visibility into what work is needed or being completed.

103. Indeed, the customer ordinarily does not know what service work was performed on its leased trucks, even when a truck driver may be on site—nor how Penske categorized the service work for billing purposes—until after the work is completed when Penske sends its invoices. And because customers are only supposed to be responsible for damage repair, a customer would generally not be monitoring its account for charges for maintenance—which it should not be receiving at all since maintenance is Penske's responsibility under the VLSA.

104. Second, when the customer receives its invoice for purported damage repair charges, that invoice will ordinarily contain several pages of charges, including lease charges and service charges. But payment is due promptly on the invoice (usually either within 7 days of the invoice itself or by a specified recurring monthly deadline), and so it is rarely feasible for customers to independently review each service charge (many of which are individually small dollar amounts) to determine whether the charge was properly billed to the customer as damage repair or whether it should have been covered by Penske as maintenance.

105. Third, Penske's descriptions of service work that it provides to customers are often unclear, such that in many instances a customer is unable to ascertain whether charges were properly billed to the customer as damage repair. Penske has no incentive to provide detailed descriptions for the wrongful charges because doing so would potentially enable customers to more easily dispute them.

106. Penske has admitted that information it has provided regarding charges was inadequate to allow for a determination of why the charges were the customer's responsibility. Yet, again, since the service process is entirely within Penske's control, there is no mechanism for the customer to get better information about service being performed, short of asking Penske, and then Penske often fails to provide it.

107. Fourth, under the VLSA the customer still must pay all charges in full without any deduction. Full payment is required under the VLSA even if a customer has a dispute as to the correctness of any charges. Thus, a customer cannot withhold payment for any charges it disputes, otherwise it would default on the VLSA as to its entire fleet of Penske trucks, and Penske would be permitted to immediately repossess the trucks and impose other significant penalties on the customer.

108. The only way for a customer to dispute wrongful charges is to first pay the charges and then try to resolve the dispute with Penske after Penske has already been paid in full. On information and belief, when a customer does raise a dispute, Penske often simply refuses to meaningfully engage in resolving the disputed charges, frequently not even getting back to the customer. Again, Penske has no incentive to meaningfully engage with customers raising disputes: Penske has already been paid for the disputed charges, Penske controls all of the information regarding the disputed charges, and there is no procedure under the VLSA to compel Penske to

substantiate (or even explain) disputed charges. Because Penske's full service truck leases are supposed to be a way to reduce administrative burdens, customers are often ill-equipped to constantly screen for or investigate abuses in the billing practices. Given that a customer must pay disputed charges first and then later attempt to recover the funds from Penske, it is generally not feasible or economical for customers to raise disputes, particularly given that the wrongful individual service charges are presented as small dollar expenses and buried within large, detailed invoices. As explained, customers cannot withhold payment of charges—even small ones—without triggering a default event (*see supra* ¶¶ 75–78), and Penske is thus able to continuously impose wrongful charges throughout the lease term without any consequence. These expenses add up over time and over the course of thousands of class members, such that Penske is able to shift onto its customers substantial amounts of maintenance costs (that benefit itself because their owned trucks are kept in working condition at its customers' expense) that it is contractually obligated to bear under the VLSA.

109. To compound matters, Penske also routinely automatically debits service charges in full by way of ACH payment from its customers' financial accounts. The debit is automatic and initiated by Penske. The customer cannot withhold the funds or delay the payment, even if it has a dispute regarding any service charges. On information and belief, Penske rarely (if ever) addresses customers' disputes over services charges before automatically debiting payment for the charges. Thus, a customer seeking to dispute a charge must pay the charge in full and then attempt to convince Penske to refund the payment. Penske's wrongful cost-shifting in this manner is particularly abusive in light of its several years of service and diagnostic delays. In other words, Penske is forcing its customers to pay maintenance costs that they are not required to pay, while at the same time failing to timely complete the work.

Penske's Wrongful Conduct in Breach of the VLSA

110. **Wrongful Service Charges:** Under the VLSA, in exchange for the customer's monthly lease and mileage payments for its trucks, Penske is responsible, at its own cost, for all preventative maintenance, replacements, and other ordinary services necessary to keep the trucks in operating condition. Penske violates this requirement by wrongfully charging customers for some of these services. Penske's violations inflict damages upon customers in the amount of the wrongful charges that the customer should not have had to pay.

111. **Excessive and Unreasonable Service Delays and Truck Downtime:** Under the VLSA, Penske is required to complete all service work in a timely fashion under at least the "reasonable period of time" and "time is of the essence" provisions. Penske violates this requirement by failing to complete services (including diagnosing what services are needed) in a timely fashion. The resulting excess downtime to the customer's trucks inflicts damages because the customer is required to pay the full month's lease payment for trucks that were inoperable for part of the lease period because of Penske's breach. Further, the excess downtime inflicts additional damages on customers in the form of lost profits and lost business.

Facts Specific to Class Representative

I. Lilium Group and XIM

112. Plaintiff Lilium Group is a private equity firm that acquires and manages various businesses, including those in the transportation and logistics industry.

113. In 2021, Plaintiff, through its managed investment funds, acquired a controlling interest in XBL Holdings LLC, the ultimate corporate parent of XBL Industrial Materials LLC ("XIM").

114. In September 2021, XIM acquired the assets of a trucking and logistics company, Spotted Lakes, LLC (Spotted Lakes). Spotted Lakes was a Penske customer pursuant to a VLSA

under which it leased 67 semi-trailer trucks. **Exhibit A** is a copy of the May 2018 VLSA between Spotted Lakes and Penske.

115. As part of XIM's acquisition of Spotted Lakes' assets, XIM also assumed Spotted Lakes' VLSA with Penske pursuant to a "Full Assignment & Assumption" agreement entered between Spotted Lakes, XIM, and Penske in October 2021. *See* **Exhibit B**.

116. Plaintiff, through its managed investment funds, held a controlling interest in XIM and its operations from September 2021 through November 2024. During that time, XIM was engaged in the business of transporting industrial materials such as sand, salt, lime, and limestone.

117. In this period, XIM used the trucks leased under the Penske VLSA for its business. XIM paid its lease and service charges as invoiced under the VLSA.

II. Excessive and Unreasonable Service Delays and Truck Downtime

118. Beginning in around mid 2018 when Spotted Lakes first entered into the VLSA, and continuing through the end of the lease period in 2024, Spotted Lakes, and then XIM, experienced unusually long and unreasonable delays for service work at Penske's service centers. All types of service work were being unduly delayed, including for minor jobs, such as routine or preventative maintenance or replacements. These services would often take multiple days (or sometimes over a week) to complete, despite industry standards and contractual requirements for them to be completed more promptly.

119. Penske's service delays and the resulting excess truck downtime caused loss of profits and extensive disruptions in XIM's business, such as harming its ability to service its customers and to retain its drivers. XIM also lost the ability to use the trucks during the excess downtime period, despite having to pay the full monthly lease fees for these trucks. Those losses

would not have occurred had Penske adequately operated its service centers to meet its obligations to customers under the VLSA, including by maintaining sufficient staffing and inventory.

120. When XIM raised with Penske the issue of the ongoing service delays (which it did on multiple, repeated occasions), Penske admitted that its service centers were understaffed and that unreasonable service delays were impacting its customers across the country, not just plaguing XIM. Yet despite its admission, Penske took no material action to remedy the continuing and excessive service delays. On information and belief, discovery will reveal additional failures and deficiencies contributing to Penske's breach of its service obligations to XIM and other customers.

III. Wrongful Service Charges

121. XIM also raised with Penske several service charges that XIM had paid but, based on Penske's descriptions of the charges, appeared to have been for maintenance work (which Penske is required under the VLSA to cover at its own expense). XIM disputed service charges both by using Penske's customer portal and by bringing disputes directly to the attention of Penske representatives.

122. For months, XIM and Penske engaged in discussions regarding the disputed charges. Central to those discussions was XIM's request that Penske substantiate the disputed charges. XIM asked Penske—repeatedly—to provide evidence that the disputed charges were for damage repairs that XIM was required to pay under the VLSA, as opposed to maintenance charges for which Penske was responsible. Yet despite XIM's repeated requests, and Penske's purported assurances that it would do so, Penske failed to ever provide evidence to substantiate the disputed charges.

123. As previously explained, *see supra* ¶¶ 101–105, Penske has control over the entire process and all of the information regarding service on the trucks. Thus, XIM, like any Penske

customer, would have no way to evaluate the disputed charges other than asking Penske for more information.

124. At the time it paid the disputed charges, XIM reasonably expected that Penske would, consistent with the VLSA, bill XIM only for service work for damage repairs for which the customer is responsible under the VLSA—not for maintenance, which is Penske's responsibility. Penske chose to abuse its position of trust and unilateral control of information to systematically overbill XIM. The charges were never substantiated nor refunded.

125. Analysis of Penske's service records reveals multiple charges to XIM that appear to be for routine or preventative maintenance. Penske provides a customer portal through which its customers may view Penske's descriptions of service charges (and which can be used to easily generate a list of all charges and descriptions in Excel format).

126. For example, in April 2023 Penske charged XIM approximately $2,700 for replacing an air filter. Penske's description as shown in its customer portal records was, in material part, as follows:

Complaint	Cause	Correction	Job Notes
HEATER/AC DEFROSTER/DEFOG DOES NOT OPERATE PROPERLY	AIR FILTER HOUSING FILLED FULL OF MATERIAL	REPLACE / REPAIR ACCIDENT / INCIDENT DAMAGE	REPLACE / REPAIR ACCIDENT/INCIDENT DAMAGE

127. Air filters in vehicles get dirty or "full of material" over time; this is the purpose of an air filter, and part of its ordinary wear and tear. In fact, for that very reason, blowing air to clean filters is required as part of any routine preventative maintenance review of a truck.

128. Yet other than conclusory references to "accident/incident" or "damage" Penske provided no basis for its determination that XIM was responsible for the cost of replacing this filter.

129. Another example is a May 2023 charge for approximately $290 for replacing a fog light bulb. Penske's description in the portal was, in material part, as follows:

Complaint	Cause	Correction	Job Notes
FOG LIGHT INOPERATIVE	BULBS BURNT OUT	REPLACE FOG LIGHT BULB-BOTH	REMOVE FOG LIGHT ASSEMBLY; REPLACE FOG LIGHT BULB; REINSTALL; VERIFY OPERATION

130. Fog light bulbs, like any light bulbs, burn out over time and need to be replaced; this is part of ordinary wear and tear for a light bulb.

131. Yet Penske's description provides no explanation for why XIM was required to pay the cost of the $290 replacement.

132. Another example is an approximately $4,900 charge for a wiring harness repair in May 2024. Penske's description in the portal was, in material part, as follows:

Repair Desc	Complaint	Cause	Correction
ACCIDENT/INCIDENT	CEL	MCM HARNESS DAMAGE DUE TO CHAFFING	REPLACE ENGINE MFG WIRING HARNESS

133. The description indicates that the wiring harness was damaged due to "chaffing" and that Penske replaced it. But, similar to a filter being filled with filtered particulate matter, wiring harness chaffing is ordinarily wear and tear that will occur over time when the truck is used normally. This type of wear would generally be mutually exclusive from damage caused by an accident or unusual event.

134. Yet, other than the reference to "ACCIDENT/INCIDENT," the description contains no information to explain why the $4,900 charge was XIM's responsibility.

135. Another example is Penske's description in the portal for an approximately $31,000 charge in April 2024 to repair a dusted engine. The description was, in material part, as follows:

Repair Desc	Complaint	Cause	Correction
ACCIDENT/INCIDENT	POSSIBLE DUSTED ENGINE	SAND MADE IT PASS THE AIR FILTER AND DAMAGED MULTIPLE INTERNAL COMPONENTS	REPLACE / REPAIR ACCIDENT / INCIDENT DAMAGE

136. This description is problematic because dusted engines are common in the ordinary course of operating a semi-trailer truck. It means that dust or dirt bypassed the engine's filtration system and entered the combustion chamber, causing friction, wear, and contamination to the engine's internal machinery.

137. Although trucks are often exposed to dust and dirt in the ordinary course of use, dusted engines should ordinarily not occur as long as the relevant component parts are properly installed and regular preventative maintenance is being conducted (e.g., regular air filter replacements, inspecting intake system for leaks, ensuring proper sealing, etc.).[17] If a dusted engine does occur, this would generally be expected to be caused by a failure to perform adequate preventative maintenance and replacements over time. Because preventative maintenance and replacements are Penske's responsibility, a dusted engine would not generally be the fault of the customer or any third party (hence, the cost of repairing the dusted engine should not be XIM's responsibility under the VLSA).

[17] *See, e.g.*, National Fleet Management, *Common Mistakes In Heavy-duty Truck Engine Maintenance And How To Avoid Them*, https://www.nationalfleetmgt.com/articles/common-mistakes-in-heavy-duty-truck-engine-maintenance-and-how-to-avoid-them ("The air filter in your truck's engine prevents contaminants like dust, dirt, and debris from entering the engine. Neglecting air filter replacements can lead to clogged filters, reduced airflow, and decreased engine efficiency. In the worst-case scenario, it can even cause engine damage. Remember, preventing engine damage is far quicker and cheaper than repairing it.") (last visited Mar. 17, 2026).

138. This type of service, as with any other type of routine maintenance and repair to keep the vehicle in good working condition, was Penske's responsibility under the VLSA.

139. Penske nonetheless charged XIM for the full amount of the April 2024 dusted engine repair—approximately $31,000.

140. Yet other than a vague reference to an unspecified "ACCIDENT/INCIDENT" in Penske's description of the charge, Penske wholly failed to explain why the repair was anything other than ordinary maintenance.

141. When repeatedly asked by XIM, Penske failed to provide any information or evidence for why the April 2024 dusted engine charge was XIM's responsibility to pay under the VLSA.

142. On at least one other occasion, Penske did cover a dusted engine repair, yet nonetheless charged XIM for the April 2024 dusted engine repair, among others, without explaining why.

143. The above are just a few examples of the countless charges that were within Penske's control but that Penske either arbitrarily or deliberately mis-designated to XIM forcing XIM to cover those expenses.

144. The harm caused to XIM by the above and other wrongful charges was exacerbated by Penske's payment system. Under the VLSA, Penske required that XIM pay its lease and service charges in full via automated ACH draws that Penske initiates.

145. Under this system, Penske would debit XIM's account for the full amount of the charges following each invoice, such that even if XIM had concerns about particular charges (or any other issues regarding Penske's performance, including the service delays), XIM still had to pay Penske in full and attempt to raise issues with Penske after the fact. Withholding payment

would result in a default under the VLSA and allow Penske to immediately repossess the trucks and impose other penalties.

IV. End of the Business Relationship

146. Faced with the ongoing service delays, wrongful charges, and other issues, XIM entered into discussions with Penske regarding termination of the VLSA. After some negotiation, the parties reached an agreement under which XIM would purchase from Penske the trucks it had been leasing under the VLSA. In late 2024, the parties terminated the VLSA and entered into a sales agreement for the trucks. In doing so, they expressly agreed that XIM reserved all rights with regard to XIM's claims against Penske arising from or relating to Penske's abusive practices around its implementation of the VLSA.

147. XIM's purchase of the trucks from Penske ended the business relationship between XIM and Penske.

V. Plaintiff Sells XIM and Obtains an Assignment of Claims Against Penske

148. In late 2024, and following XIM's purchase of the trucks, Plaintiff entered into a stock purchase agreement for the sale of all shares of XIM's parent company, XBL Holdings LLC and its subsidiaries (including XIM), to a third party, Keenan Advantage Group, Inc. (KAG).

149. Further, in connection with the stock purchase agreement, Plaintiff, through its managed investment funds, entered into an agreement with KAG in 2025 under which KAG assigned to Plaintiff all of XIM's claims, actions, and other rights against Penske arising out of the VLSA.

150. Plaintiff therefore brings this action as XIM's assignee.

Class Action Allegations

151. Plaintiff incorporates by reference all preceding allegations as though fully set forth herein.

152. Plaintiff brings this action on behalf of itself and as a class action, pursuant to the provisions of Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure and on behalf of the following class (the "Class"):

a. All persons, including business entities, in the United States, who are or were counterparties to a VLSA with Penske in the four (4) years immediately prior to the filing of this Complaint.

153. Excluded from the Class are Penske's officers, directors, limited partners, general partners, or officers or directors of limited or general partners, and any of Penske's affiliates, parents, subsidiaries, employees, successors, or assigns. Also excluded from the Class are the judicial officers or their immediate family members and Court staff assigned to this case.

154. Plaintiff reserves the right to modify or amend the Class definition as appropriate during the course of this litigation.

155. Certification of Plaintiff's claims for class-wide treatment is appropriate because the elements of Plaintiff's claims can be proven on a class-wide basis using the same evidence as would be used to prove those elements in individual actions alleging the same claims.

156. This action has been brought and may be properly maintained on behalf of the proposed classes pursuant to Federal Rule of Civil Procedure 23.

I. Numerosity: Fed. R. Civ. P. 23(a)(1)

157. The members of the Class are so numerous that joinder of all members is impracticable.

158. On information and belief, there are thousands of members of the Class. Although the precise number is unknown to Plaintiff, such number would be easily ascertainable from Penske's records, which would be expected to show all customers with whom Penske had or has

a VLSA. The Class likely contains all of Penske's full-service commercial truck leasing customers since 2022.

159. Members of the Class may be notified that this action is pending through recognized Court-approved notice dissemination methods, which may include U.S. mail, e-mail, internet postings, and/or published notice.

II. Commonality and Predominance: Fed. R. Civ. P. 23(a)(2) and (b)(3)

160. This action involves common questions of law and fact that predominate over individualized questions, including, without limitation:

a. Whether Penske maintained a pattern and practice of wrongfully charging VLSA customers for preventative maintenance, replacement parts, and other ordinary (non-damage repair) services;

b. Which types of charges constitute maintenance or other service for which Penske is responsible, and which types of charges constitute damage repair for which customers are responsible;

c. Whether Penske's wrongful service charges breach the VLSA;

d. Whether Penske's service centers were inadequately staffed, supplied with inventory, or otherwise operated to handle its service obligations to customers; and

e. Whether excess downtime caused by unreasonable service delays violates the "reasonable period of time" and "time is of the essence" provisions under the VLSA.

III. Typicality: Fed. R. Civ. P. 23(a)(3)

161. Plaintiff's claims are typical of the claims of other class members because, among other things, all such members are or were similarly situated and were comparably injured through Penske's wrongful conduct as set forth herein.

162. Plaintiff is the assignee of XIM's claims against Penske.

163. Thus, Plaintiff's claims arising under or related to the VLSA would be of the same nature as claims of other Class members—i.e., customers of Penske under VLSA agreements.

IV. Adequacy: Fed. R. Civ. P. 23(a)(4)

164. Plaintiff is an adequate class representative, because its interests do not conflict with the interests of other members of the classes it seeks to represent.

165. Plaintiff has retained counsel who are qualified, competent, diligent, and experienced in complex litigation and class actions, and capable of conducting the litigation.

166. Plaintiff and counsel intend to prosecute the case vigorously such that the interests of the Class will be fairly and adequately protected.

V. Superiority: Fed. R. Civ. P. 23(b)(3)

167. A class action is superior to other available means for the fair and efficient adjudication of this action. No unusual difficulties are likely to arise in the management of the class action.

168. Damages suffered by Plaintiff and Class members, while material, may not be so significant that filing an individual claim for such damages would be feasible. Thus, many Class members would otherwise lack the ability or financial incentive to individually seek redress for Penske's wrongful conduct.

169. For Class members who are current customers of Penske, it may not be possible for those businesses to file individual claims (despite the ongoing damages addressed herein) given that such businesses would be entirely dependent on Penske for their trucks. Those customers would, similarly, lack the ability to individually seek redress.

170. A class action would also make the litigation more manageable. Individualized litigation of the multiple common issues regarding a common contract (the VLSA) would run the risk of inconsistent treatment and outcomes among similarly-situated parties. Individualized

litigation would also require costly and inefficient re-litigation of common issues. A class action would avoid these undesirable results.

VI. Certification of Classes as to Particular Issues: Fed. R. Civ. P. 23(c)(4)

171. In the event that the Class described above does not meet the requirements of Rules 23(a) or 23(b)(3), Plaintiff requests certification of a class or classes as to particular issues that will drive the litigation toward a resolution pursuant to Federal Rule of Civil Procedure 23(c)(4).

COUNT 1
BREACH OF CONTRACT—WRONGFUL SERVICE CHARGES
(Plaintiff and Members of the Class v. Defendant)

172. Plaintiff incorporates by reference all preceding allegations as though fully set forth herein.

173. Plaintiff brings this count on behalf of itself and members of the Class as defined above.

174. Plaintiff and the other Class members were or are parties or real parties in interest to a VLSA with Penske.

175. The VLSA is an enforceable contract, supported by consideration, between Penske and XIM (Plaintiff's assignor). Each Class member's VLSA is similarly supported by consideration and enforceable as between Penske and such Class member.

176. The VLSA specifically delineates which types of service charges are to be paid by the customer and which types are to be paid by Penske.

177. Under the VLSA, the customer is responsible for paying the costs of all repairs of damage to a vehicle resulting from customer misuse, third parties, or unusual events.

178. Under the VLSA, Penske is responsible for:

a. all preventative maintenance, replacement parts and repairs to keep the vehicles in good repair and operating condition;

b. oil and lubricants necessary for the efficient operation of the Vehicles;

c. all necessary tires as a result of any impact, curbing, or puncture damage or other accident, incident or Misuse; and

d. road service because of mechanical and tire failures not attributable to Misuse or other violation of this VLSA.

179. Penske routinely charged XIM maintenance and other expenses for which Penske was contractually responsible under the VLSA.

180. On information and belief, Penske maintains a pattern and practice of regularly—and potentially knowingly—charging its VLSA customers (Class members) for large amounts of maintenance charges that are Penske's responsibility under the VLSA.

181. Penske's wrongful charges for maintenance or other services for which Penske is responsible violate the VLSA as between Penske and Class members, including its express provisions and the covenant of good faith and fair dealing implied in all contracts as a matter of law.

182. As a direct and proximate result of Penske's breaches, Plaintiff and Class members have incurred actual damages in at least the amount of the wrongful charges, which they should not have been required to pay.

COUNT 2
BREACH OF CONTRACT—EXCESSIVE AND UNREASONABLE SERVICE DELAYS AND TRUCK DOWNTIME
(Plaintiff and Members of the Class v. Defendant)

183. Plaintiff incorporates by reference all preceding allegations as though fully set forth herein.

184. Plaintiff brings this count on behalf of itself and members of the Class as defined above.

185. Plaintiff and the other Class members were or are parties or real parties in interest to a VLSA with Penske.

186. The VLSA is an enforceable contract, supported by consideration, as between Penske on the one hand and XIM (Plaintiff's assignor) on the other. Each Class member's VLSA is similarly supported by consideration and enforceable as between Penske and such Class member.

187. The VLSA provides that if a Vehicle is disabled because of mechanical or tire failure, Penske shall, within a reasonable period of time after receipt of notification, properly repair, or cause the repair of, the Vehicle.

188. The VLSA also contains a "time is of the essence" provision requiring service to be promptly completed, which is consistent with industry custom and part of the overall purpose of the leasing arrangement.

189. Penske has maintained inadequate staffing and inadequate inventory of parts at its service center locations since at least 2019.

190. Penske's mismanagement of its service center locations, including at least its inadequate staffing and inventory issues, cause it to routinely fail to timely complete service work on trucks leased pursuant to VLSAs as between Penske and XIM (Plaintiff's assignor) or Penske and the Class members.

191. Penske's unreasonable delay in timely completing service work results in excess downtime for the trucks, causing the trucks to sit in the service centers for excess days awaiting completion, rather than operating and supporting class members' businesses.

192. Penske's failure to timely complete service work breaches the VLSA, including its express provisions and the covenant of good faith and fair dealing implied in all contracts as a matter of law.

193. As a direct and proximate result of Penske's breaches, XIM (Plaintiff's assignor) and Class members were damaged by Penske's failures in, at minimum, the pro rata shares of the full lease payments paid monthly reflecting the amount of excess downtime in each month.

JURY DEMAND

194. Plaintiff and the putative Class demand a jury trial in this action on all issues so triable.

CONCLUSION AND PRAYER FOR RELIEF

195. This Court can finally make Penske accountable for the wrongful practices in which it has engaged with its customers in breach of the VLSA.

196. WHEREFORE, Plaintiff, individually and on behalf of members of the Class, prays for judgment in its favor, in favor of the Class, and against Defendant as follows:

a. Certifying a class as proposed herein;

b. Designating Plaintiff as the class representative;

c. Appointing undersigned counsel as class counsel;

d. Determining that Penske shall be responsible for all costs of notifying class members during the pendency of this action;

e. Scheduling a jury trial in this matter;

f. Finding and adjudicating that Penske has breached the VLSA as pled in this Complaint;

g. Awarding all monetary damages available under the law;

h. Awarding Plaintiff's counsel reasonable attorneys' fees and class counsel fees, along with costs and expenses as permitted by law;

i. Awarding pre- and post-judgment interest on any amounts awarded as permitted by law; and

j. Awarding all other relief which the Court deems just and proper.

Date March 31, 2026

Respectfully submitted,

/s/ Joshua D. Snyder
Joshua D. Snyder
Pennsylvania Bar No. 88657
Patrick Howard
Pennsylvania Bar No. 88572
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* *Pro Hac Vice* is forthcoming

Attorneys for Plaintiff and the Proposed Class

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. *(SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)*

I. (a) PLAINTIFFS

Lilium Group LLC

(b) County of Residence of First Listed Plaintiff: Harris County, TX
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys *(Firm Name, Address, and Telephone Number)*
Saltz Mongeluzzi Bendesky P.C.
1650 Market St., 52nd Fl., Philadelphia, PA 19103
215-496-8282

DEFENDANTS

Penske Truck Leasking Co., L.P.

County of Residence of First Listed Defendant: Berks County, PA
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys *(If Known)*

II. BASIS OF JURISDICTION *(Place an "X" in One Box Only)*

- ☐ 1 U.S. Government Plaintiff
- ☐ 3 Federal Question *(U.S. Government Not a Party)*
- ☐ 2 U.S. Government Defendant
- ☐ 4 Diversity *(Indicate Citizenship of Parties in Item III)*

III. CITIZENSHIP OF PRINCIPAL PARTIES *(Place an "X" in One Box for Plaintiff and One Box for Defendant)*

(For Diversity Cases Only)

Text

	PTF	DEF		PTF	DEF
Citizen of This State	☐ 1	☐ 1	Incorporated *or* Principal Place of Business In This State	☐ 4	☒ 4
Citizen of Another State	☐ 2	☐ 2	Incorporated *and* Principal Place of Business In Another State	☒ 5	☐ 5
Citizen or Subject of a Foreign Country	☐ 3	☐ 3	Foreign Nation	☐ 6	☐ 6

IV. NATURE OF SUIT *(Place an "X" in One Box Only)*

Click here for: Nature of Suit Code Descriptions.

CONTRACT
- ☐ 110 Insurance
- ☐ 120 Marine
- ☐ 130 Miller Act
- ☐ 140 Negotiable Instrument
- ☐ 150 Recovery of Overpayment & Enforcement of Judgment
- ☐ 151 Medicare Act
- ☐ 152 Recovery of Defaulted Student Loans (Excludes Veterans)
- ☐ 153 Recovery of Overpayment of Veteran's Benefits
- ☐ 160 Stockholders' Suits
- ☒ 190 Other Contract
- ☐ 195 Contract Product Liability
- ☐ 196 Franchise

REAL PROPERTY
- ☐ 210 Land Condemnation
- ☐ 220 Foreclosure
- ☐ 230 Rent Lease & Ejectment
- ☐ 240 Torts to Land
- ☐ 245 Tort Product Liability
- ☐ 290 All Other Real Property

TORTS

PERSONAL INJURY
- ☐ 310 Airplane
- ☐ 315 Airplane Product Liability
- ☐ 320 Assault, Libel & Slander
- ☐ 330 Federal Employers' Liability
- ☐ 340 Marine
- ☐ 345 Marine Product Liability
- ☐ 350 Motor Vehicle
- ☐ 355 Motor Vehicle Product Liability
- ☐ 360 Other Personal Injury
- ☐ 362 Personal Injury - Medical Malpractice

PERSONAL INJURY
- ☐ 365 Personal Injury - Product Liability
- ☐ 367 Health Care/ Pharmaceutical Personal Injury Product Liability
- ☐ 368 Asbestos Personal Injury Product Liability

PERSONAL PROPERTY
- ☐ 370 Other Fraud
- ☐ 371 Truth in Lending
- ☐ 380 Other Personal Property Damage
- ☐ 385 Property Damage Product Liability

CIVIL RIGHTS
- ☐ 440 Other Civil Rights
- ☐ 441 Voting
- ☐ 442 Employment
- ☐ 443 Housing/ Accommodations
- ☐ 445 Amer. w/Disabilities - Employment
- ☐ 446 Amer. w/Disabilities - Other
- ☐ 448 Education

PRISONER PETITIONS

Habeas Corpus:
- ☐ 463 Alien Detainee
- ☐ 510 Motions to Vacate Sentence
- ☐ 530 General
- ☐ 535 Death Penalty

Other:
- ☐ 540 Mandamus & Other
- ☐ 550 Civil Rights
- ☐ 555 Prison Condition
- ☐ 560 Civil Detainee - Conditions of Confinement

FORFEITURE/PENALTY
- ☐ 625 Drug Related Seizure of Property 21 USC 881
- ☐ 690 Other

LABOR
- ☐ 710 Fair Labor Standards Act
- ☐ 720 Labor/Management Relations
- ☐ 740 Railway Labor Act
- ☐ 751 Family and Medical Leave Act
- ☐ 790 Other Labor Litigation
- ☐ 791 Employee Retirement Income Security Act

IMMIGRATION
- ☐ 462 Naturalization Application
- ☐ 465 Other Immigration Actions

BANKRUPTCY
- ☐ 422 Appeal 28 USC 158
- ☐ 423 Withdrawal 28 USC 157

INTELLECTUAL PROPERTY RIGHTS
- ☐ 820 Copyrights
- ☐ 830 Patent
- ☐ 835 Patent - Abbreviated New Drug Application
- ☐ 840 Trademark
- ☐ 880 Defend Trade Secrets Act of 2016

SOCIAL SECURITY
- ☐ 861 HIA (1395ff)
- ☐ 862 Black Lung (923)
- ☐ 863 DIWC/DIWW (405(g))
- ☐ 864 SSID Title XVI
- ☐ 865 RSI (405(g))

FEDERAL TAX SUITS
- ☐ 870 Taxes (U.S. Plaintiff or Defendant)
- ☐ 871 IRS—Third Party 26 USC 7609

OTHER STATUTES
- ☐ 375 False Claims Act
- ☐ 376 Qui Tam (31 USC 3729(a))
- ☐ 400 State Reapportionment
- ☐ 410 Antitrust
- ☐ 430 Banks and Banking
- ☐ 450 Commerce
- ☐ 460 Deportation
- ☐ 470 Racketeer Influenced and Corrupt Organizations
- ☐ 480 Consumer Credit (15 USC 1681 or 1692)
- ☐ 485 Telephone Consumer Protection Act
- ☐ 490 Cable/Sat TV
- ☐ 850 Securities/Commodities/ Exchange
- ☐ 890 Other Statutory Actions
- ☐ 891 Agricultural Acts
- ☐ 893 Environmental Matters
- ☐ 895 Freedom of Information Act
- ☐ 896 Arbitration
- ☐ 899 Administrative Procedure Act/Review or Appeal of Agency Decision
- ☐ 950 Constitutionality of State Statutes

V. ORIGIN *(Place an "X" in One Box Only)*

- ☒ 1 Original Proceeding
- ☐ 2 Removed from State Court
- ☐ 3 Remanded from Appellate Court
- ☐ 4 Reinstated or Reopened
- ☐ 5 Transferred from Another District *(specify)*
- ☐ 6 Multidistrict Litigation - Transfer
- ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing ***(Do not cite jurisdictional statutes unless diversity)***: 28 U.S.C. § 1332

Brief description of cause: Breach of Contract

VII. REQUESTED IN COMPLAINT:

☒ CHECK IF THIS IS A **CLASS ACTION** UNDER RULE 23, F.R.Cv.P.

DEMAND $ greater than $5,000,000

CHECK YES only if demanded in complaint: **JURY DEMAND:** ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE ________ DOCKET NUMBER ________

DATE: 3/31/2026

SIGNATURE OF ATTORNEY OF RECORD: /s/ Joshua Snyder

FOR OFFICE USE ONLY

RECEIPT # ________ AMOUNT ________ APPLYING IFP ________ JUDGE ________ MAG. JUDGE ________

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

I.(a) **Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.

(b) **County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)

(c) **Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

II. **Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below**; NOTE: federal question actions take precedence over diversity cases.**)

III. **Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.

IV. **Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: Nature of Suit Code Descriptions.

V. **Origin.** Place an "X" in one of the seven boxes.
Original Proceedings. (1) Cases which originate in the United States district courts.
Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441.
Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.

VI. **Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service.

VII. **Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.

VIII. **Related Cases.** This section of the JS 44 is used to reference related cases, if any. If there are related cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

DESIGNATION FORM

Place of Accident, Incident, or Transaction: Reading, PA and throughout the United States

RELATED CASE IF ANY: Case Number:_____________________ Judge:_________________________________

1. Does this case involve property included in an earlier numbered suit? Yes ☐
2. Does this case involve a transaction or occurrence which was the subject of an earlier numbered suit? Yes ☐
3. Does this case involve the validity or infringement of a patent which was the subject of an earlier numbered suit? Yes ☐
4. Is this case a second or successive habeas corpus petition, social security appeal, or pro se case filed by the same individual? Yes ☐
5. Is this case related to an earlier numbered suit even though none of the above categories apply? If yes, attach an explanation. Yes ☐

I certify that, to the best of my knowledge and belief, the within case ☐ **is** / ☒ **is not** related to any pending or previously terminated action in this court.

Civil Litigation Categories

A. Federal Question Cases:

- ☐ 1. Indemnity Contract, Marine Contract, and All Other Contracts)
- ☐ 2. FELA
- ☐ 3. Jones Act-Personal Injury
- ☐ 4. Antitrust
- ☐ 5. Wage and Hour Class Action/Collective Action
- ☐ 6. Patent
- ☐ 7. Copyright/Trademark
- ☐ 8. Employment
- ☐ 9. Labor-Management Relations
- ☐ 10. Civil Rights
- ☐ 11. Habeas Corpus
- ☐ 12. Securities Cases
- ☐ 13. Social Security Review Cases
- ☐ 14. Qui Tam Cases
- ☐ 15. Cases Seeking Systemic Relief ***see certification below***
- ☐ 16. All Other Federal Question Cases. *(Please specify)*:______________________________

B. ***Diversity Jurisdiction Cases:***

- ☐ 1. Insurance Contract and Other Contracts
- ☐ 2. Airplane Personal Injury
- ☐ 3. Assault, Defamation
- ☐ 4. Marine Personal Injury
- ☐ 5. Motor Vehicle Personal Injury
- ☐ 6. Other Personal Injury (*Please specify*):________________
- ☐ 7. Products Liability
- ☒ 8. All Other Diversity Cases: *(Please specify)* Breach of Contract

I certify that, to the best of my knowledge and belief, that the remedy sought in this case ☒ **does** / ☐ **does not** have implications beyond the parties before the court and ☐ **does** / ☒ **does not** seek to bar or mandate statewide or nationwide enforcement of a state or federal law including a rule, regulation, policy, or order of the executive branch or a state or federal agency, whether by declaratory judgment and/or any form of injunctive relief.

ARBITRATION CERTIFICATION (CHECK ONLY ONE BOX BELOW)

I certify that, to the best of my knowledge and belief:

☒ Pursuant to Local Civil Rule 53.2(3), this case is not eligible for arbitration either because (1) it seeks relief other than money damages; (2) the money damages sought are in excess of $150,000 exclusive of interest and costs; (3) it is a social security case, includes a prisoner as a party, or alleges a violation of a right secured by the U.S. Constitution, or (4) jurisdiction is based in whole or in part on 28 U.S.C. § 1343.

☐ None of the restrictions in Local Civil Rule 53.2 apply and this case is eligible for arbitration.

NOTE: A trial de novo will be by jury only if there has been compliance with F.R.C.P. 38.

EXHIBIT A

PENSKE

VEHICLE LEASE SERVICE AGREEMENT

This Vehicle Lease Service Agreement is executed 8 May, 2018, by and between **Penske Truck Leasing Co. L.P.**, a Delaware limited partnership with an address at 2675 Morgantown Road, Reading, PA 19607 ("Penske"), and Spotted Lakes, L.L.C. (Indicate which) () a corporation, () a partnership, () a limited liability company under the laws of the State of TX with an address at 1995 Ranger Hwy,, Weatherford, TX - 76088 ("Customer"), and relates to the vehicle(s) described on the Schedule(s) "A" (the "Vehicle " or "Vehicles") annexed to this Vehicle Lease Service Agreement now or hereafter. As the Vehicles described in a Schedule "A" have been placed into Customer's service, Penske will provide Customer with the specific vehicle number, serial number and in-service date for each such Vehicle. The term "VLSA" means this Vehicle Lease Service Agreement and all Schedules attached hereto.

1. GENERAL; TERM AND EXPIRATION.

a. **Lease and Term.** Penske shall lease the Vehicles to Customer, and Customer shall lease the Vehicles from Penske, subject to the terms of this VLSA. The term of this VLSA for each Vehicle shall begin on the in-service date listed on the in-service documentation provided by Penske ("In-Service Date"), which shall be the date Penske notifies Customer that the Vehicle is available for delivery, and such term shall end on the last day of the calendar month that is the number of months identified in the "Lease Term Mn." column on Schedule "A" from the In-Service Date.

b. **Selection.** Customer has selected each Vehicle, including the accessories, features, and design requirements set forth on the Vehicle's Schedule "S", and has requested that Penske purchase each Vehicle for lease to Customer under this VLSA. Customer is making its own determination as to the suitability and functionality of the Vehicle(s) and is not relying on any actions or statements by Penske other than as set forth herein. Each Vehicle shall be made available to Customer at the Penske service location set forth on Schedule "A". Customer understands that the delivery date of a Vehicle is solely dependent on the manufacturer and Customer accepts that risk. If a Vehicle has been in Customer's service prior to its In-Service Date, no Schedule "S" shall be attached. Except as may be agreed to by the parties, Penske shall have no liability or obligation with regard to any third party hardware or software installed in a Vehicle pursuant to its Schedule "S".

c. **Expiration and Return.** Upon expiration or termination of the Vehicle's lease, Customer shall return the Vehicle to the Penske location shown on Schedule "A" in the same condition and appearance as when received, ordinary wear and tear excepted, and shall pay to Penske all outstanding "Lease Charges" (as defined in Article 7.a. below) through the date of return plus (i) all license and registration fees, applicable personal property taxes, and prepaid expenses paid by Penske with respect to the Vehicle, pro-rated to the date of expiration or termination, (ii) the cost of de-identification, re-painting, and returning the Vehicle to daily rental condition in accordance with Penske's established standards, and (iii) a pro-rated portion of any licenses or permits that cannot be used or transferred by Penske. If Customer retains a Vehicle after the expiration of its lease, all the terms of this VLSA shall apply to such hold-over period except that either party may terminate the hold-over lease at any time upon written notice to the other, at which time Customer shall return the Vehicle.

2. PENSKE'S OBLIGATIONS.

Penske shall, at its expense and subject to Article 8, provide with respect to the Vehicles: (a) all preventive maintenance, replacement parts and repairs to keep the Vehicles in good repair and operating condition; (b) oil and lubricants necessary for the efficient operation of the Vehicles; (c) all necessary tires as a result of normal wear and tear and not as a result of any impact, curbing or puncture damage or other accident, incident or Misuse; (d) road service because of mechanical and tire failures not attributable to Misuse or other violation of this VLSA; (e) periodic exterior washing, and (f) initial painting and lettering of each Vehicle at a cost not exceeding the per-vehicle allowance specified on its Schedule "A". In the event a Vehicle shall be disabled for any reason, Customer and/or its driver shall immediately notify Penske. If a Vehicle is disabled because of mechanical or tire failure, Penske shall, within a reasonable period of time after receipt of notification, properly repair, or cause the repair of, the Vehicle. Penske shall have no responsibility for any repair or service to a Vehicle away from its facilities unless authorized by Penske and documented by an itemized bill for such repairs or services.

3. CUSTOMER OBLIGATIONS.

Customer shall not cause or permit any person other than Penske or persons authorized by Penske to make any repairs to a Vehicle, and shall abide by Penske's directions concerning emergency repairs. Customer will cause its drivers to (a) promptly report any trouble concerning a Vehicle on forms provided by Penske and (b) check oil and coolant levels in each Vehicle on a daily basis. Customer will return each Vehicle, free of any cargo, to Penske at the service location set forth on its Schedule "A", or as otherwise directed by Penske, for inspection, preventive maintenance, and repair every month at scheduled times as are mutually agreed upon. Should Customer move the base of operation of a Vehicle from the domicile shown on its Schedule "A" or change the nature of a Vehicle's operation as described on its Schedule "A", Penske shall have the right to either make adjustments to the rates to compensate for such changes or terminate this VLSA with respect to the affected Vehicle, subject to Customer's obligations under Article 14. Title to the Vehicles shall remain in the name of Penske or its designee. Customer shall, at all times and at its sole cost, keep the Vehicles free and clear from all liens, encumbrances, levies, attachments, or other judicial process from every cause whatsoever (other than a claimant through an act of Penske).

4. SUBSTITUTE, EXTRA AND INTERIM VEHICLES.

a. **Substitute Vehicles.** If a Vehicle is temporarily disabled because of mechanical failure and if such Vehicle's Schedule "A" requires Penske to provide a substitute for such Vehicle ("Substitute"), Penske shall furnish a Substitute in as nearly as practicable the same size and type as the inoperable Vehicle. The Substitute will be provided at no extra charge, except that Customer shall be responsible for paying mileage charges for the Substitute at the same rate as for the disabled Vehicle and the fixed charges for the disabled Vehicle shall not abate. Penske shall not be required to letter, paint, or alter any Substitute. The Substitute shall be furnished to Customer whenever possible at the place at which the original Vehicle was disabled and shall be returned by Customer to the facility from which it was provided or the facility at which the repaired Vehicle is made available, as Penske may designate. Penske shall have no obligation to provide a Substitute if the inoperable Vehicle is out of service: (i) because of damage resulting from collision, upset or Misuse, or (ii) for preventive maintenance or service, or for service or repairs to equipment for which Penske has no responsibility, or (iii) as a result of Customer's violation of any of the terms of this VLSA.

b. **Extra Vehicles.** At Customer's request, Penske will rent additional vehicles ("Extras") to Customer for temporary use to the extent Penske has available sufficient vehicles of the size and type requested at the Penske facility that services Customer. Penske shall not be required to letter, paint, or alter any Extra. The rental rate to be paid by Customer for the use of an Extra shall be Penske's then prevailing daily rental rate for such vehicles in effect at the location from which the Extra is obtained less fifteen percent (15%), plus all license and registration fees, applicable personal property taxes, and prepaid expenses paid by Penske with respect to the Extra, if not included in such rate. Penske shall have no obligation to provide Extras that are specialized vehicles. If Customer is past due on payment of any invoices rendered by Penske or if an "Event of Default" (as defined in Article 13.a. below) has occurred, Penske shall have no obligation to provide Extras.

c. **Interim Vehicles.** During the period prior to a Vehicle being made available to Customer, Penske will, at Customer's request, rent an interim vehicle ("Interim") to Customer, if available in as nearly as practicable the same size and type as the leased Vehicle. Penske shall not be required to letter, paint, or alter any Interim. Miles operated by an Interim will not be included in determining whether the leased Vehicle for which the Interim was provided satisfied any mileage guaranty applicable to it. The rental rate to be paid by Customer for the use of an Interim shall be equal to the Lease Charges for the leased Vehicle, plus all license and registration fees, applicable personal property taxes, and prepaid expenses paid by Penske with respect to the Interim. Customer shall immediately return the Interim when Penske makes the leased Vehicle available and, if the Interim is not returned, Penske may, in addition to other remedies under this VLSA, treat such vehicle as an Extra under this VLSA.

d. **Rental Agreements.** Penske may require Customer to execute a rental agreement whenever Customer requests an Extra, Substitute, or Interim. Notwithstanding the execution of a rental agreement, all Extras, Substitutes, and Interims will be considered Vehicles subject to the terms and conditions of this VLSA and not the rental agreement.

5. **FUEL.**

a. **The Party to Provide Fuel.** If Penske is designated on a Vehicle's Schedule "A" to provide fuel, Penske shall provide Customer fuel for the Vehicle, including refrigeration units, at charges that vary over time from Penske facilities or from facilities participating in the Penske Fuel Stop Program and invoice Customer for the charges and all applicable taxes and fees for the fuel. Customer may also procure fuel from other sources at its own expense. If Customer is past due on payment of any invoices rendered by Penske or if an "Event of Default" (as defined in Article 13.a. below) has occurred, Penske may (in addition to any other remedy under this VLSA) immediately discontinue providing fuel to Customer.

b. **Fuel Cards.** If Penske provides Customer with any fuel cards for the purchase of fuel, Customer shall be fully responsible for all purchases made under such fuel cards, even if made improperly or illegally. Customer shall immediately report lost or stolen fuel cards to Penske. If Customer fails to pay fuel card charges when due, Penske may (in addition to any other remedy under this VLSA) immediately cancel Customer's fuel cards.

c. **Fuel Type and Damage.** Customer shall fuel each Vehicle with the type of fuel approved or recommended by the Vehicle manufacturer. Customer shall be responsible for any loss or damage to any Vehicle or its components caused by adding the wrong type of fuel into the Vehicle or putting diesel exhaust fluid or fuel in the wrong tank.

6. **LICENSES, TAXES, PERMITS AND TOLLS.**

Penske shall, at its own expense, register and title each Vehicle and pay for any Vehicle inspection fees in the state of registration of such Vehicle for the licensed weight shown on its Schedule "A". Customer shall reimburse Penske for all amounts it pays for licenses, taxes, permits or fees (including but not limited to Federal Highway Use Tax and personal property tax) imposed upon the operation or use of each Vehicle, this VLSA, or the Lease Charges that are (a) not set forth on the Vehicle's Schedule "A" or (b) in excess of the amounts included in the fixed lease charge for such licenses, taxes, permits or fees shown on the Vehicle's Schedule "A". Customer shall provide Penske with all documentation required for Vehicle licensing, taxes and permits. If Penske is designated on a Vehicle's Schedule "A" to provide fuel tax reporting for such Vehicle, Penske shall apply for fuel tax permits for such Vehicle and bill their cost to Customer. Penske shall prepare and file mileage and fuel tax returns, for which Customer shall submit weekly driver trip records, original fuel receipts or invoices, and any other information necessary for the preparation of the fuel tax returns (collectively, "Mileage and Fuel Tax Documents"). The obligation to provide Mileage and Fuel Tax Documents shall apply to all Vehicles, Substitutes, Extras, and Interims. If Customer fails to submit the Mileage and Fuel Tax Documents, Penske may estimate Customer's mileage and fuel tax liability based upon such information as is available to Penske. If using any technology for electronic transmission of Mileage and Fuel Tax Documents, it is Customer's duty to ensure the transmitted information is accurate and received by Penske. Penske shall have the right upon 30 days' prior notice to stop providing any of the services set forth in this Article 6. Customer shall be liable for the payment of any and all tolls associated with the use and operation of the Vehicle, and for the payment of any and all fines, fees, costs or expenses related to toll evasion or any other traffic violations.

7. **LEASE CHARGES.**

a. **Lease Charges.** As used in this VLSA, "Lease Charges" means the fixed lease charges, mileage charges, hourly charges, refrigeration charges, fuel charges, mileage and fuel tax obligations, and any and all other amounts and charges listed on Schedule "A" and/or described elsewhere in this VLSA.

b. **Invoices; Payment.** Customer shall pay Penske all Lease Charges within seven (7) days of the date of Penske's invoice, without deduction or offset. Penske shall (except for fuel charges, which shall be invoiced weekly, and other amounts and charges for which a different invoicing frequency is specified in this VLSA) invoice Customer for Lease Charges on a monthly basis, including the billing of fixed lease charges in advance and refrigeration and mileage charges in arrears. If an Event of Default occurs, Penske may invoice Customer on a weekly basis. Customer shall pay Lease Charges to the location designated by Penske, and all payments shall be made in the form of check, electronic funds transfer or ACH payment; cash or credit cards shall not be accepted for payment. Unless Customer protests the correctness of any invoice within thirty (30) days of its receipt, such invoice shall be presumed to be correct. Unless the parties agree otherwise or unless Customer does not obtain fuel from Penske, Penske will determine the mileage and (if applicable) the refrigeration hours for each Vehicle. If Customer does not obtain fuel from Penske, Customer shall provide mileage readings and (if applicable) refrigeration hour readings for each Vehicle on at least a monthly basis.

c. **Overmileage Charges.** Each Vehicle shall be operated according to the Estimated Annual Mileage/Vehicle ("EAM") as listed on its Schedule "A". If on the annual anniversary of such Vehicle's In-Service Date the actual miles operated by such Vehicle exceeds its total EAM for the year, by ten percent (10%), Customer shall pay Penske $0.10 for each mile over the total EAM for the year, in addition to the mileage charges due under this VLSA.

d. **Excess Refrigeration Charges.** If a Vehicle has a refrigeration unit, such unit shall be operated according to the Estimated Annual Refrigeration Hours/Vehicle ("EARH") as listed on its Schedule "A". If on the annual anniversary of such Vehicle's In-Service Date the actual refrigeration hours operated by such Vehicle's refrigeration unit exceeds its total EARH for the term, Customer shall pay Penske $0.50 for each engine running hour, and $0.15 for each standby hour, over the total EARH for the term, in addition to the refrigeration charges per hour due under this VLSA.

e. **Deposit.** Upon the occurrence of an Event of Default and notwithstanding any amendment to this VLSA to the contrary, Customer shall thereafter pay Penske per the terms set forth in this Article 7 and Customer shall, if requested, provide Penske with a deposit against future invoices in an amount equal to not less than the total amount invoiced by Penske in the three (3) months prior to the occurrence of the Event of Default

8. **VEHICLE USE AND DRIVERS.**

From the time a Vehicle is made available to Customer until its return to Penske upon termination or expiration of its lease, Customer shall have exclusive possession, control, and use of such Vehicle. Customer shall not make any alterations to a Vehicle. Vehicles shall be operated by safe, qualified, properly licensed drivers, who shall conclusively be presumed to be Customer's agents, servants or employees only, and subject to Customer's exclusive direction and control. Vehicles shall not be operated: (a) by a driver in possession of or under the influence of alcohol or any controlled drug, substance or narcotic; (b) in a reckless, abusive or negligent manner; (c) off an improved road; (d) on an underinflated tire; (e) with insufficient or inadequate coolant, oil or fluids; (f) while improperly loaded or loaded beyond maximum weight shown on the Schedule "A", (g) in violation of any applicable laws, ordinances, or rules; or (h) outside the United States or Canada (collectively "Misuse"). Customer shall reimburse Penske for any damage or expenses, and shall protect, defend, indemnify and hold Penske and its partners harmless from and against all fines, claims, forfeitures, judgments, seizures, confiscations and penalties, arising out of the failure to adhere to the requirements of the preceding sentence. Customer shall be responsible for all expenses for removing or towing any mired or snowbound Vehicle. If Customer operates a Vehicle with a trailer or other equipment not leased by Penske under this VLSA, Customer warrants that such trailer or other equipment shall be in good operating condition compatible in all respects with the Vehicle with which it is used and in compliance with all applicable laws and regulations, and shall be responsible for all repairs and/or additional maintenance resulting from such use or from any defects in such trailer or equipment. Customer shall not use or permit any Vehicle to be used (x) for the transportation of "hazardous materials" (as defined by regulations promulgated by the United States Department of Transportation), gasoline, or propane, or (y) for any illegal purpose. Customer shall store each Vehicle in a safe location.

9. **PHYSICAL DAMAGE AND LIABILITY COVERAGE.**

a. **Responsibility for Damage; Insurance.** Customer assumes the risk of loss or damage (physical or otherwise) to all Vehicles from any and every cause whatsoever, notwithstanding Section 2A-219(1) of the UCC, including, but not limited to, casualty, collision, upset, fire, theft, malicious mischief, vandalism, graffiti, glass breakage, and mysterious disappearance. Unless Penske gives written permission to self-insure these obligations, Customer shall at its sole cost procure and maintain an automobile collision and comprehensive insurance policy protecting Penske and its partners against any and all loss or damage to each Vehicle, in form satisfactory to Penske and in an amount equal to the "Depreciated Schedule 'A' Value" (as defined below) of such Vehicle, which policy shall name Penske and/or its assignee as loss payee. "Depreciated Schedule 'A' Value" of a Vehicle means (i) the Original Agreed Value set forth on its Schedule "A" less (ii) the Depreciation Credit per Month set forth on such Schedule "A" multiplied by the number of months elapsed from the Vehicle's In-Service Date to the date as of which the Depreciated Schedule "A" Value is being determined.

b. **Repairs.** All repairs of damage to a Vehicle (whether it be physical damage, damage attributable to Misuse or causes set forth in Article 9.a or otherwise) shall be performed by Penske or its designee. Customer shall pay for such repairs and for all amounts necessary to repair and restore the Vehicle to good working order (as determined by Penske). If in Penske's judgment a Vehicle has been lost, stolen, destroyed, or damaged beyond repair, Customer shall pay Penske (i) all Lease Charges accruing to the date of Penske's receipt of payment in full for such Vehicle and (ii) the Depreciated Schedule "A" Value of such Vehicle (or with respect to an Extra, Interim or Substitute Vehicle, the "Fair Market Value" of such Vehicle) immediately preceding the casualty occurrence; upon Penske's receipt of such payments, this VLSA shall terminate as to such Vehicle and the Vehicle shall become the property of Customer, as-is, where-is.

c. **Liability Coverage.** Customer shall at its sole cost procure and maintain liability coverage for each Vehicle, protecting Customer and Penske and its partners and their respective agents, servants and employees, in accordance with the standard provisions of a basic automobile liability insurance policy as required in each jurisdiction in which the Vehicle is operated, against liability for bodily injury, including death, and property damage arising out of the ownership, maintenance, use and operation of each Vehicle with limits of at least a combined single limit of One Million Dollars ($1,000,000.00) per occurrence. Such coverage shall be primary and not excess or contributory and shall be in conformity with the motor vehicle minimum financial responsibility laws as respects "Uninsured Motorist", "No-Fault", or other optional coverages. Non- trucking, bobtail or un-laden coverage will not, individually and by themselves, satisfy these requirements. Such coverage shall (i) list Customer as named insured, (ii) be endorsed to include Penske as an additional insured; and (iii) be in a form acceptable to Penske.

d. **Certificates of Insurance.** Prior to delivery of any Vehicle, Customer shall deliver to Penske certificates of insurance showing the coverages required pursuant to paragraphs a and c of this Article 9. Each insurer shall agree, by endorsement upon the policy issued by it or by an independent document provided to Penske, that it shall give Penske thirty (30) days' prior written notice of the effective date of any cancellation or material alteration of such policy, and that such notice shall be sent by registered or certified mail postage prepaid, return receipt requested, to Penske Truck Leasing Co., L.P., Route 10-Green Hills, P.O. Box 563, Reading, PA 19603-0563, Attention: Insurance Risk Management Department.

e. **Notification of Accidents.** Customer shall notify Penske as well as Customer's insurance carrier of any loss of, damage to, or accident involving any Vehicle; such notice shall be effected immediately by telephone, and in writing as soon as practical thereafter. Customer shall cooperate fully in the investigation, prosecution, and/or defense of any claim or suit arising out of any such occurrence and shall do nothing to impair or invalidate any applicable liability, physical damage, or cargo coverage.

10. INDEMNIFICATION.

FOR LIABILITY IN EXCESS OF THE LIMITS OF THE INSURANCE REQUIRED IN ARTICLE 9 ABOVE, OR IN THE EVENT THERE IS NO INSURANCE COVERAGE OR CUSTOMER FAILS TO PROVIDE A DEFENSE, CUSTOMER SHALL PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS PENSKE AND ITS PARTNERS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS, SERVANTS, REPRESENTATIVES AND EMPLOYEES FROM ANY AND ALL CLAIMS, SUITS, COSTS, LOSSES, DAMAGES, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) AND LIABILITIES (EVEN IF PENSKE IS CLAIMED TO HAVE BEEN OR IS PROVEN TO BE NEGLIGENT) ARISING OUT OF OR RELATED TO: (A) CUSTOMER'S FAILURE TO COMPLY WITH ITS OBLIGATIONS TO GOVERNMENTAL BODIES HAVING JURISDICTION OVER CUSTOMER AND THE VEHICLES, (B) CUSTOMER'S FAILURE TO COMPLY WITH THE TERMS OF THIS VLSA, (C) THE OWNERSHIP, USE, SELECTION, POSSESSION, MAINTENANCE, AND/OR OPERATION OF ANY VEHICLE; (D) THE COLLECTION OR DISSEMINATION OF THE "INFORMATION"; (E) ANY LIABILITY IMPOSED UPON OR ASSUMED BY CUSTOMER UNDER ANY WORKER'S COMPENSATION ACT, PLAN OR CONTRACT AND ANY AND ALL INJURIES (INCLUDING DEATH) OR PROPERTY DAMAGE SUSTAINED BY CUSTOMER OR ANY DRIVER, AGENT, SERVANT OR EMPLOYEE OF CUSTOMER, OR (F) LOSS OR DAMAGE INCURRED BY PENSKE FROM CUSTOMER'S USE OF A VEHICLE OR TRAILER NOT OWNED OR INSURED BY PENSKE, REGARDLESS OF PENSKE'S OBLIGATIONS IMPOSED BY THE INSURANCE PROVISIONS OF ANY FEDERAL OR STATE AGENCY. CUSTOMER'S OBLIGATIONS UNDER THIS ARTICLE 10 SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS VLSA.

11. REGULATIONS/RECALLS.

If any law, rule, regulation, or manufacturer's recall shall require the modification of any Vehicle or the installation of any additional equipment or accessories, including, but not limited to, anti-pollution and/or safety devices, Customer shall make such Vehicle available and, to the extent there is a charge, pay Penske for the installation of such equipment or the performance of such modifications, as well as any ongoing maintenance expenses related to such equipment or modifications.

12. FORCE MAJEURE.

Neither party shall incur liability to the other party for a failure to perform any obligations under this VLSA (excluding payment, indemnification and insurance obligations) that is caused by events beyond such party's reasonable control, such as (but not limited to) war, terrorist attack, fire, governmental regulations, acts of God, labor disputes, manufacturer, supplier or transportation shortages or delays, fuel allocation programs, or manufacturer's defects.

13. DEFAULT AND REMEDIES.

a. **Event of Default.** An "Event of Default" shall occur if (i) Customer fails to pay any Lease Charges when due or to maintain any insurance coverage required under this VLSA, or (ii) Customer fails to perform any other term of this VLSA and such failure continues for five (5) days after written notice thereof is sent to Customer, or (iii) Customer or any guarantor of Customer's obligations becomes insolvent, makes a bulk transfer or other transfer of all or substantially all of its assets or makes an assignment for the benefit of creditors or ceases to do business or otherwise dissolves or liquidates, or (iv) Customer or any guarantor of Customer's obligations files or suffers the filing against it of a petition under the Bankruptcy Code or under any other insolvency law or law providing for the relief of debtors, or (v) any representation or warranty made by Customer in this VLSA or in any document furnished to Penske by Customer or any guarantor of Customer's obligations is incorrect in any material respect.

b. **Remedies.** Upon the occurrence of an Event of Default, Penske shall not be required to perform its obligations under this VLSA and may immediately terminate this VLSA and/or proceed by appropriate court action to enforce the terms of this VLSA and/or to recover damages for the breach of any of its terms. In addition, Penske may, with or without terminating this VLSA, with or without demand or notice to Customer, and with or without any court order or process of law, take immediate possession of any or all Vehicles wherever located, without being liable to Customer for damages caused by such taking of possession. If any such Vehicle contains any property belonging to Customer or in Customer's custody or control, Penske is authorized to hold the items for Customer or place them in storage for Customer, at Customer's sole cost and risk of loss or damage. Penske may also, with or without terminating this VLSA, require Customer upon five (5) days' written notice to, at Penske's option, either purchase any or all of the Vehicles or make the "Alternative Payment" as set forth in Article 14.a. below for any or all of the Vehicles, and in addition pay the total of the Lease Charges for all such Vehicles accruing up to the date upon which Customer could have terminated this VLSA under Article 14.a., together with all Lease Charges due and unpaid to the date of Penske's notice to Customer under this paragraph.

c. **Interest; Attorneys' Fees.** Should Customer fail to pay any Lease Charges when due, Customer shall be liable for interest on such delinquent amounts at the rate of one and one-half percent (1.5%) per month or the maximum permissible rate allowed in the jurisdiction in which Customer's principal place of business is located, whichever is lower, from the date on which payment was due until paid. If Penske initiates legal action against Customer as the result of an Event of Default, Penske shall be entitled to reimbursement from Customer of all expenses of collection and reasonable attorneys' fees.

14. TERMINATION PRIVILEGES.

a. **Right to Terminate.** Either party may, upon sixty (60) days' prior written notice to the other, terminate this VLSA as to a Vehicle on any annual anniversary of such Vehicle's In-Service Date. Upon termination by either party, Customer shall, at Penske's option, either (i) purchase the Vehicle as to which the notice has been given (other than a Substitute, Interim, or Extra) at the Vehicle's Depreciated Schedule "A" Value, as is, where is, or (ii) pay Penske the "Alternative Payment" (as defined in the next sentence) for such Vehicle. The "Alternative Payment" shall be the difference, if any, between the Vehicle's Depreciated Schedule "A" Value at the termination date and the Vehicle's "Fair Market Value" ("Fair Market Value" shall be the wholesale blackbook value as of the date of termination).

b. **Termination Amounts.** In addition to paying the purchase price or making the Alternative Payment for a Vehicle, Customer shall also pay all outstanding Lease Charges through and including the date of purchase or date the Alternative Payment is made, together with (i) applicable sales or use taxes, (ii) all license and registration fees, applicable personal property taxes, and prepaid expenses paid by Penske with respect to the Vehicle, pro-rated to the date of termination, (iii) the cost of de-identification, re-painting, and restoring the Vehicle to daily rental condition in accordance with Penske's established standards (including the loss of use of such Vehicle during such restoration), and (iv) a pro-rated portion of any licenses or permits that cannot be used or transferred by Penske (collectively, "Termination Amounts"). Customer shall have no right to exercise any option to terminate this VLSA under this Article if an Event of Default has occurred. No termination of this VLSA by either party shall release Customer of liability for the payment of any sums due Penske or any damages that Penske shall have sustained by reason of Customer's breach thereof.

15. ADJUSTED COST.

For each rise or fall of at least one percent (1%) in the Consumer Price Index for All Urban Consumers for the United States published by the United States Department of Labor, Bureau of Labor Statistics ("CPI"), or any successor index designated by Penske, above or below the CPI figure applicable for each leased Vehicle as of the "Effective Date" indicated on its Schedule "A", the Lease Charges for such Vehicle shall be adjusted upward or downward based upon such percentage increase or decrease in the CPI. Seventy-five percent (75%) of the fixed lease charge, one hundred percent (100%) of the basic mileage charge, one hundred percent (100%) of any excess or undermileage charge (per mile), and one hundred percent (100%) of the refrigeration charge, if applicable, shall be subject to adjustment. All increases under this Article shall be cumulative and shall be calculated only on the charges initially shown on the Vehicle's Schedule "A". Adjustments shall be implemented semi-annually on January 1 and July 1. Upon adjustment, the fixed lease charge shall be rounded off to the nearest whole cent and all adjustments in the basic mileage, excess mileage, and undermileage charges shall be rounded off to the nearest tenth of a mil.

16. NON-LIABILITY FOR CONTENTS.

Penske shall not be liable for loss of, or damage to, any cargo or other property left, stored, loaded or transported in, upon, or by any Vehicle at any time or place.

17. ASSIGNMENT AND SUBLETTING.

a. **By Customer.** CUSTOMER SHALL HAVE NO RIGHT TO ASSIGN OR SUBLET THIS VLSA OR THE VEHICLES NOR SHALL CUSTOMER RENT OR LICENSE THE USE OF THE VEHICLES, OR UNDERGO A CHANGE OF CONTROL THAT WOULD OTHERWISE ASSIGN THIS VLSA BY OPERATION OF LAW OR CAUSE OR PERMIT THE VEHICLES TO BE USED BY ANYONE OTHER THAN CUSTOMER OR ITS LEASED DRIVERS, SERVANTS OR EMPLOYEES.

b. **By Penske.** THIS VLSA AND ANY VEHICLES, RENT, OR OTHER SUMS DUE OR TO BECOME DUE HEREUNDER MAY BE ASSIGNED OR OTHERWISE TRANSFERRED, EITHER IN WHOLE OR IN PART BY PENSKE, WITHOUT AFFECTING ANY OBLIGATIONS OF CUSTOMER AND, IN SUCH EVENT, CUSTOMER'S RIGHTS SHALL BE SUBJECT TO ANY LIEN, SECURITY INTEREST OR ASSIGNMENT GIVEN BY PENSKE IN CONNECTION WITH THE OWNERSHIP OF THE VEHICLE(S), AND THE TRANSFEREE OR ASSIGNEE SHALL HAVE ALL OF THE RIGHTS, POWERS, PRIVILEGES AND REMEDIES OF PENSKE.

18. DISCLAIMER.

PENSKE MAKES NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO: (a) THE ACCURACY OR COMPLETENESS OF THE "INFORMATION"; OR (B) THE MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR ABSENCE OF ANY MANUFACTURING DEFECTS OF ANY VEHICLE COVERED BY THIS VLSA OR ANY REPLACEMENT PARTS OR TIRES PROVIDED BY PENSKE. PENSKE AND ITS PARTNERS SHALL NOT BE LIABLE FOR LOSS OF CUSTOMER'S PROFITS OR BUSINESS, LOSS OR DAMAGE TO CARGO, LOSS OR DAMAGE RESULTING TO CUSTOMER BY REASON OF DELAY IN DELIVERY OR FAILURE TO DELIVER PRODUCTS OWNED OR TRANSPORTED BY CUSTOMER, DRIVER'S TIME OR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES.

19. INFORMATION TECHNOLOGY AND DATA COLLECTION.

a. **On Board Technology.** The Vehicles may be equipped with certain on-board technology ("Technology") that may have the capability to send information regarding the Vehicle's use and operation, including, without limitation, diagnostic information and location information (collectively "Information") to Penske without notice to Customer. Penske's collection of Information is for data and informational purposes only and is designed to assist both Penske and Customer to better manage the Vehicles. Customer shall have the sole responsibility to ensure that all drivers and occupants understand the possibility of the collection and dissemination of such Information.

b. **Use and Disclosure of Information.** Customer agrees that Penske may use the Information in furtherance of the VLSA, to locate or recover a Vehicle that is lost, stolen, or in need of service, or for any other lawful purpose. Penske may aggregate the data with information from other vehicles to better service the Customer's fleet. In doing so, Penske may disclose the Information to third parties to assist in managing Customer's fleet but shall remove any information identifying Customer. Penske agrees to use the same degree of care in handling the Information that it uses to protect its own information.

c. **Charges for Information.** At any time, Penske may impose a reasonable fee as a condition to sharing, or continuing to share, the Information with Customer. Penske may not charge Customer a fee for sharing the Information unless agreed to in advance by Customer. Once a fee is mutually agreed upon, Penske reserves the right to reasonably adjust this fee on an annual basis upon notice to Customer. Customer may discontinue receiving the Information upon thirty (30) days' written notice to Penske and will then no longer be obligated to pay the fee for such Information.

d. **Reliance on Information.** Penske does not have any obligation to act on the Information derived from the Technology other than what is set forth in the VLSA. Customer's reliance on the Information is at Customer's sole risk. In no event shall Penske be liable for (i) failing to detect trends or signs of trouble based on having the Information or (ii) any claim attributable to errors, omissions, inaccuracies or otherwise in connection the Information.

20.MISCELLANEOUS.
This VLSA (including all the schedules attached hereto) shall be considered to be a single integrated contract and constitute the entire agreement between the parties regarding the Vehicles. Upon execution by Penske and Customer, this VLSA shall be binding on the respective parties and their legal representatives, successors and assigns and its terms shall not be amended or altered by failure of either party to insist on performance, or failure to exercise any right or privilege, or in any manner unless such amendment or alteration is in writing and signed on behalf of the parties hereto. Each party acknowledges they have had an opportunity to review this VLSA with counsel and the interpretation hereof shall be neutral with no presumption against either party. Time shall be of the essence of this VLSA. No waiver or breach of any covenant or obligation herein shall be construed to be a waiver of the covenant or obligation itself, or any subsequent breach thereof. This VLSA shall supersede any and all proposals or agreements, written or verbal, between the parties, relating to the subject matter hereof and may not be modified, terminated or discharged, except in a writing signed by the party against whom the enforcement of the modification, termination or discharge is sought. Any notice required hereunder shall be sent by certified mail or overnight mail to the address written above or such other address as either party shall furnish and shall be deemed delivered upon deposit in the United States mail or confirmed receipt by the overnight courier. This VLSA is to be interpreted, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania without giving effect to principles of conflicts of law. In the event any of the terms and provisions of this VLSA are in violation of or prohibited by any law, statute, regulation, or ordinance of the United States and/or state or city where the VLSA is applicable, such terms and provisions shall be deemed amended to conform to such law, statute, regulation, or ordinance without invalidating any of the other terms and provisions of this VLSA. By signing below, the undersigned representative of Customer hereby represents and warrants that he/she is a duly authorized officer of Customer and has legal capacity to execute this VLSA, having full express authority to bind Customer to the terms and conditions hereof.

IN WITNESS WHEREOF, the parties have caused this VLSA to be executed by their duly authorized representative as of the date first above written.

Penske Truck Leasing Co. L.P.	CUSTOMER:Spotted Lakes, L.L.C.
Signature: ____________________	Signature: [signature]
Title: ____________________	Title: CFO
Witnessed Or Attested By: ____________________	Witnessed Or Attested By: [signature]
Aug 2017	Date Printed : 05/08/2018

PENSKE

Vehicle Lease Service Agreement
Schedule "A"

Schedule "A" No. Permanent
Date of Preparation 5/9/18
Page 1 of 2

THIS AMENDMENT is made this 8th day of May, 2018 to the Vehicle Lease Service Agreement dated as of May 8, 2018 (the "VLSA") between PENSKE TRUCK LEASING CO., L.P. ("Penske") and SPOTTED LAKES, L.L.C. ("Customer").

Intending to be legally bound, the parties agree that the VLSA is amended as follows:

1. Article 1.b is amended by adding the following to the end thereof:

"Customer shall be permitted to install third party hardware, software, communications and safety equipment used in Customer's ordinary course of business, which will remain the property of Customer. Customer shall ensure that such third party hardware, software, communications and safety equipment does not damage the mechanical or electrical systems of the Vehicle. Customer shall remove such third party hardware, software, communications and safety equipment at expiration or termination of the lease for such Vehicle, and repair any damage caused thereby."

2. Article 2, third sentence, by deleting the phrase "mechanical or tire failure" and replacing it with the phrase "mechanical, tire, or brake failure".

3. Article 3, by deleting the fourth sentence in its entirety and replacing it with the following:

"Should Customer move the base of operation of a Vehicle from the domicile shown on its Schedule "A" or change the nature of a Vehicle's operation as described on its Schedule "A", Penske shall have the right to propose reasonable adjustments to the rates for such Vehicle to compensate for such change. If Customer does not accept the proposed pricing adjustments in writing within thirty (30) days, Penske shall have the right to terminate such Vehicle from this VLSA in which case Customer shall purchase the Vehicle at its then-current Depreciated Schedule "A" Value, pay the Alternative Payment, or pay the Remainder Payment (each as hereinafter defined), plus all Lease Charges accruing to the date of Penske's receipt of payment in full for such Vehicle as well as the amounts described under Article 14.b."

4. Article 4.a, fourth sentence, by deleting the phrase "as Penske may designate" and replacing it with the phrase "as may be agreed upon by the parties".

5. Article 6, second sentence, by inserting the parenthetical "(excluding Penske's net income tax)" after the word "Charges" and before the word "that".

6. Article 8, second sentence, by adding the following to the end thereof immediately before the period:

", except for the installation of telematics equipment which does not damage the mechanical or electrical systems of the Vehicle. Customer shall remove such telematics equipment at expiration or termination of the lease for such Vehicle, and repair any damage caused thereby."

7. Article 8, fourth sentence, clause (c), by inserting the words ", except in the ordinary course of Customer's business" after the word "road" and before the comma immediately thereafter.

8. Article 10, by inserting the following at the end of the clause (C) of the first sentence immediately after the word "VEHICLE" and before the comma immediately thereafter:

"(EXCEPT THAT CUSTOMER SHALL NOT INDEMNIFY PENSKE FOR SUCH CLAIMS, SUITS, COSTS, DAMAGES, EXPENSES, OR LIABILITIES CAUSED SOLELY BY PENSKE'S NEGLIGENCE OR WILLFUL MISCONDUCT)".

9. Article 11, first sentence, by inserting the phrase "at the service location set forth on Schedule A" immediately after the word "available" and immediately before the word "and".

PENSKE

Vehicle Lease Service Agreement
Schedule "A"

Schedule "A" No. Permanent
Date of Preparation 5/9/18
Page 2 of 2

10. Article 14.a is amended as follows:

a. by adding the following to the end thereof: "Alternatively, Customer may, within ten (10) days after Penske's election to require Customer to purchase the Vehicle or make the Alternative Payment, give written notice to Penske that it shall make the Remainder Payment (as hereinafter defined) instead. The "Remainder Payment" shall be a sum equal to the then-remaining monthly fixed Lease Charges for the terminated Vehicle's natural term, less a discount of five percent (5%)."

b. by adding the following to the end thereof as a new paragraph:

"Notwithstanding anything contained above in Article 14 to the contrary, if Penske terminates this VLSA and Customer is not then in default, Customer shall have the right, but not the obligation to purchase the Vehicles so terminated. For the avoidance of doubt, the foregoing sentence shall not apply to a termination by Penske under Article 3. However, in the event of such termination, Customer shall pay all outstanding Lease Charges through and including the date of termination, together with the amounts described in clauses (ii), (iii), and (iv) of paragraph b of this Article 14."

Schedule "A" annexed to and made a part of Vehicle Lease Service Agreement dated May 8, 2018 between **SPOTTED LAKES, L.L.C.** and **PENSKE TRUCK LEASING CO., L.P.** effective on the 8th day of May, 2018.

Addition(s) ________ (Initial) and shall be in addition to any Schedule "A" attached hereto and made a part of said Agreement hereto.

Deletion(s) ________ (Initial) and shall supersede Schedule "A"(s) Number ____ dated ____ attached hereto.

SPOTTED LAKES, L.L.C.	Signature [signature]	Title CFO	Date 5/9/18
PENSKE TRUCK LEASING CO., L.P.	Signature	Title	Date

EXHIBIT B

FULL ASSIGNMENT & ASSUMPTION

IN CONSIDERATION of One Dollar ($1.00) and other good and valuable consideration, the undersigned,

Spotted Lakes LLC 1995 Ranger Hwy.

(Name under which Assignor does business) (Address)

Weatherford TX ("Assignor") does hereby sell, assign, and set over unto

(City and State)

XBL Industrial Materials LLC (Name under which Assignee does business)

(indicate which): ☐ a corporation under the laws of the state of; ☐ a limited partnership under the laws of the state of ; ☐ a partnership under the laws of the state of _____; ☒ a limited liability company under the laws of the state of Delaware; with an address at 1707 ½ Post Oak Blvd #679 Houston, TX 77056 ("Assignee"), all right, title, and interest of Assignor in, to and under that certain Vehicle Lease Service Agreement dated May 8, 2018, and all exhibits, amendments, addenda, and Schedules attached thereto (collectively, "Agreement") between Assignor and Penske Truck Leasing Co., L.P. ("Penske"), such assignment to be effective as of and including September 20, 2021 ("Effective Date").

Assignee does hereby accept the above and foregoing assignment as of and including the Effective Date, and agrees to be bound thereby and to perform all of the payments, terms, covenants and conditions of the Agreement to be performed by Assignor thereunder.

In partial consideration of Penske Truck Leasing granting consent to the assignment of the Agreement to Assignee as of the Effective Date, Assignee hereby covenants, represents, and warrants to Penske Truck Leasing that (a) Assignee shall accept the vehicles covered by the Agreement assigned hereby in as-is, where-is condition, and agrees to be jointly and severally liable with Assignor for charges for physical damage to the vehicles whether such damage occurred or was caused before or after the Effective Date, and (b) Assignee shall be jointly and severally liable with Assignor for all outstanding Lease Charges incurred, accrued, or relating to periods of time on or before the Effective Date (as of September 3, 2021 $294,163, with Lease Charges continuing to accrue).

IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed this instrument, each by their duly authorized representatives, as of the Effective Date.

ASSIGNOR: Spotted Lakes, LLC	ASSIGNEE: XBL Industrial Materials LLC
Signature: ______________ Authorized Signatory	Signature: ______________ Authorized Signatory
Title: Chief Financial Officer and Treasurer	Title: Peterson Hawkins, Executive Chairman
Attest/Witness: ______________	Attest/Witness: ______________

[*Remainder of page intentionally blank. Signatures continue on following page.*]

Consent

IN CONSIDERATION of the agreement of XBL Industrial Materials, LLC to perform all of the payments, terms, covenants and conditions of the Agreement hereinabove assigned by Spotted Lakes, LLC, and the other covenants, representations, and warranties Penske does hereby consent to the above and foregoing assignment.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the 18 day of OCT., 2021.

Witnessed or Attested By: PENSKE TRUCK LEASING CO., L.P.

_______________________________ _______________________________

DocuSigned by:

Signature Christa Brand

BB601A1182E343E...

Title: Supv.- Contract Admin

PENSKE
Truck Leasing

Vehicle Lease Service Agreement
Schedule "A"

Permanent
Date of Preparation 9/20/2021
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Penske Location: ALL

City, State and Zip Code: ALL

THIS AMENDMENT is made this 20th day of September, 2021 to the Vehicle Lease Service Agreement dated May 8, 2018 (the "VLSA") between PENSKE TRUCK LEASING CO., L.P. ("Penske") XBL Industrial Materials LLC, as successor by assignment from Spotted Lakes, LLC ("Customer").

The parties agree that the VLSA is amended as follows:

1. The following is added to the end of Article 13:

"Notwithstanding anything contained in the VLSA to the contrary, with respect to all Vehicles currently leased to Customer under the VLSA or any other agreement, Customer agrees to pay all fuel invoices weekly on Tuesday of each week and all other invoices on the 14th of each month through an Automated Clearing House ("ACH"). Customer consents to Penske's debiting Customer's account through the ACH.

If Customer fails to pay Penske in accordance with the provisions of Article 7 of the VLSA, or if Customer does not meet the payment terms outlined in the preceding paragraph with respect to ACH payments, then such failure shall be considered an "Event of Default" and Penske shall be able to pursue all of its remedies as outlined in this Article 13."

Schedule "A" annexed to and made a part of Vehicle Lease Service Agreement dated May 8, 2018 between **XBL Industrial Materials LLC** and **PENSKE TRUCK LEASING CO., L.P.,** effective on the 20th day of September, 2021.

10/18/2021

DS
CMB

Addition(s) ____________ (initial) and shall be in addition to any Schedule "A" attached hereto and made a part of said Agreement hereto.

Deletion(s) ____________ (Initial) and shall supercede Schedule "A"(s) Number__________ dated ______________ attached hereto.

XBL Industrial Materials LLC	Signature	Peterson Hawkins Title Executive Chairman	Date 9/20/2021
PENSKE TRUCK LEASING CO., L.P.	DocuSigned by: Christa Brand BB601A1182E343E...	Supv.- Contract Admin	10/18/2021 | 5:16 PM EDT

Form 1358-980 (3/01)

wmm/VLSA/Amend-80.kav

ASSIGNMENT & ASSUMPTION TRANSMITTAL FORM

General Information

Salesperson Name: Andrew Price

Assignor Formal Name: Spotted Lakes, LLC

Assignor Customer Number: 677781

Assignor Federal ID: 20-1581986

Assignee Formal Name: XBL Industrial Materials, LLC new: 690514

New Federal ID: 87-2514087

Assignee Address: 1707 1/2 Post Oak Blvd, suite 679

City: Houston **State:** TX **Zip:** 77056

Assignee Contact: Petterson Hawkins

Assignee Phone Number: (214) 555-1212

Insurance Information

Insurance Agency: Wesley Jennings

Insurance Address: 1995 Ranger Hwy

City: Weatherford **State:** TX **Zip:** 76088

Insurance Contact: Wesley Jennings

Insurance Phone:

Insurance Fax:

Insurance E-mail: wesley.jennings@1845.com

Fleet Information

All units being transferred.