FRANCHISE DISCLOSURE DOCUMENT

FRANCHISOR: PACCAR LEASING COMPANY, A
DIVISION OF PACCAR FINANCIAL CORP.,
A WASHINGTON CORPORATION
777 – 106TH AVENUE NE
BELLEVUE, WASHINGTON 98004
(425) 468-7877
PacLease.Franchise.Support@PACCAR.com
www.paclease.com

The primary business trademark that a franchisee will use in its business is:

PacLease

PacLease franchises operate commercial truck leasing and rental businesses. The total investment necessary to begin operation of a PacLease franchise is $454,250 to $904,250, not including a new or separate facility. This includes $4,250 that must be paid to the franchisor.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **NOTE, HOWEVER, THAT NO GOVERNMENTAL AGENCY HAS VERIFIED THE INFORMATION CONTAINED IN THIS DOCUMENT.**

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contracts carefully. Show your contracts and this disclosure document to an advisor, such as a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There also may be laws on franchising in your state. Ask your state agencies about them.

Date of Issuance: February 20, 2025

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state administrator listed in Exhibit I for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT TO RENEW.

Effective Date: February 20, 2025

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the estimated initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit K includes financial statements. Review these statement carefully.
Is the franchise system stable growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only PacLease business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a PacLease franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the Table of Contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit I.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda.

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<u>EXHIBITS</u>

Item 1: The Franchisor, and any Parents, Predecessors and Affiliates

The Franchisor

To simplify the language in this disclosure document, "PACCAR Leasing" means PACCAR Leasing Company, an unincorporated division of PACCAR Financial Corp., the franchisor. "You" means the person who buys the franchise.

PACCAR Leasing is part of a Washington corporation incorporated March 31, 1961, doing business as PACCAR Leasing, PacLease and PACCAR Financial, which maintains its principal business address at 777 – 106th Avenue Northeast, Bellevue, Washington 98004.

PACCAR Leasing's agent for service of process is disclosed in Exhibit J.

Parent, Predecessors and Affiliates

PACCAR Leasing's parent company is PACCAR Inc, a Delaware corporation. PACCAR Inc manufactures and sells, through independent truck dealers, medium and heavy duty trucks under the Kenworth, Peterbilt and DAF trade names and also sells parts and winches. PACCAR Inc, PACCAR Leasing and PACCAR Financial Corp. all have the same principal address.

PACCAR Leasing's and Parent's and Affiliates' Business

PACCAR Leasing is a franchising company, which sells franchises for operation of commercial truck rental and leasing establishments known as PacLease. PACCAR Leasing also rents and leases trucks and related equipment to both you and to end-users. PACCAR Leasing may periodically acquire or establish and operate its own retail leasing outlets and jointly-operated leasing outlets as part of the PacLease franchise system. As of December 31, 2024, PACCAR Leasing has two (2) retail locations in the U.S: one in Dallas, Texas and one in Grand Prairie, Texas.

PACCAR Leasing as a division of PACCAR Financial is involved in no other business and has never offered franchises in other lines of business. Besides its PACCAR Leasing division and business operations, PACCAR Financial is principally engaged in offering wholesale truck inventory financing to PACCAR Inc's Kenworth and Peterbilt truck dealerships and retail financing to customers purchasing Kenworth and Peterbilt trucks. PACCAR Financial has never offered franchises in any line of business except the PacLease franchises.

Franchisor's parent company, PACCAR Inc, has not offered franchises for this business, conducted a business of this type, or offered franchises in other lines of business. PACCAR Inc sells commercial trucks through dealers under state motor vehicle dealer laws in all fifty states. These dealers are not franchises under either general state franchise laws or the Federal Trade Commission franchise trade regulation rule.

The PacLease Franchise

Each PacLease business rents and leases commercial trucks and related equipment such as trailers and provides maintenance and other services for those vehicles.

Most PacLease franchises will be owned by, or affiliated with, a Kenworth or Peterbilt truck dealership and your franchise business may be operated together with your Kenworth or Peterbilt retail truck dealership. However, PACCAR Leasing also may offer franchises to parties not affiliated with Kenworth or Peterbilt truck dealerships. These parties may own and operate their own truck leasing and rental businesses at the time they are offered a PacLease franchise. PACCAR Leasing intends to offer a PacLease franchise to these parties in locations not served by PacLease franchises affiliated with Kenworth or Peterbilt truck dealerships or in locations where a PacLease franchise affiliated with a Kenworth or Peterbilt truck dealership is not adequately serving the rental and leasing market. PacLease may also own and operate truck rental and leasing establishments in locations where the market is not served by an existing PacLease franchise or where the existing PacLease franchise is not adequately serving the market. The service and products are used primarily by the trucking industry for the transportation of goods.

The general market for full service truck rental and leasing is a mature but growing market that principally offers trucks, tractors, trailers, maintenance and related services to a wide variety of manufacturing and service industries needing to transport their goods and services.

Applicable Regulations

Local, state and federal regulations generally govern servicing, maintaining, operating and titling motor vehicles and related equipment. These include general regulations of the U.S. Department of Transportation and the Federal Highway Administration, federal and state highway use and mileage taxes, state and local use taxes, state vehicle titling and registration laws, federal and state environmental regulations affecting motor vehicles and state and local laws governing safe operation and maintenance of motor vehicles. You should investigate the application of these laws further.

You will compete with other businesses performing similar services including national full service lessors, regional full service lessors, local independent lessors operating through national associations and lessors affiliated with truck manufacturers and in some markets with other PacLease franchises or with PacLease company-owned establishments.

Item 2: Business Experience

Chief Executive Officer and
Director, PACCAR Financial Corp.: H. C. Schippers

Mr. Schippers joined DAF Trucks N.V., a subsidiary of PACCAR Inc, in April 1986 as a Business Analyst. In 2010, Mr. Schippers was appointed to the position of Vice President and President of DAF Trucks N.V. In April 2016, Mr. Schippers relocated to the Corporate Office in Bellevue, Washington as PACCAR Inc Senior Vice President and later became PACCAR Inc Executive Vice President and Chief Financial Officer on February 1, 2017. On May 1, 2017, he was named Director of PACCAR Financial Corp., a position he currently holds. On January 1, 2018, Mr. Schippers was named President and Chief Financial Officer of PACCAR Inc, a position he currently holds. On July 1, 2019, Mr. Schippers was named Chief Executive Officer of PACCAR Financial Corp., a position he currently holds.

PACCAR Vice President -
Global Financial Services C. R. Gryniewicz

Mr. Gryniewicz has been employed with PACCAR Inc and its subsidiary, PACCAR Financial Corp., in various positions of increasing responsibility since 2007. In 2011, he was named Director of Credit for PACCAR Financial Corp., and, in 2013, Director of Credit for PACCAR Inc. In 2012, Mr. Gryniewicz was named Director of Operations for PACCAR Financial Corp. In 2016, Mr. Gryniewicz was named the Director of Worldwide Credit for PACCAR Inc and, in 2018, Assistant General Manager – Sales and Marketing for PACCAR Financial Corp. In 2019, Mr. Gryniewicz was named President and a Director of PACCAR Financial Corp. On February 1, 2025, Mr. Gryniewicz was named PACCAR Vice President - Global Financial Services, a position he currently holds.

PACCAR Vice President and
President of PACCAR Financial Corp.: T. D. Drake

Mr. Drake has been employed with PACCAR Inc and its subsidiary, PACCAR Financial Corp., in various positions of increasing responsibility since 2014. In 2015, he was named PACCAR Financial Corp. Region Manager and, in 2017, PACCAR Financial Corp. Area Credit Manager. In 2018, Mr. Drake was named PACCAR Financial Corp. Director of Kenworth National Accounts, and, in 2020, he was named PACCAR Financial Corp. Director of Used Equipment. In 2022, Mr. Drake was named Peterbilt General Sales Manager and, in 2024, PACCAR Financial Corp. Assistant General Manager Sales & marketing. On February 1, 2025, Mr. Drake was named PACCAR Vice President and PACCAR Financial Corp. President of North America, positions he currently holds.

President, PACCAR Leasing Company and
Director, PACCAR Financial Corp.: K. A. Roemer

Mr. Roemer joined PACCAR Financial Corp. in January 2003 as Southwest Area Operations Manager. In March 2004, he was named Assistant Country Manager-United Kingdom of PACCAR Financial Europe. He held that position until January 2006, when he was named Director of Operations. In March 2009, he was named Managing Director and held that position until May 2011 when he was named Assistant General Manager, Sales & Marketing, of PACCAR Financial Corp. On April 16, 2014, Mr. Roemer was named a Director of PACCAR Financial Corp., a position he currently holds. On October 1, 2014, Mr. Roemer was named Assistant General Manager of Operations of PACCAR Leasing Company. He held that position until October 1, 2015 when he was named President of PACCAR Leasing Company, a position he currently holds.

Treasurer, PACCAR Financial Corp.: R. C. Strauss

Mr. Strauss joined PACCAR Inc in 2009 and has held positions of increasing responsibility within PACCAR Inc and PACCAR Financial Corp. In 2013, he was promoted to Director of Treasury Funding and Director of Fleet Credit for PACCAR Financial Corp. On February 1, 2019, Mr. Strauss was named Treasurer of PACCAR Financial Corp., a position he currently holds.

Secretary, PACCAR Inc and PACCAR Financial Corp.: M. R. Beers

Mr. Beers joined PACCAR Inc in January 2017 as Senior Counsel, a position he currently holds. In May 2017, he was named Assistant Secretary of PACCAR Inc and PACCAR Financial Corp. In December 2021, Mr. Beers was promoted to Secretary of PACCAR Inc and PACCAR Financial Corp. Prior to joining PACCAR Inc, Mr. Beers was a Partner at the law firm of Cairncross & Hempelmann, P.S. in Seattle, where he worked for over nine years. He has also practiced law at the Seattle offices of Dorsey & Whitney LLP and Holland & Knight LLP.

Assistant General Manager, PACCAR Leasing Company: M. R. Willey

Mr. Willey was employed by Penske Truck Leasing from 1996 to 2014 were he held positions of increasing responsibility, his last position being National Account Executive in Chicago, IL. Mr. Willey also served as Sergeant in the U.S. Marines from 1988 to 1996. He joined PACCAR Leasing in June 2014 as Director of National Accounts. In December 2017, he was named Director of Sales. Mr. Willey was appointed Assistant General Manager of PACCAR Leasing Company on August 2018, a position he currently holds.

Director of Franchise Operations, PACCAR Leasing Company: D. W. Mercier

Mr. Mercier joined PACCAR Financial Corp. in November 2004 and has held positions of increasing responsibility within Operations, Credit, and Sales. In 2014, Mr. Mercier was promoted to Director of Fleet Credit and became Director of Credit in 2017. In 2022, Mr. Mercier became the Director of National Accounts for Kenworth. Mr. Mercier joined PACCAR Leasing Company in February 2024, when he was named Director of Franchise Operations, a position he currently holds.

Director of Company Direct Operations, PACCAR Leasing Company: E. M. Hruby

Mr. Hruby joined PACCAR Inc in July 2007 where he held positions of increasing responsibility within Corporate Logistics and Purchasing. In 2016, he transferred to PACCAR Parts as the Assistant Director of Aftermarket Purchasing. In 2018, he joined PACCAR Financial Corp. and was named National Used Equipment Sales Manager and held that position through March 2021. Mr. Hruby joined PACCAR Leasing Company in April 2021, when he was named Director of Company Direct Operations,a position he currently holds.

Director of Marketing and Services, PACCAR Leasing Company: M. K. Harry

Ms. Harry worked for PACCAR Parts, a division of PACCAR Inc, from March 1999 to October 2005, where she performed various roles in inventory and materials management. In 2005, Ms. Harry was named a Dealer Performance Manager. In 2009, she joined Kenworth Truck Company, a division of PACCAR Inc, and held management positions in inventory control and marketing. In 2016, Ms. Harry was named Director of Marketing and Services of PACCAR Leasing Company, a position she currently holds.

Director of Credit, PACCAR Leasing Company: J. A. Wehrli

Mr. Wehrli started his career with PACCAR in October 2014, where he has held positions of increasing responsibility in Finance, his last position being Assistant Area Credit Manager for PACCAR Financial from 2018 through 2021. Mr. Wehrli joined PACCAR Leasing Company in January 2021 as Director of Credit, a position that he currently holds.

Director of Sales Peterbilt, PACCAR Leasing Company: K. W. Davis

Mr. Davis was employed by Ryder Transportation Services from 1989 through 2008, where he held positions of increasing responsibility, his last position being Director of Sales. Mr. Davis joined PACCAR Leasing Company in January 2008 as Region Manager. He was appointed Area Operations Manager in 2012 and Director of Franchise Sales in 2015. In 2016, Mr. Davis was appointed Director of Customer Direct and, in August 2018, he was appointed Director of Company Stores. In May 2019, he was named Director of Sales, a position that he currently holds.

Director of Sales Kenworth, PACCAR Leasing Company: T. S. Berger

Mr. Berger was previously employed by Penske Truck Leasing Company & Penske Logistics from 1982 through 2013, where he held positions of increasing responsibility, his last position being a Strategic Account Executive at Penske Logistics. Mr. Berger joined PACCAR Leasing Company in January 2014 as the Director of National Accounts. In June 2022, he was appointed Director of Sales-Kenworth, a position that he currently holds. He earned his Certified Transportation Professional (CTP) designation through the National Private Truck Council (NPTC) in 1997, and currently serves on the NPTC Board of Governors and NPTC Board of Directors.

Item 3: Litigation

No litigation is required to be disclosed in this item.

Item 4: Bankruptcy

No bankruptcy information is required to be disclosed in this item.

Item 5: Initial Fees

You must pay an initial fee in the amount of $4,000.00 for your base location in a lump sum 30 days from the date you sign the Franchise Agreement.

The initial franchise fee for a base location may not be uniform in all cases and may be waived under certain circumstances. PACCAR Leasing may change the initial franchise fee upon notice to you.

In 2023, PACCAR Leasing appointed one new franchise in the U.S.: MPG LEASE AND RENTAL LLC, effective October 5, 2023, with one main location in Sioux City, IA, and four branch locations (Council Bluffs, IA, Ankeny, IA, Lincoln, NE and Norfolk, NE).

PACCAR Leasing does not refund the initial franchise fee in whole or in part under any circumstances.

You must also pay to PACCAR Leasing a $250 deposit which may be used by Franchisor to reimburse other PacLease franchises for unpaid service work provided to your customers under Franchisor's procedures for reciprocal service as described in the Standard Operating Procedures (Exhibit B-1 to this disclosure document). This deposit is not refundable in whole or in part.

Item 6: OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Location Fee (Notes 1 and 2)	$550 per month per Franchise Ownership Group	Payable quarterly	Monthly fee is per Franchise Ownership Group
Revenue Fee (Notes 1 and 2)	1% of reportable revenue up to $6 million annually, 0.5% of reportable revenue from $6 million to $12 million annually and 0% for revenues over $12 million	Payable quarterly or monthly	All revenue from your location(s) fromall lease, rental, insurance and contract maintenance business. (Note 3)
TRALA Fee	$0-$1,500 calculated based on length of franchise relationship, and fleet size.	Payable annually	These charges pay for a portion of the annual membership fees to the Truck Renting And Leasing Association
Insurance Charge (Note 1 when purchased)	$18-$48 per Class 8, $9-$27 other powerunits, $5-$10 per trailer	Payable monthly 30 days from date of invoice	These charges pay fora standard policy of contingency and excess automobile liability insurance insuring you for lossesup to $5 million per occurrence.
Vehicle Permitting, Tax Reporting andLicensing Services (Note 1)	$10 - $20 per vehicle per month plus one-time setup fee of $10 per vehicle	Payable monthly 30 days from date of invoice	For these fees, PACCAR Leasing provides tax reporting and filing services to meet state tax and licensing requirements.
National Account Sales Executive (Note 1) (Note 2 NASE commission)	$100 per truck	30 days after the date the vehicle is placed in service	This fee offsets asmall portion of PACCAR Leasing'sNational Account Sales assistance
National Account Transfer Reserve Fee (Note 1)	$150 per truck	At time of funding	These charges support the transfer of national account trucks within the network
Additional Documentation & Processing Services	Return to PLC=$500/unit Refinance=$400/unit Centralized Billing= $250/unit	At time of funding	These charges support the additional documentation and processing required for Return to PLC, Refinance, and Centralized Billing units

Notes:

(1) All fees are imposed by and are payable to PACCAR Leasing. All fees are non-refundable and all of these fees may be changed by PACCAR Leasing. All fees are uniformly imposed.

(2) These fees in part compensate PACCAR Leasing for providing programs and services including: (1) training course for mechanics on truck maintenance; (2) a marketing program; (3) area operations manager; (4) national accounts sales;(5) rental development program; (6) software tools; and (7) national training.

(3) PacLease outlets owned and operated by PACCAR Leasing do not have any voting rights or other rights related to fees imposed by franchisee cooperatives. (PacLease franchisees have not established any cooperatives to date nor must they do so under terms or conditions established by PACCAR Leasing.)

Item 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee	$4,000 (Note 1)	Lump Sum	30 days after signing Franchise Agreement	PACCAR Leasing
Service Work Deposit	$250 (Note 1)	Lump Sum	Same as above	PACCAR Leasing
Real Estate/Facility	(Note 2)	(Note 2)	(Note 2)	(Note 2)
Equipment/Tooling	(Note 3)	(Note 3)	(Note 3)	(Note 3)
Opening Parts Inventory (Note 4)	(Note 4)	(Note 4)	Monthly (Note 4)	Suppliers/ Affiliated Dealership (Note 4)
Opening Vehicle Inventory	$80,000 - $150,000 per vehicle (Note 5)	Installment Payments (Note 5)	Monthly over 36-72 months (Note 5)	PACCAR Leasing or other truck financing sources (Note 5)
Miscellaneous Opening Costs	None (Note 6)			
Additional Funds - 3 months	$50,000 to $150,000	As Incurred	As Incurred	Employees (Note 7)
Advertising	None			
Total	$454,250 to $904,250 (Note 8)			

Real estate costs and vehicle costs are not included. (See Notes 2 and 5.)

Notes:

(1) PACCAR Leasing does not finance any fees. Fees are not refundable (see Item 5).

(2) Unless you and PACCAR Leasing agree otherwise, your existing facilities, equipment, tools and service capacity as a Kenworth or Peterbilt truck dealer or an independent truck leasing and rental business will be adequate to operate your PacLease franchise. No initial investment in facilities will be needed. You may need to lease or acquire additional or separate facilities if your fleet of vehicles grows beyond the capacity of your existing facility.

(3) Equipment and tooling existing in your Kenworth or Peterbilt truck dealership or in your independent leasing company will be adequate to operate your PacLease business. If you agree to open additional facilities after your franchise's vehicle fleet exceeds a specific size, equipment and tooling can range from $50,000 to $75,000 which is usually paid over several years (typically seven years) to miscellaneous equipment suppliers (none of which are affiliated with PACCAR Leasing).

(4) Parts inventory ordered for your existing dealership or truck leasing operation should be adequate for at least your initial two months of operation. As your vehicle fleet grows, the average dollar value of additional parts inventory you will need is approximately $175-250 per vehicle per month. As with your current parts inventory, you can purchase this inventory from your existing suppliers, including your Kenworth or Peterbilt truck dealership.

(5) PACCAR Leasing recommends that you order between 5 – 20 rental fleet vehicles (depending on the size of your market area) within the first three months of operation to be delivered for use in operating your franchise within the first year of operation. When you order vehicles, you can order them through PACCAR Leasing, your Kenworth or Peterbilt dealership or, if you are an independent truck leasing operation, through the Kenworth or Peterbilt dealership of your choice. You can seek financing on retail installment sales contracts or finance leases from any financing source you choose, including PACCAR Leasing or PACCAR Financial. If you choose to finance the vehicles with a source other than PACCAR Leasing, you may lose the preferential pricing afforded to PACCAR Leasing financed vehicles. Most U.S. PacLease franchises obtain 70-75% of their vehicle financing from PACCAR Leasing under an agreement called a Lease for Re-Lease Agreement (Exhibit C is a copy of this agreement). The lease term for vehicle financing under the Lease for Re-Lease Agreement is typically five years and you guarantee to PACCAR Leasing the pre-determined residual value. This residual value can vary from 15% to 45% of the original cost of the vehicle based on your decisions and your estimates of the payments you expect to receive in leasing or renting the vehicle. You make monthly payments whether or not you receive payments from your customer. As an example, your payments to PACCAR Leasing for a vehicle with a $130,000 initial cost could vary from $1,872 per month assuming a residual value of 35%, to $1,685 per month assuming a residual value of 45%. Interest rates PACCAR Leasing pays for borrowing funds used to pay the vehicle manufacturer also affect your payments under the Lease for Re-Lease Agreement. No down payment is required. PACCAR Leasing may refuse to finance your vehicle fleet.

(6) Because you already have paid security deposits, utility costs and incorporation fees for your existing Kenworth or Peterbilt dealership or truck leasing operations, you are not required to incur these costs in the initial phase of your operations.

(7) You will not need to hire any additional mechanics, receptionists or clerical personnel in the initial six months of operating your PacLease franchise if you operate a truck leasing business. If you own or are affiliated with a Kenworth or Peterbilt dealership, PACCAR Leasing requires that you hire a qualified lease salesperson prior to or within the first three months of operation. PACCAR Leasing does not guarantee that you will have no additional expenses in starting your PacLease business. Your costs especially the cost for a qualified lease salesperson, will vary significantly depending on your location, management experience related to truck leasing, the prevailing wage rate and how fast your vehicle fleet grows during the first six months of operation.

(8) PACCAR Leasing makes these estimates based on its 45 years of experience in full service truck rental and leasing. PACCAR Leasing recommends that you review this information carefully with a business advisor before making your decision to become a PacLease franchisee.

PACCAR Leasing provides financing for your vehicle fleet as described in both Note 5, above, and Item 10 of the disclosure document.

Item 8: Restrictions on Sources of Products and Services

You must purchase vehicle decals and automobile liability insurance on vehicles in your PacLease lease and rental fleet from PACCAR Leasing or other sources PACCAR Leasing approves. Currently PACCAR Leasing is the only approved supplier for these decals. You also must purchase any promotional items using PACCAR Leasing trademarks (for example, caps, jackets, pens) from PACCAR Leasing's approved licensee, BDA Corporate Branding. BDA Corporate Branding is not affiliated with PACCAR Leasing. In the year ending December 31, 2024, PACCAR Leasing had revenues of $41,115 from the sale of decals and promotional items to franchisees which was a small fraction of PACCAR Leasing's total franchise lease revenues (including fee and service income) of $159 million in the U.S.

PACCAR Leasing does not require you to purchase any promotional items or decals in establishing your business. As you add vehicles to your operation, your cost for vehicle decals will range from $125 to $1,200 per truck depending on the type of vehicle and the number of decals per truck you choose to buy. These costs will be an insignificant portion of your total purchases in establishing your PacLease operation. For a fleet of 25 vehicles, the total cost typically will not exceed $30,000. This is less than 1% of your cost to purchase 25 vehicles. This cost is typically funded and amortized by PACCAR Leasing.

For insurance your rates range from $18 to $48 per month per heavy duty vehicle, $9 to $27 per month per medium duty vehicle and $5 to $10 per month per trailer. This is less than 1% of your cost to purchase a vehicle or trailer. This provides you with a standard policy of contingency and excess automobile liability insurance, insuring you for losses up to $5 million per occurrence. PACCAR Leasing cannot make a more meaningful estimate of your costs for vehicle insurance or their relationship to your total purchases to establish your franchise because these amounts will vary depending on (1) the number of vehicles and amount of vehicle use; (2) insurance availability and market conditions for the insurance; and (3) your ability to control insurance losses through effective safety programs in accordance with PACCAR Leasing's safety programs and policies.

PACCAR Leasing's insurance revenues were $2.2 million for the year ending December 31, 2024 which was 1.4% of PACCAR Leasing's total revenues in that year. PACCAR Leasing uses these revenues to pay for the cost of the insurance and to cover claims, actual insured losses and administrative costs.

Your cost for decals, promotional items and automobile liability insurance per vehicle will represent less than 5% of your total cost in establishing and operating your business. Your cost for trucks used in your truck rental and leasing fleet will represent 10% to 20% of your total cost in establishing your business and 50% to 80% of your total cost in operating your business after your first six months of operation.

You can purchase all other goods, services, supplies, fixtures, equipment or inventory from any source as long as the items purchased comply with the specifications of PACCAR Leasing's Brand and Graphic Guidelines as provided on the PACCAR.net Leasing site for that item.

PACCAR Leasing furnishes this information to you and all other franchisees. PACCAR Leasing may make changes to the Brand and Graphic Guidelines section and will provide you with at least 30 days prior notice of the changes.

As disclosed in Note 1 of this Item and in Item 10, PACCAR Leasing offers you financing for your vehicle purchases. In the year ending December 31, 2024, PACCAR Leasing had revenues of $133 million from providing this financing to franchisees in the U.S. This was 84% of PACCAR Leasing's total revenues of $159 million in the U.S.

You can purchase forms, tires, oil, antifreeze, and vehicles from PACCAR Leasing. You also can purchase these supplies from any supplier you choose, if they meet graphic standards. PACCAR Leasing does not maintain a list of approved suppliers or criteria for approving suppliers. PACCAR Leasing negotiates national discounts for you and all other franchisees; you are not required to make any purchases or leases under any of these programs.

No officer of PACCAR Leasing owns an interest in any supplier.

PACCAR Leasing does not provide material benefit to a franchisee such as granting additional franchises based on a franchisee's use of designated or approved sources.

Notes:

(1) As one of its principal business objectives, PACCAR Leasing seeks to promote the sale of Kenworth and Peterbilt trucks and tractors through full service truck rental and leasing. For that reason, Kenworth and Peterbilt truck dealers own or are affiliated with approximately 92.5% of all U.S. PacLease franchisees. If you are owned by or affiliated with a Peterbilt or Kenworth truck dealership, you may order your vehicles from that dealership or you may order vehicles and obtain financing from PACCAR Leasing which obtains them through the Kenworth or Peterbilt truck divisions and truck dealers. You then can purchase your vehicles from any truck dealer selling that brand or order directly from PACCAR Leasing which obtains the vehicles through Kenworth or Peterbilt truck divisions and truck dealers. (You also can purchase other brands of vehicles from any source you choose). You are encouraged but not required to purchase or lease from PACCAR Leasing or an approved supplier of vehicles. PACCAR Leasing, however, is under no obligation to fund any non-PACCAR product.

(2) PACCAR Leasing does not require you to purchase specific computer hardware and software. However, to use all of the programs provided by PACCAR Leasing, you must have a computer running Windows 10 or higher and internet access with an e-mail address.

Item 9: FRANCHISEE’S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

	Obligation	Section in Agreements	Item in Disclosure Document
a.	Site selection and acquisition/lease	Sections 4.1 to 4.3 of Franchise Agreement	Items 7 and 11
b.	Pre-opening purchase/leases	Section 4.2 of Franchise Agreement	Items 7 and 8
c.	Site development and other pre-opening requirements	Not applicable	Items 6, 7 and 11
d.	Initial and ongoing training	Section 4.3 of Franchise Agreement	Item 11
e.	Opening	Not applicable	Item 11
f.	Fees	Section 2 of Franchise Agreement; Section 4.1 through 4.5 of Standard Operating Procedures	Items 5 and 6
g.	Compliance with standards and policies/operating procedures	Sections 4.7, 4.10, 4.11, 4.12 and 5 of Franchise Agreement	Items 11 and 13
h.	Trademarks and proprietary information	Sections 1.1 through 1.4, 2, 3.1, 3.7, 5 and 8.4 of Franchise Agreement	Items 13 and 14
i.	Restrictions on products/ services offered	Not applicable	Item 16
j.	Warranty and customer service requirements	Sections 4.2, 4.3 and 4.9 of Franchise Agreement, Sections 6 and 7 of Lease for Re-Lease Agreement	Item 17
k.	Territorial development and sales quotas	Not applicable	Item 12
l.	Ongoing product/service purchases	Section 4.5 and 4.6 of Franchise Agreement	Item 8
m.	Maintenance, appearance and remodeling requirements	Sections 4.1 and 4.2 of Franchise Agreement	Items 6, 8 and 11
n.	Insurance	Sections 4.4 and 4.8 of Franchise Agreement; Section 4.5 of Standard Operating Procedures; and Sections 8 and 9 of the Lease for Re-Lease Agreement	Items 6 and 8

	Obligation	Section in Agreements	Item in Disclosure Document
o.	Advertising	Section 4.6 of Franchise Agreement; Section 3.7 of Standard Operating Procedures	Items 6 and 11
p.	Indemnification	Section 4.14 of Franchise Agreement, Sections 8 and 9 of Lease for Re-Lease Agreement	Items 10 and 17
q.	Owner's participation/ management/staffing	Sections 4.3 and 4.5, 10.1 and 10.4 of Franchise Agreement	Item 15
r.	Records/reports	Section 4.10 and 4.12 of Franchise Agreement	Items 11 and 17
s.	Inspections/audits	Section 4.10 of Franchise Agreement	Items 11 and 17
t.	Transfer	Section 8.3.b of Franchise Agreement, Section 15 of Lease for Re-Lease Agreement and Section 8 of Standard Operating Procedures	Item 17
u.	Renewal	Section 7 of the Franchise Agreement	Item 17
v.	Post-termination obligations	Sections 1.4 and 8.4 of Franchise Agreement, Sections 10, 12B, 13, 15 and 16 of Lease for Re-Lease Agreement	Item 17
w.	Non-competition covenants	Not Applicable	Item 17
x.	Dispute resolution	Not Applicable	Item 17
y.	Other	Not Applicable	Not Applicable

Item 10: Financing

PACCAR Leasing offers you lease financing alternatives for the purchase of trucks and trailers if you meet PACCAR Leasing's credit standards. PACCAR Leasing offers this financing most often under an agreement called the Lease for Re-Lease Agreement which will be called the "Lease" in this Item. (Exhibit C is a copy of this agreement.) PACCAR Leasing publishes in advance the terms of the lease financing offered and bases financing rates on market conditions. If you choose this option, you will typically pay $1,685 to $1,872 a month for 60 months for a vehicle with an acquisition cost of $130,000 and no down payment (acquisition costs typically vary from $80,000 to $150,000). Prices may vary. As disclosed in Note 5 to Item 7, the monthly payment varies depending on the residual value you choose (the residual value is the estimated fair market value at the end of the lease term). See Exhibit C. The Annual Percentage Rate ("APR") varies depending on PACCAR Leasing's cost of funds. As of January 2025, the average APR on a 60 month term is 7.29%. PACCAR Leasing retains legal title to the vehicle during the lease term (Section 13 of the Lease). During the lease term, you may terminate the lease for any vehicle early, although that may involve an early termination payment to PACCAR Leasing under Section 12 of the Lease. If you do not make a payment on time, PACCAR Leasing can demand payment of all past due rental or lease payments, remove the vehicles without legal process or notice to you and terminate the Lease. PACCAR Leasing may then hold, lease or sell any vehicle as it chooses and you shall be liable if sales proceeds or rental payments are insufficient under the terms of the Lease (Section 13 of Lease). You do not waive your rights to assert other defenses. PACCAR Leasing can also recover all costs and expenses of collection, including reasonable attorneys' fees (Section 13 of Lease). PACCAR Leasing may require a personal guarantee, a corporate guarantee, and retain a security interest in all rental or lease or other proceeds you derive from the vehicle and in the vehicle itself if the lease is not treated as a true lease under the laws of your jurisdiction. Finally, PACCAR Leasing may sell, assign or discount your lease obligations under the Lease to a third party who may be immune to any defenses or claims you may have against PACCAR Leasing. PACCAR Leasing does not guarantee any notes, leases, contracts or obligations.

Item 11: Franchisor’s Assistance, Advertising, Computer Systems and Training

Except as listed below, PACCAR Leasing is not required to provide any assistance to you.

Pre-Opening Assistance:

Before you open your business, PACCAR Leasing will:

(1) Assist in establishing a standardized accounting and cost control system for use in the truck rental and leasing business (Franchise Agreement, Section 3.3).

(2) PACCAR Leasing may offer training for you and other individuals from your staff at a two-day orientation which occurs at PACCAR Leasing's Bellevue, Washington headquarters or via online courses; PACCAR Leasing describes this orientation course and other training in more detail in an attached table (11). PACCAR Leasing does not require successful completion of training before opening your business. PACCAR Leasing also provides forms in electronic format. (Franchise Agreement, Section 3.2).

Post-Opening Assistance:

During the operation of your PacLease business, PACCAR Leasing will:

(1) Have its Area Operations Manager telephone you periodically during the first 120 days after you open your operation to discuss any issues or your requests for additional training (Franchise Agreement, Section 3.2).

(2) Promote a national truck leasing and rental system identified with PACCAR Leasing's trademark(s) (Franchise Agreement, Section 3.1).

(3) Provide training and consulting services on operating a truck rental and leasing business including facility selection, office and business managementprocedures and marketing approaches (Franchise Agreement, Section 3.2).

(4) Assist in arranging for insurance coverage for the vehicles rented and leased by you to third parties (Franchise Agreement, Section 3.4).

(5) Provide a marketing program described in more detail below (Franchise Agreement, Section 3.5).

(6) Offer financing so that you can acquire truck and trailer lease and rental inventory if you meet PACCAR Leasing's credit standards (Franchise Agreement, Section 3.6).

(7) Take appropriate action to protect PACCAR Leasing's trademark(s) against infringement (Franchise Agreement, Section 3.7).

(8) Periodically issue a directory containing the names and addresses of all Franchisees (Franchise Agreement, Section 3.8).

(9) Promote compliance with Standard Operating Procedures and policies by all Franchisees through personal visits and inspections at their business locations (Franchise Agreement, Section 3.9).

(10) Provide appropriate assistance to resolve disputes between Franchisees (Franchise Agreement, Section 3.10).

Advertising:

PACCAR Leasing provides and administers marketing and advertising programs to promote generally the PacLease rental and lease products on behalf of the PacLease franchise network on a regional and North American basis. PACCAR Leasing's general operating funds are used to pay for these marketing and advertising expenses. Franchise fees as part of PACCAR Leasing's general operating funds contribute to the marketing and advertising budget (see Item 6). PACCAR Leasing reserves the right in the future to use these fees from the PacLease system to conduct marketing programs, place advertising or get publicity coverage in media (including print or other).

You do not have to contribute to or participate in any advertising fund or other advertising program related to PACCAR Leasing's marketing and advertising program.

PACCAR Leasing has no obligation to conduct advertising. At different times in the past, PACCAR Leasing has used a local, independent advertising agency, a local independent public relations agency, and a local graphic design agency to create materials and place advertising and publicity articles. PACCAR Leasing uses marketing funds to promote the PacLease product on a regional and North American basis. PACCAR Leasing does not use advertising and marketing funds to sell additional franchises.

During 2024, PACCAR Leasing spent approximately 18.5% of the marketing budget for PACCAR Leasing franchise operations on advertising and electronic marketing, 45.8% on trade shows, 14.2% on public relations and 21.5% on market research. PACCAR Leasing does not use any of its marketing and advertising budget to solicit new franchise sales. You may obtain an accounting of advertising expenditures by contacting PACCAR Leasing's Director of Marketing and Services, Michelle Harry, at (425) 468-7406.

PACCAR Leasing has not established an advertising council of PacLease franchisees to advise PACCAR Leasing on advertising policies. You may develop advertising materials for your own use, at your own cost. PACCAR Leasing must approve these advertising materials in advance and in writing. Unless otherwise agreed to in writing by PACCAR Leasing, your individual franchise's advertising efforts must be limited to the marketing area in which you do business. PACCAR Leasing does not have the right to require franchisee advertising cooperatives to be formed and PacLease franchisees have not formed any cooperatives to date.

PACCAR Leasing is not obligated to spend any amount in advertising in the area or territory where you are located.

Computer Systems:

PACCAR Leasing does not require you to buy or use specific electronic cash registers or computer systems but does require you to have a computer system with Internet access and an email address. You may often need Microsoft Word, Excel and Adobe PDF Reader. If you are the owner and operator of a Kenworth or Peterbilt truck dealership or an independent truck rental and leasing company, your existing computer system will meet these requirements without additional cost to you. If you choose to purchase another computer for use in your franchise, the cost will likely range from $1,000 to $2,000, depending on the computer you select. Your computer system must be maintained and updated by you at your expense to carry out ordinary business functions. Your annual costs for software updates or upgrades for whatever computer you use for your PacLease franchise operations may be up to $600. PACCAR Leasing will not have direct access to your computer system but may conduct audits of your financial and business records maintained on your system. See Item 9 ("r. Records/reports" and "s. Inspections/audits").

Facilities:

You select the site of your business (you choose the portion of your existing facilities used by you now to operate a Peterbilt or Kenworth truck dealership or an independent truck leasing and rental business). See also Item 7, Note 2. PACCAR Leasing, however, must approve your site. PACCAR Leasing approves the site based upon easy ingress and egress, space to maneuver trucks and trailers, and its general suitability for operation of a commercial truck rental and leasing business. PACCAR Leasing will not offer you a PacLease franchise or enter into a franchise agreement with you until the facilities where you now operate your truck dealership or independent leasing business are approved by PACCAR Leasing. You and PACCAR Leasing agree on the time limit to approve your site. Typically, PACCAR Leasing will inspect and approve your facilities within ten days after your request for approval.

You and PACCAR Leasing agree on the length of time between signing the Franchise Agreement and the opening of your business. You must pay the initial fee 30 days after the Franchise Agreement is signed. Most franchises open for business within 30 days of signing the Franchise Agreement.

TABLE 11

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM OR ONLINE TRAINING	ON THE JOB TRAINING HOURS	LOCATION
Franchise Orientation (Note 1)	**2-10**	**None**	**Bellevue, WA**
Annual Seminars (Note 2)	**19.5**	**None**	**To be Determined**
Maintenance / Service Managers (Note 3)	**19.5**	**None**	**Franchise Location**
On-Site Sales and Service Training (Note 4)		**8 to 16**	**Franchise Location**
ASE Certification for Mechanics (Note 5)		(Note 5)	**ASE Approved Testing Centers**
Rental Management Training (Note 6)	**20**	**None**	**Phoenix, AZ**
Accelerated Sales Training (Note 6)	**20**	**None**	**Dallas, TX**
Sales Excellence Training (Note 6)	**24**	**None**	**Chicago, IL**
Champions of Service Management Training (Note 6)	**20**	**None**	**Franchise Location**
Mastering Franchise Management (Note 6)	**20**	**None**	**Phoenix, AZ**
Strategic Selling (Note 6)	**20**	**None**	**Denver, CO**
PacLease Virtual Training (Note 7)	**Various**	**None**	**Online via Microsoft Teams**

Notes:

(1) The franchise orientation is general training in a variety of subjects including sales, lease pricing, contract administration, credit and collections, marketing, maintenance/warranty, insurance, fuel tax reporting, licensing and permitting, operations and administrative services. Franchise Orientation modules can be accessed online through the PACCAR.net Leasing pages.

PACCAR Leasing does not require you to attend specific training offered by PACCAR Leasing but PACCAR Leasing expects you to complete the Franchise Orientation training within three to six months after opening the business and periodically attend other training courses offered by PACCAR Leasing.

PACCAR Leasing offers additional follow-up training in the sales and maintenance areas for you at your PacLease operation.

(2) PACCAR Leasing conducts yearly seminars for all franchisees. PACCAR Leasing does not charge franchisees for these seminars but you must pay the travel and living expenses for yourself and any of your employees attending. A variety of leasing related subjects are covered and managers and salespeople from various equipment suppliers make presentations regarding using, selling and maintaining their equipment. Instructors include various representatives from PACCAR Leasing and various representatives from equipment suppliers. Instructional materials include handouts, brochures, software and worksheets. PACCAR Leasing does not require successful completion of any annual seminars. The location for the sales seminar has not yet been determined for 2025.

(3) PACCAR Leasing offers to conduct periodic training for franchisee operations and services managers as well as service technicians. Subjects covered are variable cost benchmarks, maintenance best practices, tire maintenance and 24 hour road service. There are also presentations and updates by vendors. Training is conducted by a PacLease Maintenance Manager. PACCAR Leasing does not require successful completion of any service training. The location for the maintenance service managers training has not yet been determined for 2025.

(4) Within 60 days from your orientation training, PACCAR Leasing's Area Operations Managers travel to your PacLease facility at your request to provide additional on the job training. This training typically lasts from 8 to 16 hours and focuses on actual sales, maintenance, operations and administration activities concerning the truck rental and leasing business. PACCAR Leasing does not charge you for this training. Instructional materials include software tools such as Lease vs. Lease, Lease vs. Own and Variable Cost Analysis. PACCAR Leasing does not require successful completion of this on-site job training.

(5) PACCAR Leasing, along with The Institute for Automotive Service Excellence, provides the opportunity for PacLease mechanics to get ASE Certified. Testing periods are in the spring and fall of each year. Your mechanics can take this certification at an approved ASE testing center. Instructional materials include software, handbooks and study guides.

(6) Through PacLease University, PACCAR Leasing offers six courses in Sales, Rental, Maintenance and Franchise Management areas: (1) Accelerated Sales, for lease and rental salespeople, (2) Sales Excellence for lease salespeople, (3) Strategic Selling for lease salespeople, (4) Rental Management for rental personnel, (5) Champions of Service Management, for service shop managers, and (6) Mastering Franchise Management for General Managers.

The duration of each course is two and one-half to three (2.5 to 3) consecutive days and each will be scheduled a minimum of once per year at the locations listed above or alternative locations to be determined.

PACCAR Leasing currently charges $1,100 per attendee per training course. Traveling and living expenses are to be covered by the franchise.

(7) Virtual Training sessions will be offered by PacLease via the Microsoft Teams platform. The online training topics may include Virtual Sales 1 and Virtual Sales 2.

Item 12: Territory

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control, including solicitations through the Internet or other advertising media such as catalogs, telemarketing or other direct marketing. PACCAR Leasing is not required to pay you any compensation for soliciting or accepting orders in any geographic area in which you do business. PACCAR Leasing and its affiliates also are not restricted from operating or franchising a business under a different trademark which sells products and services similar to those offered by you. PACCAR Leasing and its affiliates do not now operate or plan to operate or franchise such a business. PACCAR Leasing does not know of a trademark used by anyone in a geographic area relevant to you based on a claim of superior prior rights to PACCAR Leasing's.

Your franchise is granted for a specific location rather than a minimum area and PACCAR Leasing must approve the location or relocation of your base outlet and any additional outlets. Conditions under which PACCAR Leasing will approve your re-location or establishment of additional outlets are the need for bigger facilities as your fleet size increases, the proposed outlet's ease of access and space to maneuver trucks and trailers, and its general suitability for operation of a commercial truck rental and leasing business and proximity to potential customers. You do not have any options, rights of first refusal or similar rights to acquire additional franchises.

You have the right to solicit and accept business from customers without restrictions as to territory, including solicitations through the Internet or other advertising media, such as catalogs, telemarketing or other direct marketing.

PACCAR Leasing has two (2) active company-owned retail locations using PACCAR Leasing's trademark(s) in the U.S. These are company-owned PacLease leasing and rental operations.

In connection with its franchise operations, PACCAR Leasing may continue to periodically acquire or establish and operate its own retail leasing and jointly operated outlets as part of the PacLease system. The Kenworth and Peterbilt dealers, company stores, Customer Direct locations, or authorized fleet customers or independent service providers provide all of the maintenance and service on the lease and rental fleet. In 2025, PACCAR Leasing may establish additional PacLease outlets which are either company-owned or jointly operated with current Kenworth and Peterbilt truck dealers.

Item 13: Trademarks

PACCAR Leasing gives you the right to operate a franchise under the trade name "PacLease" and the "PacLease & Design" trademark. By trademark, PACCAR Leasing means trade names, trademarks, service marks and logos used to identify your franchise. PACCAR Leasing claims common law rights to these trademarks from its prior use of these marks, and has been awarded a registration on the principal register by the U.S. Department of Commerce, Patent and Trademark Office for "PacLease & Design" Registration #1,210,908 registered on September 28, 1982, and registration of "PacLease" registration #1,227,800, granted on February 15, 1983. PACCAR Leasing recently filed the requisite maintenance documents for these registrations, and Registration #1,210,908 now has an expiration date of September 28, 2032 and Registration #1,227,800 now has an expiration date of February 15, 2033. These trademarks have not been registered with any state. There is no pending litigation involving these trademarks which is relevant to their use in any state, including infringement, opposition or cancellation proceedings in which PACCAR Leasing or its parent company, PACCAR Inc, sought to prevent registration of a trademark. Neither the Patent Office, the trademark administrator of this state or any court has made any effective determinations involving proprietary marks material to you. PACCAR Leasing does not know of a trademark use by anyone in a geographic area relevant to you based on a claim of superior prior rights to PACCAR Leasing's.

You must use all names and marks in full compliance with the rules established periodically by PACCAR Leasing. PACCAR Leasing prohibits you from using the PACCAR Leasing trademarks or trade name as part of your leasing company's legal name and you must identify your leasing company in a manner consistent with the PacLease Brand and Graphic Guidelines furnished by PACCAR Leasing (Franchise Agreement, Sections 1.3, 5 and 8.4).

You may not use PACCAR Leasing's trademarks for the sale of an unauthorized product or service or in a manner not authorized in writing by PACCAR Leasing.

No agreements limit the rights of PACCAR Leasing to use or license the use of the above-mentioned trademarks, service marks, trade names, logotypes or other commercial symbols in any manner material to you.

PACCAR Leasing is not required to defend you against a claim against your use of our trademarks. However, PACCAR Leasing will take the action we think appropriate and only PACCAR Leasing has the right to control and direct any litigation relating to use of our trademarks.

PACCAR Leasing is not required to compensate you for the loss of or substantial modification to the trade names or trademarks.

PACCAR Leasing does not know of any infringing uses that could materially affect your use of PACCAR Leasing's trademarks.

Item 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

PACCAR Leasing does not own rights in, or licenses to, patents or copyrights or claim proprietary rights in other confidential information or trade secrets material to the Franchise.

PACCAR Leasing does not have any pending patent applications material to the Franchise.

Item 15: Obligation of the Franchisee to Participate in the Actual Operation of the Franchise Business

The Franchise Agreement provides that the individual signing the Franchise Agreement for Franchisee must actively participate in the management of the business. This individual may be either one of the owners of Franchise or a manager designated by one of the owners. Neither this individual nor any other manager has to sign any confidentiality or non-competition agreements. PACCAR Leasing does not place limitations on whom you can hire as an on-premises supervisor or require the on- premises supervisor to complete PACCAR Leasing's training program.

If Franchisee obtains financing, PACCAR Leasing will require a cross-corporate guarantee from any affiliated dealership entities, and may require a personal guarantee or a letter of credit from individual owners with a twenty percent (20%) or greater equity ownership interest in Franchisee.

Franchisee is required to forward audited or reviewed annual financial statements to PACCAR Leasing Company no later than one hundred twenty (120) days following the close of its fiscal year.

Item 16: Restrictions on What the Franchisee May Sell

PACCAR Leasing does not restrict the type of goods or services that you may offer. However, because 92.5% of all franchises are owned by, or affiliated with, Kenworth or Peterbilt truck dealerships, PACCAR Leasing expects your vehicle lease and rental fleet to be made up primarily of Kenworth and Peterbilt vehicles (as of December 31, 2024, 94.1% of all vehicles leased by PacLease franchisees were Peterbilt or Kenworth trucks and 5.9% were used equipment and trailers). PACCAR Leasing does nothave the right to add additional authorized products and services that you are required to offer.

Item 17: Renewal, Termination, Transfer and Dispute Resolution

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

THE FRANCHISE RELATIONSHIP

	PROVISION	SECTION OF FRANCHISE AGREEMENT	SUMMARY
a.	Term of the Franchise	7	Term is 3 years.
b.	Renewal or extension of the term	7	If not in default of agreement, franchise is renewable for 1 to 3 year terms.
c.	Requirements for franchisee to renew or extend	8.2	You can renew the agreement for successive terms without signing a contract with materially different terms from the original contract unless PACCAR Leasing terminates it for cause under Section 8.
d.	Termination by you	8.1	You may terminate any time with 90 days prior notice.
e.	Termination by PACCAR Leasing without cause	Not Applicable	
f.	Termination by PACCAR Leasing with cause	8.2, 8.3	PACCAR Leasing can terminate if you are in default under Sections 2, 4, 5 and 6 of the Agreement. PACCAR Leasing may also terminate in the event of unapproved transfers, insolvency, bankruptcy, or unapproved change in ownership or management.
g.	"Cause" defined – defaults which can be cured	8.2	You have 60 days to cure any defaults under Sections 2, 4, 5 and 6 of the Agreement.
h.	"Cause" defined – defaults which cannot be cured	8.3 a, b and c	Unapproved transfers, insolvency, unapproved change in ownership or management. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A Sec. 101 et seq.).
i.	Your obligations on termination/non-renewal	1.4, 8.4	Discontinue use of signs, trademarks, trade names, advertising.
j.	Assignment of contracts by PACCAR Leasing	Not Applicable	

	PROVISION	SECTION OF FRANCHISE AGREEMENT	SUMMARY
k.	"Transfer" by you – definition	8.3 b and c	Includes any transfer or assignment of Franchise Agreement and/or change in ownership or management. You can only transfer with PACCAR Leasing's prior consent, which will not be unreasonably withheld.
l.	PACCAR Leasing's approval of transfer by franchisee	8.3 b and c	
m.	Conditions for PACCAR Leasing's approval of transfer	8.3 b and c	New franchisee must be reasonably qualified to assume responsibilities under the Franchise Agreement.
n.	PACCAR Leasing's Right of First Refusal to acquire your business	See Addendum to Franchise Agreement - Right of First Refusal (Exhibit G)	If you decide to sell your franchise, PACCAR Leasing will have the first opportunity to purchase it. PACCAR Leasing also has the right to purchase your franchise at a lower price if offered to a third party.
o.	PACCAR Leasing's option to purchase your business	Not Applicable	Limited to Right of First Refusal Addendum (see above).
p.	Your death or disability	8.3 c	PACCAR Leasing may terminate unless your estate passes the franchise to someone who is reasonably qualified to assume your responsibilities.
q.	Non-competition covenants during the term of the franchise	Not Applicable	
r.	Non-competition covenants after the franchise is terminated or expires	Not Applicable	This type of covenant may be negotiated by a person who buys your franchise.
s.	Modification of the agreement	12.4	Changes or additions are binding only when in writing and executed by both parties but PACCAR Leasing may change Standard Operating Procedures.

	PROVISION	SECTION OF FRANCHISE AGREEMENT	SUMMARY
t.	Integration/merger clause	12.4	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Not Applicable	
v.	Choice of forum	Not Applicable	
w.	Choice of law	Not Applicable	

Item 18: Public Figures

PACCAR Leasing does not use any public figure to promote its franchise.

Item 19: Financial Performance Representations

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Dane Mercier, Director of Franchise Operations, 777 106th Ave NE, Bellevue, WA 98004, 425-468-7877, dane.mercier@paccar.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20: Outlets and Franchisee Information

(Table No. 1)

System-wide Outlet Summary
For years 2022 to 2024

Outlet Type - US	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	374	390	+16
	2023	390	415	+25
	2024	415	437	+22
Company-Owned	2022	3	2	-1
	2023	2	2	0
	2024	2	2	0
Total Outlets	2022	377	392	+15
	2023	392	417	+25
	2024	417	439	+22

(Table No. 2)

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For years 2022 to 2024

State	Year	Number of Transfers
AK	2022	
	2023	
	2024	
CA	2022	4
	2023	
	2024	
FL	2022	
	2023	
	2024	
MT	2022	
	2023	
	2024	
OR	2022	
	2023	
	2024	
WA	2022	
	2023	
	2024	

(Table No. 3)
Status of Franchised Outlets
For years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
AK	2022	4						4
	2023	4						4
	2024	4						4
AL	2022	6	3					9
	2023	9						9
	2024	9						9
AR	2022	4						4
	2023	4						4
	2024	4	1					5
AZ	2022	5						5
	2023	5	1					6
	2024	6						6
CA	2022	26	4				4	26
	2023	26						26
	2024	26						26
CO	2022	6						6
	2023	6						6
	2024	6						6
CT	2022	3	2					5
	2023	5						5
	2024	5						5
DE	2022	1						1
	2023	1	1					2
	2024	2						2
FL	2022	10	4					14
	2023	14						14
	2024	14	4					18
GA	2022	6	1					7
	2023	7						7
	2024	7						7
IA	2022	16						16
	2023	16	3					19
	2024	19	1					20
ID	2022	13						13
	2023	13						13
	2024	13						13

IL	2022	14						14
	2023	14						14
	2024	14	1					15
IN	2022	18	1				3	16
	2023	16	1					17
	2024	17						17
KS	2022	6	1					7
	2023	7	2					9
	2024	9						9
KY	2022	8						8
	2023	8						8
	2024	8						8
LA	2022	7						7
	2023	7						7
	2024	7	1					8
MA	2022	1	1					2
	2023	2						2
	2024	2	1					3
MD	2022	3						3
	2023	3	2					5
	2024	5						5
MI	2022	8						8
	2023	8						8
	2024	8						8
MN	2022	10						10
	2023	10						10
	2024	10	5					15
MO	2022	7					1	6
	2023	6						6
	2024	6						6
MS	2022	1						1
	2023	1						1
	2024	1	2					3
MT	2022	4						4
	2023	4						4
	2024	4						4
NC	2022	7						7
	2023	7	1					8
	2024	8						8
ND	2022	1						1
	2023	1						1
	2024	1						1
NE	2022	5						5
	2023	5	2					7
	2024	7						7

NH	2022	0	1					1
	2023	1						1
	2024	1						1
NJ	2022	12	3					15
	2023	15						15
	2024	15						15
NM	2022	3						3
	2023	3						3
	2024	3						3
NV	2022	4						4
	2023	4						4
	2024	4						4
NY	2022	7	2					9
	2023	9	8					17
	2024	17						17
OH	2022	12						12
	2023	12	1					13
	2024	13	1					14
OK	2022	4						4
	2023	4						4
	2024	4						4
OR	2022	14	1					15
	2023	15						15
	2024	15	1					16
PA	2022	18						18
	2023	18						18
	2024	18	1					19
SC	2022	5						5
	2023	5	1					6
	2024	6						6
SD	2022	2						2
	2023	2						2
	2024	2						2
TN	2022	5	1					6
	2023	6						6
	2024	6	1					7
TX	2022	29						29
	2023	29	1					30
	2024	30						30
UT	2022	9						9
	2023	9						9
	2024	9						9
VA	2022	6						6
	2023	6	2				1	7
	2024	7						7

VT	2022	2						2
	2023	2						2
	2024	2						2
WA	2022	18	1				2	17
	2023	17						17
	2024	17						17
WI	2022	18						18
	2023	18						18
	2024	18	1					19
WV	2022	5						5
	2023	5						5
	2024	5	1					6
WY	2022	1						1
	2023	1						1
	2024	1						1
TOTALS	**2022**	**374**	**22**				**6**	**390**
	2023	**390**	**26**				**1**	**415**
	2024	**415**	**22**					**437**

(Table No. 4)
Status of Company–Owned Outlets
For Years
2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
CT	2022	0					0
	2023	0					0
	2024	0					0
MD	2022	0					0
	2023	0					0
	2024	0					0
MI	2022	1				1	0
	2023	0					0
	2024	0					0
PA	2022	0					0
	2023	0					0
	2024	0					0
TX	2022	2					2
	2023	2					2
	2024	2					2
Totals	**2022**	**3**				**1**	**2**
	2023	**2**					**2**
	2024	**2**					**2**

(Table No. 5)

Projected Openings as of December 31, 2024

State	**Franchise Agreements Signed but Outlet Not Opened**	**Projected New Franchised Outlets in the Next Fiscal Year**	**Projected New Company-Owned Outlets in the Next Fiscal Year**
AK			
AR			
AZ			
CA			
CO			
CT			
FL			
GA			
IL			
KS			
LA		1	
MA			
MD			
ME			
MN			
MO			
MS		1	
ND			
NE			
NJ			
NM			
NV			
NY			
OH			
OK			
PA			
SD			
TN			
TX			
VA		1	
VT			
WI			
WY			
Total	**0**	**3**	**0**

LIST OF OUTLETS
As of January 2, 2025

State	City	Address	Zip Code	Phone	Franchise Name
AK	Anchorage	2225 E. 4th Ave	99501	907-276-2020	CRAIG TAYLOR EQUIPMENT COMPANY
		2838 Porcupine Drive	99501	907-279-0602	Papé Kenworth PacLease
	Fairbanks	2262 Van Horn Road	99701	907-455-9900	Papé Kenworth PacLease
		3419 S. Cushman	99701	907-474-0939	CRAIG TAYLOR EQUIPMENT COMPANY
AL	Birmingham	2220 Finley Boulevard	35234	205-909-4221	Truckworx PacLease
		601 Republic Circle	35214	205-791-2293	RUSH TRUCK LEASING, INC.
	Dothan	461 Ross Clark Circle	36303	334-712-4900	Truckworx PacLease
	Graysville	1100 Bankhead Hwy SW	35073	205-909-4221	Truckworx PacLease
	Irvington	8620 110 Service Road	36544	251-957-4000	Truckworx PacLease
	Madison	15090 AL Highway 20	35756	256-308-0162	Truckworx PacLease
	Montgomery	3401 Industrial Drive	36108	334-263-3101	Truckworx PacLease
	Thomasville	2400 Joe Davis Industrial Blvd	36784	334-636-4380	Truckworx PacLease
	Tuscaloosa	3933 Reese Phifer Ave	35401	205-526-2160	Truckworx PacLease
AR	Little Rock	7015 Scott Hamilton Drive	72209	501-565-4800	MHC TRUCK LEASING, LLC
	Lowell	715 North Bloomington	72745	479-439-8116	TLG Leasing, Inc.
	North Little Rock	1 Peterbilt Drive	72117	501-955-2000	Dobbs Leasing
	Van Buren	1915 Industrial Park Rd.	72956	479-785-9600	MHC TRUCK LEASING, LLC
		6915 Alma Highway	72956	479-632-9140	TLG Leasing, Inc.

AZ	Mesa	4142 East Valley Auto Drive	85206	480-824-9300	Inland PacLease
	Phoenix	625 South 27th Avenue, Suite 160	85009	602-278-0348	RUSH TRUCK LEASING, INC.
	Tolleson	8314 West Roosevelt Street	85353	602-258-7791	Inland PacLease
	Tucson	3737 North Interstate 10 Frontage Road	85705	520-888-0028	Inland PacLease
		755 East 44th Street	85713	520-884-5870	RUSH TRUCK LEASING, INC.
	Yuma	3382 East Gila Ridge Drive	85365	928-726-9818	RUSH TRUCK LEASING, INC.
CA	Anderson	20769 Industry Road	96007	530-222-1212	Papé Kenworth PacLease
	Bakersfield	1450 South Union Avenue	93307	661-833-1700	Golden State Peterbilt PacLease
		19414 Quinn Road	93308	661-323-2931	Papé Kenworth PacLease
	Bloomington	3121 South Riverside Avenue	92316	909-302-5720	RUSH TRUCK LEASING, INC.
	Carson	1202 East Carson Street	90745	310-984-3430	Inland PacLease
	El Cajon	500 North Johnson Avenue	92020	619-328-1600	Inland PacLease
		275 Vernon Way	92020	858-935-3100	RUSH TRUCK LEASING, INC.
	Eureka	2660 Jacobs Avenue	95501	707-443-7073	Coast Counties Peterbilt PacLease
	Fontana	14490 Slover Avenue	92337	909-829-0085	RUSH TRUCK LEASING, INC.
		10001 Oleander Ave	92335	909-823-9955	Inland PacLease
	French Camp	10998 South Harlan Road	95231	209-983-6970	Papé Kenworth PacLease

CA	Fresno	2892 East Jensen Avenue	93706	559-268-4344	Papé Kenworth PacLease
		4390 South Bagley Avenue	93725	559-442-1590	Golden State Peterbilt PacLease
	Montebello	1600 Washington Boulevard	90640	323-278-4100	Inland PacLease
	Morgan Hill	16715 Condit Road	95037	408-842-5383	Papé Kenworth PacLease
	Pico Rivera	7837 East Telegraph Road	90660	562-927-6215	RUSH TRUCK LEASING, INC.
	Porterville	15243 Road 192	93257	559-782-5800	Golden State Peterbilt PacLease
	Redding	1800 Twin View Boulevard	96003	530-246-2460	Dobbs Leasing
	Sacramento	707 Display Way	95838	916-371-3372	Papé Kenworth PacLease
	Salinas	920 Elvee Drive	93901	831-758-2441	Coast Counties Peterbilt PacLease
	San Jose	1740 North Fourth Street	95112	408-453-5510	Coast Counties Peterbilt PacLease
	San Leandro	1755 Adams Avenue	94577	510-836-6100	Papé Kenworth PacLease
		260 Doolittle Drive	94577	510-568-6933	Coast Counties Peterbilt PacLease
	Santa Maria	1344 White Court	93458	805-614-1629	Papé Kenworth PacLease
	West Sacramento	504 Harbor Boulevard	95691	916-376-9241	Dobbs Leasing
	Windsor	7675 Conde Lane	95492	707-837-2727	Coast Counties Peterbilt PacLease
CO	Colorado Springs	3350 New Nichols Heights	80907	719-247-4900	RUSH TRUCK LEASING, INC.
		4255 North Nevada Avenue	80907	719-598-1000	MHC TRUCK LEASING, LLC
	Denver	379 W. 66th Way	80221	720-292-5800	RUSH TRUCK LEASING, INC.
		7000 East 46th Avenue Drive	80216	303-370-6937	MHC TRUCK LEASING, LLC
	Fruita	309 Raptor Road	81521	970-858-3524	Jackson Group PacLease

CO	Pueblo	4435 North Elizabeth Street	81008	719-545-5380	MHC TRUCK LEASING, LLC
CT	Enfield	1 Depot Hill Road	06082	718-977-7348	Gabrielli PacLease
	Hartford	277 New Park Ave	06106	860-570-7060	Gabrielli PacLease
		256 Murphy Road	06114	860-960-6262	Miller PacLease
	Milford	312 Woodmont Rd	06460	718-977-7348	Gabrielli PacLease
		401 Old Gate Lane	06460	203-877-3281	Gabrielli PacLease
DE	Dover	613 Clara Street	19904	302-674-2300	PacLease of Maryland
	Seaford	9075 Dolby Road	19973	302-536-5700	The Pete Store Truck Leasing
FL	Clewiston	111 S San Benito St	33440	863-301-3700	The Pete Store Truck Leasing
	Defuniak Springs	431 Sand Mine Rd.	34235	205-909-4221	Truckworx PacLease
	Doral	8440 NW 58th Street	33166	786-785-4400	The Pete Store Truck Leasing
	Fort Lauderdale	2441 South State Road 7 Highway 441	33317	954-584-3200	The Pete Store Truck Leasing
		2909 S Andrews Ave	33316	954-523-5484	ALL ROADS PACLEASE OF FLORIDA
	Fort Myers	5313 State Rd 82/Martin Luther King Blvd	33905	239-337-0188	The Pete Store Truck Leasing
		17473 A/B Jean Street	33967	239-295-1188	Premier PacLease
	Fort Pierce	5750 Orange Avenue	34947	772-489-2300	The Pete Store Truck Leasing
	Jacksonville	718 Lane Ave N	32254	904-695-9387	RUSH TRUCK LEASING, INC.
		1121 Suemac Road	32254	904-739-2296	PacLease of Jacksonville
	Lakeland	5004 N Combee Rd	33805	863-668-9525	Premier PacLease

FL	Medley	12360 NW South River Dr	33178	654-202-0400	ALL ROADS PACLEASE OF FLORIDA
	Orlando	1800 N Orange Blossom Trail	32804	407-425-3170	Premier PacLease
		9407 Bachman Road	32824	407-240-7511	RUSH TRUCK LEASING, INC.
	Riviera Beach	3760 Interstate Park Rd W	33404	561-882-9775	ALL ROADS PACLEASE OF FLORIDA
	Tampa	6905 East Drive Martin Luther King Jr. Blvd	33619	813-623-2834	Premier PacLease
		8109 East Adamo Drive	33619	813-371-2130	RUSH TRUCK LEASING, INC.
	West Palm Beach	7206 Belvedere Road	33411	561-478-4078	The Pete Store Truck Leasing
GA	Albany	2702 Palmyra Rd	31701	229-883-6550	Worldwide Equipment Leasing, Inc.
	Conyers	1636 Iris Drive SW	30012	770-409-8777	MHC TRUCK LEASING, LLC
	East Point	1525 Willingham Drive	30344	404-682-3710	MHC TRUCK LEASING, LLC
	Gainesville	1830 Athens Highway	30507	770-535-7767	MHC TRUCK LEASING, LLC
	McDonough	2003 Industrial Parkway	30253	678-432-3989	MHC TRUCK LEASING, LLC
	Norcross	1923 Graves Road	30093	770-409-8777	MHC TRUCK LEASING, LLC
	Ringgold	21 Candy Lane	30736	706-965-8638	The Pete Store Truck Leasing
IA	Ankeny	5825 SE Delaware Ave.	50021	515-957-5603	MPG PacLease - Des Moines
	Cedar Falls	6220 Production Drive	50613	319-266-4010	Brown Mid-America PacLease
	Cedar Rapids	9201 6th Street SW	52404	319-848-4131	GTG Peterbilt PacLease, Inc.
	Clear Lake	1705 6th Avenue South	50428	641-357-5131	Brown Mid-America PacLease
		2209 4th Avenue South	52404	641-357-8240	Allstate Leasing, LLC

IA	Council Bluffs	2546 Mid America Dr.	51501	712-325-9700	MPG PacLease - Council Bluffs
	Davenport	5600 Rockingham Rd	52802	563-324-3207	Brown Mid-America PacLease
		8100 North Fairmount Ave	52806	563-391-4300	GTG Peterbilt PacLease, Inc.
	Des Moines	2000 East 17th Street	50316	515-265-7565	Brown Mid-America PacLease
		4111 Delaware Ave.	50313	515-261-6340	MHC TRUCK LEASING, LLC
	Greenfield	116 NW Town Line Road	50849	641-743-2254	Brown Mid-America PacLease
	Grimes	2855 SE Enterprise Drive	50111	515-986-7368	Brown Mid-America PacLease
	Iowa Falls	701 Oak, Suite D	50126	641-648-2929	Brown Mid-America PacLease
	North Liberty	2740 Stoner Court	52317	319-665-9075	Brown Mid-America PacLease
	Pella	310 South Clark Street	50219	641-628-3226	Brown Mid-America PacLease
	Peosta	15186 Depot Ridge	52068	563-588-1280	Brown Mid-America PacLease
	Sargeant Bluff	2260 Andrew Avenue	50154	712-252-2278	Custom Truck Leasing, Inc.
	Sioux City	4135 Harbor Drive	51111	712-252-4566	MPG PacLease – Sioux City
	Storm Lake	1916 Expansion Blvd	50588	712-732-4584	Brown Mid-America PacLease
	Waterloo	2915 Geraldine Road	50703	319-595-1666	GTG Peterbilt PacLease, Inc.
ID	Boise	3940 South Transport St	83705	208-345-6410	Kenworth Sales Company PacLease
		6633 Federal Way	83716	208-344-8515	Jackson Group PacLease
	Caldwell	1505 Industrial Way	83605	208-453-7020	Jackson Group PacLease
		323A La Fond Street	83605	208-454-2073	Kenworth Sales Company PacLease
	Heyburn	322 South 600 West	83336	208-678-3039	Kenworth Sales Company PacLease
		357 S 400 West	83336	208-679-3600	Jackson Group PacLease
	Idaho Falls	2585 North Boulevard	83401	208-525-8334	Kenworth Sales Company PacLease
		4460 W Andco Drive	83402	208-528-0004	Jackson Group PacLease
	Jerome	302 East Frontage Road North	83338	208-644-9000	Jackson Group PacLease

ID	Jerome	322 East Frontage Road North	83338	208-324-8886	Kenworth Sales Company PacLease
	Lewiston	1643 Old Spiral Highway	83501	208-746-7087	Kenworth Sales Company PacLease
	Pocatello	6715 South 5th Ave	83201	208-244-5222	Jackson Group PacLease
		2555 Garrett Way	83201	208-232-1230	Kenworth Sales Company PacLease
IL	Bloomington	607 Truckers Lane	61704	309-828-1331	JX PacLease - Bloomington
	Bolingbrook	535 East South Frontage Road	60440	815-741-0842	JX PacLease - Joliet
	Chicago	700 East 107th Street	60628	773-344-3071	AIM PacLease
	Effingham	1010 Outer Belt West	62401	217-347-2242	Palmer Leasing Group
	Elmhurst	216 West Diversey Avenue	60126	630-616-3933	JX PacLease – Elmhurst
		782 Industrial Drive	60126	630-834-8100	AIM PacLease
	Hickory Hills	9620 South 76th Avenue	60457	708-430-9011	JX PacLease – Hickory Hills
	Lansing	2100 Bernice Road	60438	708-889-4666	JX PacLease - Lansing
	Morton	225 W Courtland St, Bldg 2	61550	309-291-7001	JX PacLease - Morton
	Quincy	4110 Kochs Lane	62305	855-330-0801	GTG Peterbilt PacLease, Inc.
	Rockford	4260 Linden Road	61109	815-874-3433	JX PacLease – Rockford
	Sauget	2350 Sauget Industrial Parkway	62206	618-337-4000	TLG Leasing, Inc.
	South Holland	16055 Van Drunen Road	60473	708-333-0863	AIM PacLease

IL	Urbana	2408 N Cunningham Ave	61802	217-344-2780	JX PacLease - Champaign
	Wadsworth	42400 Old Highway 41	60083	847-395-7222	JX PacLease - Wadsworth
IN	Evansville	8516 BaumgartRoad	47711	812-867-7411	Palmer Leasing Group
		990 East Mount Pleasant Road	47725	812-868-6000	TLG Leasing, Inc.
	Fort Wayne	2121 Production Road	46808	260-496-8484	Palmer Leasing Group
		7006 Ardmore Avenue	46809	260-969-6095	Palmer Leasing Group
	Fremont	6503 N. Old Highway 27	46737	260-316-5712	Palmer Leasing Group
	Indianapolis	2835 South Holt Road	46241	317-248-4717	Palmer Leasing Group
		4255 Harding Street	46217	317-788-0299	JX PacLease
		9704 E 30th St.	46229	317-899-3556	Palmer Leasing Group
	Jeffersonville	4415 Hamburg Pike	47130	812-288-8007	TLG Leasing, Inc.
	Lafayette	2410 South 30th Street	47909	219-785-1980	Whiteford Kenworth PacLease
		2701 Schuyler Avenue	47905	765-423-2355	JX PacLease
	New Haven	12010 Declaration Drive	46774	260-493-4300	JX PacLease - Fort Wayne
	Portage	5900 Southport Road	46368	219-763-7227	TLG Leasing, Inc.
	Sellersburg	1503 Avco Blvd.	47172	317-899-3556	Palmer Leasing Group
	South Bend	25901 IN-2	46619	574-800-6090	TLG Leasing, Inc.
		4625 Western Avenue	46619	574-234-9007	Whiteford Kenworth PacLease
	Terre Haute	6391 East State Road 42	47803	812-877-4800	Palmer Leasing Group

KS	Dodge City	2830 East Trail Street	67801	620-225-3920	Dodge City Kenworth PacLease
	Emporia	1130 Overlander	66801	620-343-6303	Emporia Kenworth PacLease
	Great Bend	336 NE Hwy 156	67530	620-792-2491	GTG Peterbilt PacLease, Inc.
	Kansas City	7030 Kaw Dr.	66111	816-483-0137	MHC TRUCK LEASING, LLC
		8915 Woodend Road	66111	913-441-2888	Peterbilt PacLease of Kansas City Kansas
	Liberal	342 South Country Estates Road	67901	620-624-2500	Liberal Kenworth PacLease
	Olathe	1250 West 151st Street	66061	913-390-0800	MHC TRUCK LEASING, LLC
	Wichita	11118 W. Kellogg Dr.	67209	316-722-6034	GTG Peterbilt PacLease, Inc.
		5115 North Broadway	67219	316-838-0867	Wichita Kenworth PacLease
KY	Bowling Green	131 Parker Avenue	42101	270-842-7770	Palmer Leasing Group
	Erlanger	635 Viox Drive	41018	859-534-6021	TLG Leasing, Inc.
	Lexington	1677 Jaggie Fox Way	40511	859-233-3740	Worldwide Equipment Leasing, Inc.
	London	252 South Barbourville Road	40744	606-878-1418	Worldwide Equipment Leasing, Inc.
	Louisville	4330 Poplar Level Road	40213	502-459-1200	Palmer Leasing Group
	Middlesboro	17th Street & Mack Avenue	40965	606-248-5100	Worldwide Equipment Leasing, Inc.
	Prestonsburg	107 WE Drive	41653	606-874-7854	Worldwide Equipment Leasing, Inc.
	Somerset	208 Industry Road	42501	606-274-4020	Worldwide Equipment Leasing, Inc.
LA	Bossier City	5520 Industrial Drive Extension	71112	318-746-3331	Dobbs Leasing
	Carencro	4110 NE Evangeline Trwy	70520	337-896-4997	Southland PacLease

LA	Gray	3699 West Park Avenue	70359	985-876-3000	Southland PacLease
	Harahan	1001 Edwards Avenue	70123	504-818-1300	Southland PacLease
	Lake Charles	441 South Goodman Road	70615	337-405-7856	Southland PacLease
	Monroe	2109 Center Street	71202	318-509-8079	Southland PacLease
	Port Allen	1302 Bridgeview Drive	70767	225-303-0440	Southland PacLease
	Shreveport	7030 W 70th St.	71129	318-415-7450	Southland PacLease
MA	Braintree	40 Arnold Street	02184	508-431-6172	Miller PacLease
	Franklin	1199 W. Central Street	02038	888-265-2900	Miller PacLease
	Plainville	116 Washington St	02762	508-316-2799	The Pete Store Truck Leasing
MD	Baltimore	5100 Holabird Avenue	21224	410-342-3400	The Pete Store Truck Leasing
		8540 Pulaski Hwy	21237	410-682-4000	PacLease of Maryland
	Landover	8319 Ardwick-Ardmore Road	20785	240-487-3370	PacLease of Maryland
		8300 Ardwick-Ardmore Road	20785	301-341-5500	The Pete Store Truck Leasing
	Mardela Springs	24360 Ocean Getaway	21837	410-742-0400	PacLease of Maryland
MI	Clare	9989 Rebak Way	48617	989-727-6001	JX PacLease - Clare
	Clinton Township	43320 North Gratiot	48036	586-468-6301	Premier PacLease
	Dearborn	3031 Wyoming Avenue	48120	313-842-3000	Premier PacLease

MI	Gaylord	1134 Milbocker Rd	49735	989-731-1499	Premier PacLease
	Grand Rapids	7393 Expressway Court SW	49548	616-281-8610	Premier PacLease
	Romulus	28610 Hildebrandt St	48174	734-946-1433	AIM PacLease
	Saginaw	3046 Commerce Centre	48601	989-754-4500	Premier PacLease
	Wyoming	4800 Clyde Park Avenue SW	49509	616-532-3654	JX PacLease
MN	Albert Lea	77847 209th Street	56007	507-552-1340	Rihm PacLease
	Cloquet	801 Industry Drive	55720	218-879-2473	Rihm PacLease
	Coon Rapids	9400 Evergreen Blvd.	55433	651-236-6080	Rihm PacLease
	Golden Valley	9105 10th Avenue North	55427	763-450-0633	Allstate Leasing, LLC
	Mankato	2401 9th Avenue	56001	507-550-3800	Rihm PacLease
	Minnesota City	6830 Martina Rd	55959	507-457-4400	Rihm PacLease
	North Mankato	2265 Howard Drive West	56003	507-388-9312	Allstate Leasing, LLC
	Northfield	1720 Cannon Road	55057	507-403-4260	Rihm PacLease
	Owatonna	3205 Hoffman Drive NW	55060	507-451-2990	Rihm PacLease
	Red Wing	860 Bench Street	55066	651-388-7067	Rihm PacLease
	Rogers	21800 John Deere Lane	55374	763-428-4333	Allstate Leasing, LLC
	Sauk Centre	805 Shamrock Lane	56378	320-352-8540	Rihm PacLease
	South St. Paul	425 Concord Avenue South	55075	651-646-7833	Rihm PacLease
		558 E. Villaume Ave	55075	651-450-8140	Allstate Leasing, LLC
	Stewartville	610 Schumann Dr NW	55976	507-523-2333	Allstate Leasing, LLC
MO	Bethany	389 South 39th St	64424	660-425-6344	Peterbilt PacLease of Kansas City, Kansas
	O'Fallon	1 North Central Drive	63366	636-240-0773	TLG Leasing, Inc.
	Sedalia	29211 Meadowlark Road South 65 Hwy	65301	660-827-6983	Peterbilt PacLease of Sedalia

MO	Springfield	2215 East Division Street	65803	417-799-1340	MHC TRUCK LEASING, LLC
	St. Joseph	3803 Fox Hill Drive	64503	816-233-9131	Peterbilt PacLease of Kansas City, Kansas
	Strafford	3026 North Mulroy	65757	417-865-5355	TLG Leasing, Inc.
MS	Gulfport	14370 Seaway Rd.	39503	205-909-4221	Truckworx PacLease
	Pearl	330 Gilchrist Drive	39208	601-932-4555	Dobbs Leasing
	Richland	421 Highway 49 South	39218	601-939-5300	Truckworx PacLease
MT	Billings	3225 N. Frontage Road	59101	406-252-5667	Jackson Group PacLease
	Columbia Falls	5565 Highway 2 West	59912	406-892-3271	Jackson Group PacLease
	Missoula	8295 Highway 10 West	59802	406-721-2760	Kenworth Sales Company PacLease
		9550 Cartage Road	59808	406-721-6100	Jackson Group PacLease
NC	Charlotte	230 East Westinghouse Boulevard	28273	704-909-2493	MHC TRUCK LEASING, LLC
		3917 Trailer Dr	28296	704-597-8600	TLG Leasing, Inc.
	Concord	5331 Davidson Highway	28027	704-886-0272	MHC TRUCK LEASING, LLC
	Greensboro	6442 Burnt Poplar Road	27409	336-605-2746	MHC TRUCK LEASING, LLC
		7061 Albert Pick Road	27409	336-668-3050	TLG Leasing, Inc.
	Longview	3500 17th Avenue Circle SW	28602	828-345-5088	MHC TRUCK LEASING, LLC
	Raleigh	7500 Reba Drive	27616	919-876-2952	MHC TRUCK LEASING, LLC
	Wilmington	200 Sutton Steam Plant Road	28401	910-343-0567	MHC TRUCK LEASING, LLC
ND	Fargo	3611 38th Street SW	58104	701-282-6200	Allstate Leasing, LLC
NE	Columbus	3130 East 23rd Street	68601	608-241-5616 Ext 121	Premier PacLease
	Kearney	2206 East 25th Street	68847	608-241-5616 Ext 121	Premier PacLease

NE	Lincoln	6262 Arbor Road	68517	402-858-8400	MPG PacLease - Lincoln
	Norfolk	2001 S. 13th Street	68701	402-844-4749	MPG PacLease - Norfolk
	Omaha	7502 L. Street	68127	402-574-6450	MHC TRUCK LEASING, LLC
		4324 South 90th Street	68127	402-339-4150	Brown Mid-America PacLease
	York	2737 South Lincoln Avenue	68467	608-241-5616 Ext 121	Premier PacLease
NH	Bow	1548 Route 3A	03304	800-639-7383	Lucky's PacLease
NJ	Bloomsbury	963 Route 173	08804	718-977-7348	Gabrielli PacLease
	Cinnaminson	1504 Mainline Drive	08077	856-662-4262	Miller PacLease
	Clarksburg	524 Monmouth Road/Highway 537	08510	609-259-5950	Hunter Peterbilt PacLease
	Dayton	2300 US Highway 130	08810	732-438-5740	Gabrielli PacLease
	Egg Harbor Township	1240 Doughty Road	08234	609-646-6497	Miller PacLease
	Hasbrouck Heights	39-47 Industrial Ave	07604	201-528-7923	Miller PacLease
	Lakewood	575 Prospect Street Unit 256	08701	732-674-6802	Miller PacLease
	Logan Township	63 Repaupo Station Road	08085	609-760-3621	Miller PacLease
	Mt. Holly	301 Mill Street	08060	609-265-2910	Miller PacLease
	New Brunswick	107 How LN	08901	732-358-4027	Miller PacLease
	Pennsville	454 North Broadway	08070	856-299-5010	Hunter Peterbilt PacLease

NJ	Perth Amboy	975 High Street	08861	888-265-2900	Miller PacLease
	Ridgefield Park	239-277 Bergen Turnpike	07660	201-641-4440	Gabrielli PacLease
	Rockaway	80 Green Pond Rd	07866	718-977-7348	Gabrielli PacLease
	Vineland	1197 North Main Road	08360	856-696-4848	Miller PacLease
NM	Albuquerque	7711 Fortuna Road NW	87121	505-884-0300	Inland PacLease
		901 64th Steet NW	87121	505-767-7407	RUSH TRUCK LEASING, INC.
	Farmington	3924 Bloomfield Highway	87401	505-327-0200	Inland PacLease
NV	Elko	1355 West Main Street	89801	775-738-0404	Jackson Group PacLease
	Las Vegas	4150 Artic Spring	89115	702-970-7910	RUSH TRUCK LEASING, INC.
	North Las Vegas	4830 Donovan Way	89081	702-399-2424	Kenworth Sales Company PacLease
	Sparks	2272 Larkin Circle	89431	775-336-5327	Peterbilt PacLease of Reno/Sparks
NY	Albany	90 Harts Lane	12204	718-977-7348	Gabrielli PacLease
		65 Railroad Ave	12205	518-459-1122	LUCKY'S PacLease
	Bronx	3333 Conner Street	10475	718-994-8300	Gabrielli PacLease
	Buffalo	25 Dingens Street	14206	716-826-6895	AIM PacLease
		2370 Walden Avenue	14225	716-684-0010	Hunter Peterbilt PacLease
	East Syracuse	6014 Drott Dr	13057	315-432-1122	LUCKY'S PacLease
	Henrietta	472 Summit Point Dr	14467	585-321-5250	LUCKY'S PacLease
	Hicksville	880 South Oyster Bay Road	11801	516-931-7915	Gabrielli PacLease
	Jamaica	153-20 South Conduit Avenue	11434	718-977-7348	Gabrielli PacLease
	Marcy	9411 River Rd	13403	718-977-7348	Gabrielli PacLease

NY	Medford	3180 Horseblock Road	11763	631-475-4559	Gabrielli PacLease
	Montgomery	135 Neelytown Rd	12549	845-457-7000	Gabrielli PacLease
	Monticello	48 Bridgeville Road	12701	718-977-7348	Gabrielli PacLease
	Newburgh	242 Route 17K	12550	845-245-4042	LUCKY'S PacLease
	North Utica	5636 Horatio St. Route 12	13502	315-732-4300	LUCKY'S PacLease
	Owego	1000 Route 434	13827	607-867-1200	LUCKY'S PacLease
	Rensselaer	545 Riverside Ave	12144	718-977-7348	Gabrielli PacLease
OH	Cincinnati	2550 Annuity Drive	45241	513-772-1740	TLG Leasing, Inc.
		65 Partnership Way	45241	513-771-0012	Palmer Leasing Group
	Cleveland	2699 East 51st	44104	216-431-8890	AIM PacLease
	Columbus	4182 Janitrol Road	43228	614-274-5100	AIM PacLease
	Dayton	7740 Center Point 70 Blvd	45424	937-235-2589	Palmer Leasing Group
	Garfield Heights	8150 Old Granger Road	44125	216-883-6300	AIM PacLease
	Girard	1500 Trumbull Avenue	44420	330-759-0438	AIM PacLease
	Greenville	5378 Sebring Warner Rd	45331	937-235-3315	Palmer Leasing Group
	Lima	1420 Findlay Road	45801	419-222-9595	Whiteford Kenworth PacLease
	Perrysburg	12650 Eckel Junction Road	43551	419-874-3511	Whiteford Kenworth PacLease
	Tipp City	450 Kinna Drive	45371	937-398-7080	TLG Leasing, Inc.
	Toledo	5950 Brent Drive	43611	567-318-4100	Whiteford Kenworth PacLease
	Troy	1130 Horizon W. Ct	45373	937-335-5173	AIM PacLease
	Walton Hills	20311 Hannan Parkway	44146	440-735-1228	AIM PacLease
OK	Oklahoma City	401 N Sara Rd	73099	405-427-5000	MHC TRUCK LEASING, LLC
		8700 I-40 West Service Road	73128	405-782-3500	RUSH TRUCK LEASING, INC.

OK	Tulsa	8621 E. Skelly Dr.	74129	918-665-2971	MHC TRUCK LEASING, LLC
		6015 South 49th West Ave	74107	918-447-8630	RUSH TRUCK LEASING, INC.
OR	Central Point	4300 Hadley Drive, Suite 100	97502	541-772-5211	Papé Kenworth PacLease
	Coburg	91195 Coburg Industrial Way	97408	541-485-1191	Papé Kenworth PacLease
	Klamath Falls	9135 Highway 97 South	97603	541-850-6440	Papé Kenworth PacLease
	Ontario	920 SE 9th Avenue	97914	541-881-1747	Kenworth Sales Company PacLease
		588 SE 1st Ave	97914	541-823-5100	Jackson Group PacLease
	Pendleton	72567 Highway 331	97801	885-889-1499	Kenworth Sales Company PacLease
	Phoenix	3727 Fern Valley Road	97535	541-535-1446	Jackson Group PacLease – Oregon
	Portland	550 NE Columbia Blvd	97211	503-285-6808	Papé Kenworth PacLease
		5555 North Lagoon Ave	97217	503-285-7771	Jackson Group PacLease – Oregon
		9002 North Sever Court	97203	503-233-8054	Dobbs Leasing
	Redmond	352 NE Hemlock Ave	97756	801-641-1629	Papé Kenworth PacLease
	Roseburg	1768 NW Mulholland Dr.	97470	541-378-3950	Jackson Group PacLease - Oregon
	Salem	1150 Hawthorne Ave NE	97301	971-345-3220	Jackson Group PacLease – Oregon
	Springfield	1626 30th Street	97478	541-632-7789	Jackson Group PacLease – Oregon
	Tangent	33687 McFarland Rd	97389	541-812-0207	Papé Kenworth PacLease
	Troutdale	1701 NW Sundial Road	97060	503-405-3600	Jackson Group PacLease - Oregon
PA	Breinigsville	9981 Old Route 22	18031	610-285-2244	Hunter Peterbilt PacLease
	Butler	519 Pittsburgh Road	16002	724-586-7744	Hunter Peterbilt PacLease
	Carlisle	198 Kost Road	17013	717-766-8000	Motor Truck PacLease
	Cheswick	721 Gulf Lab Road	15024	412-261-1810	AIM PacLease
	Clintonville	4054 State Road 308	16372	814-385-1040	Motor Truck PacLease

PA	Dunmore	109 Keystone Industrial Park	18512	570-347-5671	Motor Truck PacLease
	Eau Claire	101 East Main	16030	724-791-2525	Hunter Peterbilt PacLease
	Erie	8125 Wattsburg Road	16509	814-825-6661	AIM PacLease
	Freedom	2500 Lovi Road	15042	724-773-8181	AIM PacLease
	Lancaster	1463 Manheim Pike	17601	717-299-6630	Hunter Peterbilt PacLease
		66 Keller Avenue	17601	717-945-6205	Miller PacLease
	Leesport	2666 Leisczs Bridge Road	19533	484-277-2354	Miller PacLease
	McKees Rocks	67 Neville Avenue	15136	412-778-0160	Motor Truck PacLease
	New Stanton	530 North Center Ave	15672	724-925-5000	Motor Truck PacLease
	Philadelphia	2196 Bennett Road	19116	215-552-9832	Miller PacLease
		3200 South 7th Street	19148	215-644-8326	Miller PacLease
	Pittsburgh	218 Bilmar Drive	15205	724-695-2762	AIM PacLease
	Shartlesville	16 Motel Drive	19554	610-488-1660	Motor Truck PacLease
	Throop	200 Keystone Industrial Park Rd. Unit 3	18512	570-688-2400	Hunter Peterbilt PacLease
SC	Columbia	707 Cherokee Lane	29169	803-926-2900	Worldwide Equipment Leasing, Inc.
	Duncan	199 Freeman Farm Road	29334	864-269-7202	The Pete Store Truck Leasing
	Greenville	1055 Park West Blvd	29611	864-220-2509	Worldwide Equipment Leasing, Inc.
	Harleyville	181 Judge Street	29448	843-879-0253	TLG Leasing, Inc.

SC	Summerville	780 Jedburg Road	29483	843-725-5378	Worldwide Equipment Leasing, Inc.
	West Columbia	225 Rolling Meadows Lane	29172	803-832-7700	The Pete Store Truck Leasing
SD	Rapid City	2910 East Mall Drive	57701	605-343-2812	Custom Truck Leasing, Inc.
	Sioux Falls	4500 North Cliff Avenue	57104	605-332-5297	Custom Truck Leasing, Inc.
TN	Knoxville	5218 Rutledge Pike	37924	865-546-9553	The Pete Store Truck Leasing
		1400 Ault Road	37914	865-401-7990	MHC TRUCK LEASING, LLC
	La Vergne	25 Ingram Blvd	37086	615-267-4152	MHC TRUCK LEASING, LLC
	Memphis	1745 East Brooks Road	38116	901-332-4000	Dobbs Leasing
		1721 Transport Avenue	38116	901-332-0080	MHC TRUCK LEASING, LLC
	Nashville	1234 Fesslers Lane	37210	615-366-2532	MHC TRUCK LEASING, LLC
	Smyrna	900 Expo Drive	37167	615-220-7720	RUSH TRUCK LEASING, INC.
TX	Amarillo	4378 Canyon Drive	79109	806-731-1316	Roberts PacLease
		8000 Interstate 40 East	79118	855-366-8250	RUSH TRUCK LEASING, INC.
	Arlington	1900 East Division Street	76011	469-203-8174	RUSH TRUCK LEASING, INC.
	Austin	1205 Smith Road	78721	512-312-1146	RUSH TRUCK LEASING, INC.
	Beaumont	6975 South Major Drive	77705	409-842-2446	RUSH TRUCK LEASING, INC.
	Converse	9010 Interstate Hwy 10 East	78109	210-662-9333	Premier PacLease
		8810 IH 10 East	78109	210-835-2207	RUSH TRUCK LEASING, INC.

TX	Corpus Christi	1313 Corn Products Road	78409	361-289-2181	Premier PacLease
	Dallas	34661 Lyndon B. Johnson Freeway	75241	469-341-3550	MHC TRUCK LEASING, LLC
		4646 Irving Boulevard	75247	214-920-7355	MHC TRUCK LEASING, LLC
	El Paso	12253 Gateway West	79936	915-778-6435	RUSH TRUCK LEASING, INC.
		10901 Gateway West	79935	915-333-7032	MHC TRUCK LEASING, LLC
	Fort Worth	2951 Braswell	76111	817-624-7200	MHC TRUCK LEASING, LLC
		1480 North East Loop 820	76106	817-625-9500	RUSH TRUCK LEASING, INC.
	Grand Prairie	2626 West Pioneer Parkway	75051	945-237-7101	MHC TRUCK LEASING, LLC
	Houston	6300 North Loop East	77026	832-942-5800	RUSH TRUCK LEASING, INC.
		5808 W Sam Houston Pkwy North	77041	832-823-6220	RUSH TRUCK LEASING, INC.
	Laredo	10216 Union Pacific Blvd	78045	956-724-7383	RUSH TRUCK LEASING, INC.
		8402 Milo Road	78045	956-727-7886	Premier PacLease
	Lubbock	4510 Avenue A	79404	806-853-9786	Roberts PacLease
		4515 Avenue A	79404	806-373-5450	RUSH TRUCK LEASING, INC.
	Lufkin	3901 North Medford Drive	75901	936-637-7383	RUSH TRUCK LEASING, INC.
	Odessa	1230 South Grandview	79761	855-366-8250	RUSH TRUCK LEASING, INC.
		12913 West Interstate 20	79766	432-307-6100	MHC TRUCK LEASING, LLC
	Pharr	4300 North Cage Road	78577	956-781-2401	Premier PacLease
		4700 North Cage	78577	956-782-4511	RUSH TRUCK LEASING, INC.
	Robinson	1247 Sun Valley Road	76706	254-662-5400	RUSH TRUCK LEASING, INC.
	Robstown	3001 IH 69 Access Road	78380	361-726-4851	RUSH TRUCK LEASING, INC.

TX	Sealy	4606 NE IH-10 @ Frontage Road	77474	979-877-0145	RUSH TRUCK LEASING, INC.
	Tyler	10791 Highway 69 North	75706	903-525-0500	RUSH TRUCK LEASING, INC.
UT	Lindon	965 W. 325 N	84042	801-443-7200	Jackson Group PacLease
	Naples	715 South 1500 East	84078	435-828-7383	Jackson Group PacLease
	Ogden	1559 West 2550 North	84404	385-333-7150	Jackson Group PacLease
	Salina	305 West Industrial Park Drive	84654	435-529-2240	Kenworth Sales Company PacLease
		385 East 1620 South	84654	435-562-7383	Jackson Group PacLease
	Salt Lake City	1910 South 5500 West	84104	801-486-8781	Jackson Group PacLease
	St. George	4484 So. Desert Color Pkwy	84790	435-688-8000	Kenworth Sales Company PacLease
	Washington	203 East Playa Della Rosita Dr	84780	435-216-7800	Jackson Group PacLease
	West Valley City	2125 South Constitution Boulevard	84119	801-487-4161	Kenworth Sales Company PacLease
VA	Abingdon	18285 Lee Highway	24210	888-505-3273	Worldwide Equipment Leasing, Inc.
	Chesapeake	1031 Cavalier Blvd	23323	757-485-4960	Kenworth Sales Company PacLease
	Gainesville	5509 Wellington Rd	20155	703-372-4500	The Pete Store Truck Leasing
	Manassas	7394 Gallerher Rd. Bldg. B	20155	301-773-7044	AIM PacLease
	Raphine	670 Oakland Circle	24472	540-377-9090	The Pete Store Truck Leasing
	Richmond	2800A Deepwater Terminal Road	23234	804-231-9800	The Pete Store Truck Leasing
	Springfield	7397 Ward Park Lane	22153	703-440-0853	AIM PacLease
VT	Colchester	41 Hercules Drive	05446	802-654-4420	LUCKY'S PacLease
	South Royalton	402 Vermont Route 107	05068	802-763-2585	LUCKY'S PacLease

WA	Aberdeen	120 South Maple Street	98520	360-533-3356	Papé Kenworth PacLease
	Cosmopolis	112 1st Street	98537	360-533-8990	Dobbs Leasing
	Federal Way	31825 32nd Avenue S	98001	206-433-5941	Papé Kenworth PacLease
	Kelso	2408 Talley Way	98626	360-425-5856	Jackson Group PacLease - Oregon
		2504 Talley Way	98626	360-575-9959	Papé Kenworth PacLease
	Lakewood	12507 Pacific Highway SW	98499	253-536-8800	Papé Kenworth PacLease
	Liberty Lake	23501 East Knox Avenue	99019	509-535-4241	Dobbs Leasing
	Marysville	15330 Smokey Point Boulevard	98271	360-659-7383	Dobbs Leasing
	Moses Lake	12238 North Frontage Road	98837	509-764-9130	Dobbs Leasing
	Pasco	1435 East Hillsboro St	99301	509-545-3700	Dobbs Leasing
		2402 North Commercial Avenue	99301	509-542-0138	Kenworth Sales Company PacLease
	Seattle	3707 Airport Way South	98134	206-624-7383	Dobbs Leasing
	Spokane	6420 East Broadway	99212	509-535-5753	Kenworth Sales Company PacLease
	Sumner	2800 136th Avenue Ct E	98390	253-344-5255	Dobbs Leasing
	Tulalip	11300 31st Drive NE	98271	360-658-7049	Papé Kenworth PacLease
	Yakima	2028 Rudkin Road	98903	509-453-3700	Dobbs Leasing
		907 South 18th Street	98901	509-452-8564	Papé Kenworth PacLease
WI	Appleton	W6246 County Road BB	54914	920-997-1764	Premier PacLease
	DeForest	4205 Anderson Drive	53532	608-241-4101	JX PacLease
	Depere	201 Lawrence Drive	54115	920-337-2560	JX PacLease
	Eau Claire	6500 Texaco Drive	54703	715-874-4747	Allstate Leasing, LLC

WI	Green Bay	580 Potts Avenue	54304	920-494-3696	Premier PacLease
	Janesville	1720 Morse Street, Suite 100	53545	608-807-6838	Premier PacLease
	Kronenwetter	1039 Kronenwetter Dr	54455	715-692-2250	JX PacLease
	LaCrosse	3090 Berlin Drive	54601	608-781-5360	Premier PacLease
	Menomonie	5913 3M Drive	54751	715-235-5000	Premier PacLease
	Mineral Point	681 County Road O	53565	608-240-7049	JX PacLease
	Mosinee	1354 Old Highway 51	54455	715-693-3900	Premier PacLease
	Neenah	911 Haase St	54956	920-725-2994	JX PacLease
	Oak Creek	1800 Ridgeview Drive	53154	414-761-1658	JX PacLease
		9350 South 22nd Street	53154	414-761-5959	Premier PacLease
	Pewaukee	820 Silvernail Road, Suite A	53072	262-547-0001	JX PacLease
	Superior	211 Hammond Ave	54880	715-392-4440	Allstate Leasing, LLC
		4501 Tower Ave	54880	715-395-5350	Rihm PacLease
	West Salem	55 Buol Road	54669	608-779-4905	Allstate Leasing, LLC
	Windsor	6395 Lake Road	53598	608-846-5451	Premier PacLease
WV	Cross Lanes	408 New Goff Mountain Rd	25313	304-744-1321	Worldwide Equipment Leasing, Inc.
	Huntington	120 13th Street West	25704	304-523-4567	Worldwide Equipment Leasing, Inc.
		5650 US Route 60 East	25705	304-776-3401	Worldwide Equipment Leasing, Inc.
	Jane Lew	Lewis County Industrial Park	26378	304-884-7815	Worldwide Equipment Leasing, Inc.
	Princeton	I-77 & U.S. 460	24740	304-425-7511	Worldwide Equipment Leasing, Inc.
	Valley Grove	1 West Alexander Rd	26060	304-547-2880	Hunter Peterbilt PacLease
WY	Rock Springs	384 Blairtown Road	82901	307-362-6669	Kenworth Sales Company PacLease

Former Franchisee Contact Information As of December 31, 2024

<u>If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.</u>

No current or former franchisees have signed confidentiality agreements or provisions during the last three years or before then restricting their ability to speak to you about their experience with the PacLease franchise system or their franchise relationship.

No franchises were terminated in 2022, 2023, or 2024.

Franchisee Association Disclosures

PACCAR Leasing has no trademark specific franchisee associations and no independent franchisee organization has asked to be included in this disclosure document.

Item 21: Financial Statements

PACCAR Financial Corp. submits with this disclosure document its Audited Financial Statements (including Balance Sheets and Statements of Income), which include the results of PACCAR Leasing Company, a division of PACCAR Financial Corp., dated December 31 for the years 2024, 2023, 2022 (Exhibit K).

Item 22: Contracts

See copies of the following agreements and other documents attached to this disclosure document:

- Franchise Agreement (Exhibit A)
- Standard Operating Procedures (Exhibit B)
- Lease for RE-Lease Agreement (Exhibit C)
- Vehicle Permitting and Licensing Service Agreement (Exhibit D)
- Security Agreement and Collateral Assignment of Leases (Exhibit E)
- Personal Guarantee (Exhibit F)
- Right of First Refusal Addendum to Franchise Agreement (Exhibit G)
- Agreement for Electronic Submission of Dealer Truck Purchase Orders (Exhibit H)
- List of State Administrators (Exhibit I)
- List of Agents for Service of Process (Exhibit J)
- PACCAR Financial Corp.'s Audited Financial Statement for the years 2024, 2023, 2022 (Exhibit K)
- Disclosure Document Receipts (Exhibit L)

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Documents be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	**Effective Date**
California	Pending
Maryland	Pending
Minnesota	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchised under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Item 23: Receipts

You will find copies of a detachable receipt in Exhibit L at the very end of this disclosure document.

DISCLOSURE DOCUMENT – EXHIBIT A

FRANCHISE AGREEMENT
US

THIS AGREEMENT is made between PACCAR Leasing Company, a division of PACCAR Financial Corp. (hereinafter "PACCAR Leasing") having its principal place of business in Bellevue, Washington, and (hereinafter "Franchisee"), having its principal place of business at:

_____

_____

WHEREAS, PACCAR Leasing is the owner of the trademark(s) and service marks "PacLease and PACCAR Leasing and Design" (hereinafter "Trademark(s)"), the trade name "PacLease" and has formulated various programs, services, and methods for the business of leasing and renting heavy-duty trucks identified with the Trademark(s), and

WHEREAS, Franchisee desires to become a part of the PacLease leasing system developed by PACCAR Leasing, to establish and operate a heavy-duty truck leasing and rental business using the Trademark(s), and to use programs, services, and methods developed by PACCAR Leasing;

NOW, THEREFORE, in consideration of the promises and the mutual covenants of the parties hereinafter set forth, it is agreed as follows:

1. <u>Grant of Franchise.</u>

PACCAR Leasing hereby grants to Franchisee, subject to the terms and conditions of this Agreement and the continuing good faith performance thereof by Franchisee, a non-assignable, non-exclusive right to use programs, services, and methods developed by PACCAR Leasing in the operation of a truck leasing and rental business at the following location(s):

Main Location: _____

_____

Additional Locations: _____

_____

_____

_____

Franchisee will not operate from a different location(s) or conduct the leasing business at additional locations without the prior written consent of PACCAR Leasing. Furthermore, Franchisee acknowledges PACCAR Leasing has the exclusive right to grant the franchise to others.

1.1 In consideration of the payment by Franchisee of the fees specified herein and in the PacLease Standard Operating Procedures (as published and distributed by PACCAR Leasing to Franchisees from time to time), Franchisee shall be entitled for the term of this Agreement to use the Trademark(s) and PacLease trade name.

1.2 Franchisee acknowledges PACCAR Leasing's rights in the Trademark(s) and trade name and agrees for the purpose of protecting the Trademark(s) and trade name and enhancing the goodwill associated therewith, to strictly adhere to the PacLease Graphic Standards and all other instruction or manuals provided by PACCAR Leasing for the use thereof.

1.3 The Franchisee will not use the PacLease Trademark(s) or trade name as part of its leasing company's legal name, but will identify its leasing company in a manner consistent with the PacLease Graphic Standards.

1.4 Immediately upon expiration or termination of this Agreement, Franchisee agrees to discontinue using the Trademark(s) and trade name or any similar mark or name in the operation of its leasing business.

2. Fees.

In consideration of the opportunity to establish a truck leasing and rental business utilizing PACCAR Leasing's trade name, its Trademark(s), programs, methods, and procedures, Franchisee shall pay PACCAR Leasing an initial fee of **$_____** for the base location listed in paragraph 1 of this Agreement within thirty (30) days after this Agreement is signed. Thereafter, Franchisee shall pay PACCAR Leasing such periodic fees as may be specified in the Standard Operating Procedures. All such fees are non-refundable.

3. PACCAR Leasing's Obligations.

During the term of this Agreement or any renewal thereof, PACCAR Leasing agrees to:

3.1 Promote a national truck leasing and rental system identified with the Trademark(s);

3.2 Provide training and consulting services on operating a truck leasing and rental business including office and business management procedures and marketing approaches;

3.3 Assist in establishing a standardized accounting and cost control system for use in the truck leasing and rental business;

3.4 Assist in arranging insurance coverage for vehicles leased by Franchisee to third parties;

3.5 Provide a national marketing program;

3.6 Offer financing alternatives to enable Franchisee to acquire truck and trailer lease and rental inventory, provided Franchisee meets PACCAR Leasing’s credit standards;

3.7 Take action as in its sole discretion is appropriate to protect the Trademark(s) and trade name against infringement;

3.8 From time to time, issue a directory containing the names and addresses of all Franchisees;

3.9 Promote compliance with PacLease Standard Operating Procedures and policies by all Franchisees through personal visits and inspections at their business locations; and

3.10 Provide such assistance as in its sole discretion is deemed appropriate to resolve disputes between Franchisees;

4. Franchisee's Obligations.

During the term of this Agreement or any renewal thereof, Franchisee agrees to:

4.1 Provide and maintain at its designated business location(s) sales and service facilities which are suitable for the operation of a heavy-duty truck leasing and rental business and which enables Franchisee to effectively conduct and perform all functions relating to such business;

4.2 Establish fully operational service facilities dedicated to the leasing and rental business and maintain such facilities in a neat and clean appearance which will reflect favorably on the PacLease system and other Franchisees, and meet all applicable government regulation. Franchisee may use the service capacity of its affiliated truck dealership or independent leasing operation as long as such facility satisfies Franchisee's obligations under this paragraph;

4.3 Employ such number of competent trained personnel, knowledgeable in the heavy-duty truck leasing and rental business, service and related activities as may be necessary to service the needs of potential customers. Franchisee's personnel shall participate in such training programs as PACCAR Leasing may provide from time to time;

4.4 Maintain in full force and effect a standard policy of garage liability in an amount no less than $1 million, evidence of which shall be provided to PACCAR Leasing;

4.5 Maintain an adequate sales staff dedicated to the sale of full service lease, rental and contract maintenance;

4.6 Use its reasonable best efforts to market leases and establish and maintain additional locations as are needed to meet market demands and to promote the maximum use, in Franchisee's lease and rental fleet, of vehicles manufactured by PACCAR's truck divisions;

4.7 Comply with all Standard Operating Procedures published by PACCAR Leasing and in effect from time to time (which are incorporated herein by this reference) and operate the business in a manner which will reflect favorably upon the PACCAR Leasing system and other Franchisees;

4.8 For all vehicles in Franchisee's PacLease lease and rental fleet, provide primary automobile liability insurance in an amount no less than $1 million combined single limit from an insurance company approved by PACCAR Leasing, and evidence of which shall be provided to PACCAR Leasing;

4.9 Maintain all vehicles in a clean, safe, and presentable condition with scheduled maintenance according to manufacturer's suggestions;

4.10 Maintain true and accurate business and accounting records in accordance with generally accepted accounting principles (GAAP) and with PACCAR Leasing requirements and permit PACCAR Leasing to conduct on-site inspections of such records and business activities from time to time during normal business hours;

4.11 Cooperate fully with other Franchisees and provide prompt service to vehicles of other Franchisees in accordance with the PACCAR Leasing Standard Operating Procedures;

4.12 Submit to PACCAR Leasing monthly financial statements, monthly sales reports, information on truck fleet size, availability of service, and such other matters as may be reasonably required in a form and manner established by PACCAR Leasing no later than the 20th day following the period covered;

4.13 Forward to PACCAR Leasing audited annual financial statements no later than one hundred twenty (120) days following the close of its fiscal year;

4.14 Indemnify PACCAR Leasing for any liability, loss or damage resulting from a breach of this Agreement or the acts or omissions of the Franchisee, its employees or agents in the general operation of Franchisee's business.

5. Conduct of Business.

Franchisee will conduct its leasing and rental business at all times solely under the Trademark(s) and PacLease trade name and will hold itself out to the public, advertise or approach any potential customer in a manner consistent with the PACCAR Leasing Standard Operating Procedures and Graphic Standards and the PacLease forms included therein.

6. Compliance With Laws.

Franchisee shall be solely responsible for compliance with all laws, statutes, ordinances, or codes of any public or governmental authority pertaining to Franchisee and its truck leasing and rental business, and for payment of all taxes, permits, licenses and registration fees and other charges or assessments arising out of the establishment and operation of Franchisee's leasing business.

7. Term of Agreement.

The term of this Agreement shall be commencing the **day of ,** , and shall be renewable thereafter for successive terms of three years unless terminated earlier in accordance with the provisions of paragraph 8.

8.Termination.

8.1 Franchisee may terminate this Agreement at any time by giving written notice of such intention to PACCAR Leasing at least ninety (90) days prior to the effective date specified for termination;

8.2 PACCAR Leasing may terminate this Agreement or refuse to renew it by giving written notice of such intention to Franchisee at least ninety (90) days prior to the effective date specified for termination (or the expiration date of the term) in the event Franchisee defaults in its obligations under any of the provisions of paragraphs 2, 4, 5, and 6 of this Agreement. The franchisee shall have sixty (60) days from receipt of such notice in which to cure any claimed default;

8.3 PACCAR Leasing may terminate this Agreement immediately by giving written notice of such intention specifying the effective date of termination, in the event of:

a. insolvency of Franchisee or the voluntary institution by Franchisee of any proceeding under the Federal bankruptcy law or under any state insolvency law, or the involuntary institution against Franchisee or any proceeding under such laws; or the appointment of a receiver or other officer having similar powers for Franchisee's business, or any levy under attachment, execution or similar process which is not within ten (10) days vacated or removed by payment or bonding;

b. any transfer or assignment of this Agreement by Franchisee, in whole or in part, without the prior written consent of PACCAR Leasing, such consent will not be unreasonably withheld;

c. any change, whether voluntary or by operation of law, in Franchisee's ownership or management without the prior written consent of PACCAR Leasing, such consent will not be unreasonably withheld, PROVIDED THAT PACCAR Leasing will not terminate this Agreement upon a change in ownership due to death, if the beneficial interest of the deceased owner passes directly to his surviving spouse, children, partner or partners, and in PACCAR Leasing's opinion any new owner-manager is considered reasonably qualified to assume such responsibilities;

8.4 Upon termination for any reason, Franchisee shall immediately discontinue the use of all signs, Trademark(s) and trade names associated in any way with the PacLease leasing system and shall remove and dispose of such signs. Franchisee shall refrain from any further advertising or publicity referring to PacLease or the leasing system promoted by PACCAR Leasing and shall return all literature and advertising materials identifying the Franchisee with PacLease. It is agreed that after expiration or termination, any use of the Trademark(s) or trade name by Franchisee will result in irreparable injury to PACCAR Leasing and Franchisee hereby consents to the entry of an order enjoining Franchisee from using the Trademark(s) or trade name in any way.

9. <u>Relationship of the Parties.</u>

Franchisee is an independent contractor and is not the agent of PACCAR Leasing for any purpose whatsoever and is not granted, by the terms of this Agreement or otherwise, any express or implied right or authority to assume or create any obligation or responsibility on behalf of, or in the name of, PACCAR Leasing in any matter or thing whatsoever.

10. <u>Franchisee's Warranties Upon Execution of this Agreement.</u>

Franchisee represents and warrants the following:

10.1 Franchisee understands this Agreement contemplates the operation of a business by Franchisee's principals and that Franchisee's success will depend on Franchisee's principal's active participation in such business;

10.2 Franchisee has investigated the potential of the area within which it will establish and operate its business, and agrees that the obligations imposed on Franchisee by this Agreement are appropriate given the benefits of the franchise and the market opportunities;

10.3 Franchisee has examined PACCAR Leasing's programs, services, and methods for the leasing business and agrees that they are appropriate for use in the conduct of its truck leasing and rental business;

10.4 The individuals signing this Agreement on behalf of the Franchisee intend to actively participate in the management of business.

11. <u>Confidential Information.</u>

11.1 PacLease may, from time to time, disclose certain Confidential Information to Franchisee. “Confidential Information” means any nonpublic information disclosed by PacLease to Franchisee and includes, without limitation: (a) information in verbal, written or electronic form or disclosed by inspection of tangible objects or by telephone or videoconference or otherwise, including without limitation, drawings, engineering and design specifications, inventions, know-how, operations, research and development data, graphs, databases, CAD/CAM drawings, software, technical information, presentations, demonstrations, contracts, pricing, customer lists, and letters; (b) PacLease’s business policies, practices, trade secrets, financial information, product purchases, marketing or promotion plans; (c) new or updated PACCAR vehicle models prior to public release, prototypes, parts or other equipment; or (d) information received from a third party that PacLease is obligated to treat as confidential.

11.2 Confidential Information shall not include any information that: (a) is or subsequently becomes publicly available without Franchisee's breach of any obligation owed to PacLease; (b) was known to Franchisee prior to the date of disclosure by PacLease; (c) becomes known to Franchisee from a source other than PacLease which has not breached an obligation of confidentiality owed to PacLease; (d) is independently developed by or for Franchisee without use of any of PacLease's Confidential Information; or (e) is licensed under an Open Source License (as defined by the Open Source Initiative (www.opensource.org)).

11.3 Franchisee shall hold PacLease's Confidential Information in strict confidence and not disclose, or permit its Representatives (as defined below) to disclose, any Confidential Information to third parties unless authorized in writing by PacLease. Franchisee shall use the same degree of care with respect to the Confidential Information that Franchisee uses to protect its own confidential information of like importance, but not less than a reasonable degree of care. Franchisee may disclose Confidential Information pursuant to any subpoena or other validly-issued court order or in connection with any mandatory governmental reporting, provided Franchisee shall, to the extent legally permitted, (a) give PacLease reasonable notice prior to such disclosure and (b) comply with any applicable protective order or equivalent. If such a protective order is not obtained, Franchisee may disclose only such portion of the Confidential Information which it is advised by its counsel as being legally required.

11.4 Franchisee may disclose Confidential Information only to Franchisee's employees, affiliated companies, subcontractors or consultants (collectively, "Representatives") on a need-to-know basis. Franchisee shall notify and inform each of its Representatives of the provisions of this Section to ensure that such Representatives comply in full with the terms and conditions expressly set forth herein.

11.5 Confidential Information may only be used, reproduced, summarized or distributed by Franchisee in furtherance of Franchisee’s truck leasing and rental business and not for any other purpose.

11.6 Franchisee’s obligations under this Section shall survive the expiration or termination of this Agreement.

12. Miscellaneous Provisions.

12.1 All notices required to be given by this Agreement to either party shall be sufficient only if given in writing and delivered personally or by certified mail to Franchisee at the address set forth on page 1 of this Agreement, and to PACCAR Leasing at P.O. Box 1518, 777 106th Avenue N.E., Bellevue, Washington 98009;

12.2 Any failure by PACCAR Leasing to enforce at any time any of the provisions of this Agreement shall not be construed as a waiver of any of PACCAR Leasing's rights hereunder, nor affect the validity of this Agreement or any part hereof;

12.3 If any provisions of this contract are inconsistent with applicable state law, then the state law shall apply;

12.4 There are no other agreements or understandings, either oral or in writing, between the parties affecting this Agreement or relating to any of the subject matters covered by this Agreement, except as otherwise specifically provided or referred to in this Agreement. No change or addition to the Agreement shall be valid or binding unless executed in writing by both parties. Nothing in this or any related agreement, however, is intended to disclaim the representations made by PacLease in the franchise disclosure document furnished to Franchisee.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written. Electronic signatures will be treated as originals.

PACCAR Leasing Company,
a division of PACCAR Financial Corp.

By ___________________________ By ____________________________

Print Name: Ken A. Roemer Print Name: ____________________

Its: President Its: ____________________________

PacLease Area Operations Manager (Initials) – {Name}:___________________

DISCLOSURE DOCUMENT – EXHIBIT B

STANDARD OPERATING PROCEDURES – US

PacLease

1. **FACILITIES.**

In order to effectively conduct a truck leasing and rental business each Franchise's facility:

1.1 Must have access to a fueling source, either bulk storage on site or fueling facility in reasonable proximity to the franchise location.

1.2 Must be situated in a manner that will permit easy ingress, egress, and maneuvering room for both trucks and trailers;

1.3 Must have its sales and service facilities open for business during such hours as are customary for truck leasing and rental businesses in the locale where Franchise maintains its business location;

1.4 Must have service bays that are adequate in number and size and adequate parts storage to service the fleet of vehicles garaged and maintained by the Franchise.

1.5 Must be maintained in a neat and clean manner which will reflect favorably on the PacLease system and other franchises, and meet all applicable Government regulations.

2. **SERVICES.**

In order to meet the responsibilities of providing emergency services to vehicles of another Franchise, each Franchise will:

2.1 Provide prompt, efficient, quality services to any vehicle in need of emergency services upon the request of another Franchise;

2.2 Subscribe to PACCAR Leasing Company's (PLC) available program for emergency repairs on vehicles requiring service away from the franchise location or during hours when the franchise location is not open for business;

2.3 On the request of another Franchise who owns the vehicle, make arrangements for service through a non-franchised outlet when unable to provide service themselves because of limited service capacity or the distance involved;

2.4 Either maintain a fleet of rental vehicles at its location in order to provide substitute vehicles on a daily rental basis when required, or use its best efforts to secure a substitute rental vehicle from another source. All vehicles placed in rental service must conform to graphic standards;

2.5 Maximum charges for the following on reciprocal service:

A. Parts at PACCAR Parts National Fleet Pricing Level 3;

B. Labor Charged at Warranty Rate Subject to Standard Repair Times

C. Priority Service for Emergency Repairs

   a. Initial Diagnosis within One (1) Hour After Arrival
   b. Repairs < Two (2) Hours go to Front of the Line
   c. Repairs > Two (2) Hours Need to be Scheduled

D. Fuel not to exceed Franchisee's cost plus $.10 per gallon ($.03 per liter);

E. No Frivolous or Excessive Charges:

   a. Excessive Parking and Storage Fees (should not exceed average of local storage fees)
   b. Third (3rd) Party Invoices Mark Up Limited to 15% and up to $150
   c. Excessive "Environmental Handling" Fees

F. Lubricants at Franchise's Cost Plus Ten Percent (10%);

G. Substitute Vehicles between Franchises for not more than a Two (2) Week Period:

Effective November 1, 2023, reciprocal rates will be as follows:

US Rates

Unit Type	Daily	Weekly	$/mile
Tandem Axle Sleeper	$170.00	$850.00	$0.13
Tandem Axle Day Cab	$150.00	$750.00	$0.13
Single Axle Day Cab	$140.00	$700.00	$0.13
Reefer	$145.00	$725.00	$0.15
Dry Van	$120.00	$600.00	$0.15

Canadian Rates**

Unit Type	Daily	Weekly	$/km
Tandem Axle Sleeper	$210.00	$1,050.00	$0.14
Tandem Axle Day Cab	$190.00	$950.00	$0.14
Dry Van	$150.00	$750.00	$0.16

a. This pricing is valid for up to 2 weeks while the rentee's vehicle is out of service due to repair at the rentor's shop.
b. After two weeks, pricing must be negotiated between Franchises.
c. Pricing for substitutes of specialized equipment must be negotiated between Franchises.
d. Hourly reefer engine rates are $1.25 in the US and $1.75 in Canada

** Rates in CAD$. An additional CAD$30 per day (subject to increase) charge for Mandatory Liability Insurance will be added in Quebec.

2.6 Shall render payment to another Franchise for reciprocal service upon receipt of invoice;

2.7 Shall pay any disputed billing net sixty (60) days from date of invoice by deposit of funds with PLC where such funds shall be held in escrow until the dispute is resolved.

3. FRANCHISE PROGRAMS.

In order to provide uniformity within the national leasing networks, various programs have been developed and each Franchise will:

3.1 Comply with the procedures outlined and set forth on the PACCAR.net (PacLease pages);

3.2 Use forms and promotional material as published by PLC;

3.3 Conform to the PacLease graphic standards as provided by PLC with regard to all PLC trademarks and trade names usage and all business forms, stationary, business cards, etc.;

3.4 Represent PacLease separately on all stationary, business card and marketing materials. However, PacLease may be represented on such materials with other PACCAR trademarks, trade names and logos.

3.5 Identify each approved location with a lighted sign which complies with PLC approved graphic standards and shall be maintained and operated by the Franchise;

3.6 Identify each vehicle used in the system, whether lease, rental or contract maintenance, in a manner consistent with the PacLease graphic standards;

3.7 Incorporate in any advertising the PLC trademarks and trade names in a manner consistent with the PacLease graphic standards.

3.8 Use, to the fullest extent practicable, all PacLease programs to include funding programs, PacTax, PacCentral and PacLease Insurance.

4. PERIODIC FEES.

Franchise will pay to PLC the following fees:

4.1 Initial Location Fees.

Franchisee shall pay an initial fee of $4,000.00 for the base location in a lump sum to PLC within thirty (30) days from the date the Franchise Agreement is signed. The fee will be used to provide the Franchise with a graphics standard sign. These fees are subject to change by PLC upon notice to Franchise. Franchise fees are not refundable in whole or part under any circumstances.

4.2 Location Fee.

The location fee will be $550.00 per month per franchise group. The monthly fee is payable quarterly to PLC.

4.3 Revenue Fee.

The revenue fee of one percent (1.0%) for the first $6,000,000 of all lease, rental, insurance and contract maintenance revenue of all locations combined, is payable to PLC on a quarterly basis. The fee drops to one half of one percent (.5%) for all combined revenues from $6,000,000 to $12,000,000. The fee drops to zero (0) for all combined revenues over $12,000,000. At the Franchise's request, PLC may charge a flat monthly fee for those franchises whose revenue will exceed $12,000,000. This fee is to compensate PLC for programs and services and to provide greater uniformity to the franchise system by including many existing services under one required fee structure.

4.4 Vehicle Permitting, Tax Reporting and Licensing Services.

PLC will provide certain services in connection with various state vehicle licensing and permitting requirements and state fuel and mileage tax reporting requirements. These services will be provided for a monthly per vehicle fee and a one-time setup fee per vehicle. Monthly fees per vehicle do not exceed $25.00. These fees may be changed by PLC from time-to-time to reflect PLC's increased expenses in performing the services.

4.5 Franchise shall pay a monthly fee, as determined by PLC from time to time, for an insurance safety program.

4.6 Interim Interest

PACCAR Policy requires Kenworth and Peterbilt dealers, as well as PLC, to pay for Class 8 trucks within 15 days of date invoiced, and for medium duty trucks within 30 days of date invoiced. However, many PacLease trucks are placed into service outside this time frame, thereby increasing PLC's interest expense without benefit of lease revenue. Therefore, PLC will charge franchises interim interest beginning at 30 days after factory invoice (for Class 8 and Medium Duty) and ending on the in-service date of the vehicles. Interim interest will be billed one month in arrears, with each franchise receiving a consolidated bill for their units.

Following is a summary of the program:

- Interest Start Date: Factory Invoice Date + 30 days
- Interest Rate: Prime + 1.50%
- Balance Charged: Invoiced Dealer Net Price
- Method: Actual Days / 365

Franchises may choose to include the interim interest costs in the funded amount on contracts as part of the over funding. Interim interest costs can be avoided by submitting a signed funding Schedule (between PLC and the Franchise) with an in-service date on or before the factory invoice date plus 30 days.

5. CONFIDENTIAL INFORMATION.

5.1 PLC may, from time to time, disclose certain Confidential Information to a Franchise. "Confidential Information" means any nonpublic information disclosed by PLC to a Franchise and includes, without limitation: (a) information in verbal, written or electronic form or disclosed by inspection of tangible objects or by telephone or videoconference or otherwise, including without limitation, drawings, engineering and design specifications, inventions, know-how, operations, research and development data, graphs, databases, CAD/CAM drawings, software, technical information, presentations, demonstrations, contracts, pricing, customer lists, and letters; (b) PLC's business policies, practices, trade secrets, financial information, product purchases, marketing or promotion plans; (c) new or updated PACCAR vehicle models prior to public release, prototypes, parts or other equipment; or (d) information received from a third party that PLC is obligated to treat as confidential.

5.2 Confidential Information shall not include any information that: (a) is or subsequently becomes publicly available without a Franchise's breach of any obligation owed to PLC; (b) was known to a Franchise prior to the date of disclosure by PLC; (c) becomes known to a Franchise from a source other than PLC which has not breached an obligation of confidentiality owed to PLC; (d) is independently developed by or for a Franchise without use of any of PLC's Confidential Information; or (e) is licensed under an Open Source License (as defined by the Open Source Initiative (www.opensource.org)).

5.3 A Franchise shall hold PLC's Confidential Information in strict confidence and not disclose, or permit its Representatives (as defined below) to disclose, any Confidential Information to third parties unless authorized in writing by PLC. A Franchise shall use the same degree of care with respect to the Confidential Information that a Franchise uses to protect its own confidential information of like importance, but not less than a reasonable degree of care. A Franchise may disclose Confidential Information pursuant to any subpoena or other validly-issued court order or in connection with any mandatory governmental reporting, provided a Franchise shall, to the extent legally permitted, (a) give PLC reasonable notice prior to such disclosure and (b) comply with any applicable protective order or equivalent. If such a protective order is not obtained, a Franchise may disclose only such portion of the Confidential Information which it is advised by its counsel as being legally required.

5.4 A Franchise may disclose Confidential Information only to a Franchise's employees, affiliated companies, subcontractors or consultants (collectively, "Representatives") on a need-to-know basis. A Franchise shall notify and inform each of its Representatives of the provisions of this Section to ensure that such Representatives comply in full with the terms and conditions expressly set forth herein.

5.5 Confidential Information may only be used, reproduced, summarized or distributed by a Franchise in furtherance of a Franchise's truck leasing and rental business and not for any other purpose.

5.6 A Franchise's obligations under this Section shall survive the expiration or termination of its Franchise Agreement.

6. AMENDMENTS AND SUPPLEMENT TO STANDARD OPERATION PROCEDURES.

These Standard Operating Procedures may be supplemented or amended from time to time by PLC. All amendments and supplements adopted will be published in PACCAR.net (PacLease pages). The effective date shall be specified on the face thereof.

7. NATIONAL ACCOUNT SALES POLICY.

The following guidelines will govern sales to National Account Customers. A National Account Customer is a Fortune 1000 Company or subsidiary; a customer who signs a Lease Agreement whose needs for lease vehicles extend beyond a single Franchise's principal market area and into either another Franchise's market area, or into a market area not presently served by a Franchise; or a fleet of ten (10) or more vehicles where the Franchise feels national account sales expertise would be beneficial.

7.1 The Franchisee that enters into the initial lease transaction with a National Account Customer (the "Primary Franchise") executes a PacLease Vehicle Lease and Service Agreement, and applicable Schedule A's and B's, covering the National Account Customer's vehicles in its principal market area;

7.2 Should the National Account Customer have a need for lease vehicles in a market area not served by a PacLease Franchise, the Primary Franchise may apply for a dedicated location in such market area, subject to PLC's approval. As long as a dedicated location provides service only to the National Account Customer, it would not be subject to additional location fees. A dedicated location will be treated as a branch location subject to applicable branch fees in the event the Franchise servicing the National Account Customer elects to market PacLease services generally;

7.3 Should the National Account Customer have need for lease vehicles in market areas where another PacLease Franchise exists (the "Remote Franchise"), the Primary Franchise should contact a National Account Sales Executive to coordinate the National Account Customer's lease needs with the remote location. The Remote Franchise will establish an appropriate lease rate based on the National Account Customer's vehicle requirements and service needs. The National Account Sales Executive will coordinate with all locations, present the proposal, and collect the signed lease documents. The Franchise will then source the lease units;

7.4 The Franchises will handle day-to-day operational and maintenance matters for lease vehicles covered by the Schedule A's and B's entered into with the National Account Customer. PLC may elect to invoice the National Account Customer via centralized billing.

7.5 Should a Remote Franchise elect not to enter into a lease arrangement with a National Account Customer, the Primary Franchise shall have the option of entering into leases with the National Account Customer for vehicles to be domiciled in such Remote Franchise's principal market area. The Primary Franchise and Remote Franchise shall negotiate an agreement whereby the Remote Franchise will maintain such lease vehicles in accordance with the standard PacLease Contract Maintenance Agreement. The Remote Franchise will invoice the Primary Franchise for all such maintenance.

7.6 In addition to the aforementioned Standard Operation Procedures, PLC has set out in a policy bulletin the policies and procedures relating to national accounts. These policies may be changed from time to time at the sole discretion of PLC.

8. VEHICLE TRANSFER.

The following policy guidelines will govern permanent vehicle transfers between PacLease Franchises. This will set forth the responsibility of the sending location and receiving location relative to the terms of transfer. Guidelines governing the transfer of vehicles will be as follows:

8.1 All transferred vehicles must be in roadworthy condition and in compliance with all laws and regulations then applicable to such equipment. The equipment must be clean and in good appearance, normal wear and tear accepted. The engine, transmission and rear axles must be in good operating order. Engines shall meet engine manufacturer's minimum operating standards as measured by compression pressure or blow by, as the case may be. Cracked and broken frames, window glass and/or sheet metal damage are unacceptable and tires must have fifty percent (50%) or more wear remaining. The sending locations, at their expense, shall repair, replace or refurbish vehicle components which do not meet these standards:

A. Units must have had a current PM within 90 days of transfer date

B. Tires must be 50% tread life PER TIRE

C. Any repairs greater than $500 within first 3 months of effective transfer will be documented reviewed and subsequently billed back to sending franchise. Sending franchise will have the option of independent inspection or self-repair within the first business week of notification

8.2 Sending Franchise will be invoiced for repairs if transferred vehicles are not maintained according to the published PLC maintenance schedule. Charges for labor shall be Warranty Rate Subject to Standard Repair Times;

8.3 For vehicles in service less than six (6) months the receiving Franchise will pay the sending Franchise to cover initial start-up costs up to $1,000.00 that were not funded nor have yet to be recouped through the lease payment stream;

8.4 One of the following three (3) options may be employed governing the financial obligations between the sending and receiving Franchises:

A. Contingent upon approval of the sending Franchise, the receiving Franchise could assume the remaining financial obligation on the vehicles. If the vehicle is leased from PLC, the receiving Franchise would be required to seek authorization to assume the remaining lease obligation on the vehicle;

B. If the assumption alternative is not possible or desirable, the sending Franchise could sub-finance the receiving Franchise, utilizing a sub-finance agreement. This document would be developed by the sending Franchise in a form that would be both acceptable to the underlying finance source and/or PLC. The format and content should also conform to state laws regarding the terms of the finance agreement and meet the approval of the receiving Franchise.

C. The sending Franchise could continue the lease with the sub lessee and negotiate a contract maintenance agreement with the receiving Franchise for the maintenance that would be performed by the receiving Franchise. The receiving Franchise could price their services on the basis of a fixed rate plus mileage rate or on the basis of time and materials.

D. The receiving Franchise can REQUEST a re-write of the original agreement if the transferred vehicle(s) is from a rural franchise (must be less than 3,000 combined Class 6-8 Vehicles in Operation (VIOs) as determined by R.L. Polk within a 25.0 mile radius of the franchise) to a Metropolitan Statistical Area (MSA) as determined by the latest U.S. Census to account for increase maintenance cost/expenses.

8.5 If a National Account Customer chooses to transfer a leased vehicle(s) from one Franchise to another, and if the transferred vehicle(s) is/are leased under the PLC Lease For Re- Lease program, the receiving Franchise shall, with PLC’s approval, assume the sending Franchisee’s rights and obligations under the customer lease and the Lease For Re-Lease. In such instance, the receiving Franchise shall execute all documents as required by PLC to complete the transfer. If the vehicle to be transferred is not leased under the PLC Lease For Re-Lease program, the receiving Franchise will purchase the transferred vehicle(s) from the sending Franchise at a purchase price to be negotiated between the parties.

8.6 PacLease will establish and administer a network transfer pool:

A. Each National Account unit funded will include $150 to be withheld by PacLease to establish and maintain a monetary pool to assist in future transfers.

B. A Transfer Documentation Fee will be assessed to each sending franchise based on the time from the unit in service date.

C. Initial Fee to be set at $250 per year (pro-rated) and can be updated from time to time. For example a unit transferred in the 38th month would have a fee of $792

D. The Transfer Documentation fee will also be used to maintain the monetary network transfer pool.

E. At PLC's discretion, funds will be drawn from the network transfer pool to assist receiving franchises in national account transfers.

8.7 In addition to the aforementioned Standard Operation Procedures, PLC has set out in a policy bulletin the policies and procedures relating to vehicle transfers. These policies may be changed from time to time at the sole discretion of PLC.

9. <u>FRANCHISING POLICY.</u>

PLC will determine the proper coverage and number of locations in a marketplace to achieve effective market representation through all qualified Kenworth and Peterbilt dealers, strategically located company stores, and, as appropriate, independent leasing companies (defined below) taking into account, among other things, market potential and the performance of existing Franchise(s).

10. <u>FRANCHISING INDEPENDENTS.</u>

PLC will consider franchising independent companies (not affiliated with Kenworth or Peterbilt dealership operations) in an open or underdeveloped market (open or underdeveloped market as defined in Paragraph 11 below), provided that the independent meets the following criteria:

10.1 The independent agrees to follow the conditions of the Franchise Agreement and Standard Operating Procedures;

10.2 The independent and PLC will agree to a method of converting all existing lease and rental operations to PacLease. PLC reserves the right to withhold franchising an independent that operates under a competing leasing system;

10.3 The independent agrees to identify their fleet and meet all PacLease graphic standards within twelve (12) months from the date of the Franchise Agreement;

The independent agrees to promote maximum use of PACCAR products for lease and rental to its customers whenever possible. All PACCAR vehicles and proprietary parts will be purchased from an authorized PACCAR Dealer.

11. OPEN OR UNDERDEVELOPED MARKET.

An open or underdeveloped market shall be defined to be one of the following:

11.1 A market for which the incumbent Peterbilt and Kenworth dealer has elected not to become a PacLease franchise.

11.2 A market where there is no Peterbilt or Kenworth dealer.

11.3 A market in which PacLease franchise representation has been removed by the dealership's sale of the assets of their PacLease franchise.

11.4 A market in which the incumbent PacLease franchise has failed to acceptably develop the market or meet growth criteria as established by PLC.

11.5 PLC will first serve notice of the open or underdeveloped market to all PACCAR dealers.

- A. Within a specified time frame, PLC will accept proposals from PACCAR dealers who are interested in developing a PacLease franchise within the open market.
- B. PLC reserves the right to accept the best proposal submitted by PACCAR dealers based on the following priority:
  - a. Dealers in contiguous territories.
  - b. Other PACCAR dealers.
- C. If a proposal is not submitted by, or if an acceptable proposal is not receive from, a PACCAR dealer within the specified time frame, PLC will accept proposals from independent leasing companies (who are not otherwise PACCAR dealers) to become PacLease franchises to serve the open or underdeveloped market.
- D. PLC reserves the right to fill the open or underdeveloped market with a PLC owned and managed lease facility(ies).
- E. Should PLC elect to franchise an independent leasing company in the open or underdeveloped market, it is PLC's intent to require the independent leasing company to represent itself only as a PacLease franchisee within the market, and to further submit proposals to become a PacLease franchise in any other market in which the independent leasing company operates a full service leasing and rental business.

11.6 The intent of this Policy is to ensure that additional franchises increase overall market representation.

DISCLOSURE DOCUMENT – EXHIBIT C

LEASE FOR RE-LEASE AGREEMENT
US

This Lease is made as of the day of , between PACCAR Leasing Company, a division of PACCAR Financial Corp. (hereinafter "PACCAR Leasing") having its principal place of business in Bellevue, Washington and (hereinafter "Franchisee"), whose address is .

1. Vehicles Covered

PACCAR Leasing agrees to lease to Franchisee and Franchisee agrees to lease from PACCAR Leasing the vehicles and equipment listed on any Schedule A attached hereto [hereinafter "Vehicles"], and from time to time hereafter executed and made part of this Agreement. Execution of Schedule A shall constitute Franchisee's authorization to PACCAR Leasing to acquire the Vehicles.

2. Delivery and Term

This Agreement shall become effective with respect to each Vehicle on the date the Vehicle is delivered by PACCAR Leasing to Franchisee at Franchisee's address shown above, and shall continue for the term specified on the applicable Schedule A (hereinafter "Schedule A") unless terminated earlier as provided hereinafter. Delivery of a Vehicle as set forth in Schedule A constitutes an acknowledgement that the Vehicle complies with Franchisee's specifications, excluding hidden defects.

3. Return of Vehicles

Upon the expiration or termination of this Agreement with respect to any Vehicle, Franchisee shall return any such Vehicle to PACCAR Leasing at the location designated on the applicable Schedule A, or any other location reasonably designated by PACCAR Leasing, free from all damage and in the same condition and appearance as when received, ordinary wear and tear alone excepted. Franchisee further agrees to return each Vehicle to PACCAR Leasing in roadworthy condition and in compliance with all laws and regulations then applicable to such equipment. Each Vehicle must be clean and in good appearance, normal wear and tear excepted. The engine, the transmission and rear axles must be in good operating order. Engines shall meet engine manufacturer's minimum operating standards as measured by compression pressure or blow by, as the case may be. Cracked or broken frames, window glass or sheet metal damage and other damaged items are unacceptable; and tires must all match and have fifty percent (50%) or more wear remaining. All gauges, switches, lights and components must be in place and operational. Upholstery, seat covers and door panels must not be torn, stained or open at the seams. All equipment, accessories and components provided by or owned by PACCAR Leasing (including parts installed, modifications and alterations as provided in Section 6) must be on the Vehicle and operational. The Franchisee, at its expense shall repair, replace or refurbish Vehicle components that do not meet these turn-in standards. If Franchisee does not return a Vehicle by the applicable expiration or termination of the lease term, then the lease with respect to such Vehicle shall continue on a month-to-month basis and Franchisee agrees to pay the then-current rental and other charges through the end of the month in which Franchisee actually returns the Vehicle.

4. Charges

Franchisee agrees to pay PACCAR Leasing all rental and other charges set forth in the applicable Schedule A covering such Vehicle. The first monthly payment will be due thirty (30) days from the date of delivery or payment due date shown on Schedule A as applicable, and the remaining payments shall become due on the same day of each successive month thereafter unless accelerated as provided in Section 13 hereof or unless otherwise agreed to by both parties in writing. Franchisee agrees to pay a late charge of one and one-half percent (1 ½ %) or the maximum legally permissible amount on each billing whichever is greater, for all past due payments.

5. Taxes, Licenses, Permits and Related Fees and Charges

A. Vehicle Licenses and Federal Heavy Vehicle Use Tax. In accordance with Schedule A, the Franchisee will pay, or cause its sublessees to pay, for the state motor vehicle license and inspection fees for each Vehicle for the licensed weight for the state in which it is domiciled and pay the ad valorem tax and Federal Heavy Vehicle Use Tax for each Vehicle, exclusive of any For Hire taxes, tags or permits. Charges for taxes and license fees paid by PACCAR Leasing which are in excess of amounts stipulated on Schedule A will be billed to the Franchisee and Franchisee shall be reimbursed if the amount is less than the amount on Schedule A. If PACCAR Leasing and Franchisee agree to allow Franchisee or its sublessees to file and pay Federal Heavy Vehicle Use Tax on behalf of PACCAR Leasing, Franchisee further agrees to provide to PACCAR Leasing proof of payment of the tax.

B. Depreciation Deductions. Franchisee recognizes that PACCAR Leasing is the owner of the Vehicles for Federal income tax purposes and intends to take the depreciation deductions as provided by the Internal Revenue Code. In the event that the depreciation deductions are lost, reduced or delayed due to any act of omission by Franchisee, Franchisee agrees to indemnify and hold PACCAR Leasing harmless against any and all losses and/or additional tax liabilities incurred by PACCAR Leasing, including any interest, penalties and additions to tax.

C. Fuel Permits and Related Taxes. If franchisee elects to participate PACCAR Leasing shall, where permitted by law and pursuant to a written agreement with Franchisee, apply for fuel tax permits, prepare and file fuel tax returns and pay the taxes imposed upon the purchase and consumption of such fuel by Franchisee's Vehicles, upon Franchisee providing PACCAR Leasing with trip records, fuel receipts or invoices, and other records or documents related to the use of the Vehicle by Franchisee or its sublessees as may be necessary for the preparation of the fuel tax returns. Franchisee shall reimburse PACCAR Leasing for the amount of fuel taxes and permits. Franchisee shall also reimburse PACCAR Leasing for any additional charges, assessments, tax or penalty or credit disallowed as a result of untimely or improper furnishing of such documents or information by Franchisee.

D. **Other Special Taxes or Fees.** Franchisee shall pay for any special license or pay any taxes required by the business of Franchisee and be responsible for any axle mileage taxes, ton mileage taxes, highway or bridge tolls which may result from the operation of the Vehicles. Unless agreed otherwise in accordance with Section 5.C., above, Franchisee shall obtain all necessary fuel permits and/or bonds and Franchisee shall keep or cause to be kept and made available to PACCAR Leasing any necessary records relating to the use of the Vehicles and pertaining to such permits and taxes.

E. **Adjustments for Changes in Taxes and Fees.** Any increases in existing federal, state or local taxes, or license fees over the amounts of such taxes and fees in effect on the delivery date of any Vehicle leased hereunder, or any new federal, state, or local taxes, or license fees relating to any Vehicle leased hereunder shall also be paid by Franchisee to PACCAR Leasing as incurred by PACCAR Leasing unless otherwise specified herein.

Franchisee's indemnities and liabilities under this Section 5 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement.

6. Maintenance and Repairs; Required Emission Control Equipment

A. **Franchisee's Responsibilities**. Franchisee shall at its own expense keep each Vehicle in good condition and repair in accordance with PACCAR Leasing's recommended procedures. In addition, Franchisee shall maintain each Vehicle in compliance with applicable state and federal safety rules and regulations. Unless otherwise specified in Schedule A, Franchisee shall furnish, at its own expense, all necessary fuel, lubricants, grease, antifreeze, tires, tubes and all other replacement parts and supplies necessary for maintenance and operation of each Vehicle. Franchisee shall not alter or modify a Vehicle in any manner that would materially and adversely affect its value.

B. **Vehicle Modifications and Alterations**. All parts installed and any modifications and alterations made in the course of ordinary maintenance and repair of the Vehicles shall become the property of PACCAR Leasing and shall remain the property of PACCAR Leasing upon termination of this Agreement, unless otherwise provided herein. PACCAR Leasing in its discretion shall determine whether any modification constitutes ordinary maintenance and repair. At Franchisee's request after delivery, additions to or improvements in a Vehicle may be made at the cost and expense of Franchisee upon approval by PACCAR Leasing. Except as provided in this Section, upon expiration or termination of this Agreement, any such additions or improvements may be removed by Franchisee with the prior approval of PACCAR Leasing.

C. **Required Emission Control Equipment**. State and federal laws and regulations may require emission controls and equipment, or other equipment, on a Vehicle now in use. It is understood and agreed that PACCAR Leasing assumes no responsibility for such controls and equipment or installation thereof. Where so required, the installation and the equipment shall be at the expense of the Franchisee. It is further understood and agreed that Franchisee shall determine what equipment is required by Franchisee under applicable law. When installed, such equipment shall become the property of PACCAR Leasing.

7. Disclaimer of Warranty or Other Contractual Liability to Franchisee; Rights Under Manufacturer's Warranty

Franchisee acknowledges that PACCAR Leasing is not the manufacturer or vendor of any Vehicle and that PACCAR Leasing MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED AS TO THE FITNESS WORKMANSHIP, DESIGN OR CONDITION, THE MERCHANTABILITY OF A VEHICLE OR ITS FITNESS FOR ANY PARTICULAR PURPOSE. PACCAR Leasing shall not be liable for any direct, indirect, incidental or consequential damages or losses resulting from the operation or use of any Vehicle. In addition, Franchisee agrees it will not set up any such claims as a defense, counterclaim or set off against any obligations it has assumed under the terms of this Agreement. PACCAR Leasing shall not be responsible for any loss, damage or claim caused by or attributable to any defect or deficiency in any Vehicle whether arising out of a Vehicle's manufacture, design, maintenance, or otherwise.

PACCAR Leasing hereby appoints Franchisee its attorney-in-fact with full power and right for and on behalf of PACCAR Leasing, and in PACCAR Leasing's name, to exercise all rights granted by the manufacturer to PACCAR Leasing under the terms of the warranty covering a Vehicle.

8. Insurance and Indemnity

A. <u>Liability and Physical Damage</u>. Franchisee shall procure from insurance companies approved by PACCAR Leasing and maintain in full force during the term of this Agreement for each Vehicle described in Schedule A public liability insurance in favor of PACCAR Leasing (its successors and assigns) and the Franchisee as their interests may appear, with limits for bodily injury and damage or loss of property in the minimum amount of $1 million primary automobile liability insurance as set out in Schedule A, and physical damage insurance in the full insurable value of each Vehicle insuring the respective interests of PACCAR Leasing, Franchisee, their successors and assigns, against loss or damage by collision, fire, theft and other hazards, subject to a deductible clause in the amount set out in Schedule A.

B. <u>Excess ("Umbrella") Insurance Coverage</u>. Franchisee shall procure from insurance companies approved by PACCAR Leasing and maintain in full force during the term of this agreement the minimum amount of $3 million umbrella or excess insurance in favor of the Franchisee, and PACCAR Leasing.

C. <u>Proof of Insurance; Failure to Insure</u>. Each such insurance policy shall provide that coverage shall not be cancelled or materially changed unless the carrier shall give written notice to both PACCAR Leasing and Franchisee at least thirty (30) days prior to such cancellation or material change. Franchisee shall deliver certificates of insurance coverage to PACCAR Leasing. In the event Franchisee shall fail to maintain such coverage, PACCAR Leasing shall have the right, but not the obligation, to obtain the coverage and add any premium expenses to lease payments to PACCAR Leasing.

D. <u>Vehicle Operation</u>. Franchisee agrees that no Vehicle will be used or operated in violation of any law, rule, regulation, statute, or ordinance by any public, governmental or regulatory body having jurisdiction over the Vehicle or Franchisee. Franchisee shall indemnify and hold PACCAR Leasing harmless from and against any and all fines, forfeitures, seizures, confiscations, penalties, or damages and attorneys' fees related thereto arising out of the use and operation of any Vehicle in violation of any such law, rule, regulation, statute or ordinance. No Vehicle shall be used contrary to any applicable insurance coverage required hereunder.

E. **Accident Reporting**. Franchisee agrees to notify PACCAR Leasing immediately upon the happening of any accident or collision involving a Vehicle by the speediest means of communication available and to cause the driver to make a detailed report in person at the Franchisee's office as soon as practicable and to promptly render all other assistance to PACCAR Leasing and/or the insurer hereunder that is requested by either of them in investigating or defending all claims or suits.

F. **Cargo Losses**. Franchisee agrees to release and hold PACCAR Leasing harmless from any liability for loss or damage to any cargo or other property in or carried by any Vehicle, including consequential damages, and for any loss or damage to any other property of Franchisee, its agents or employees, left in or on a Vehicle at any time or place.

G. **Indemnity**. In addition to any other obligations to indemnify set forth in this Agreement, Franchisee agrees to indemnify and hold PACCAR Leasing harmless from and against any and all claims, causes of action, damages, demands, liabilities and expenses of any kind (including without limitation attorneys' fees, fines and penalties) relating to or arising out of the possession, maintenance, use, operation, subleasing, control or storage of any Vehicles covered by this Agreement. The indemnity provisions of this Section 8 shall survive expiration or termination of this Agreement. Nothing contained in this Section 8 shall be construed to limit this indemnity.

9. Loss or Destruction

In the event any Vehicle is lost, stolen, destroyed or damaged beyond repair, Franchisee shall not be relieved or released from any of its obligations and liabilities under this Agreement until such time as any amounts actually received by PACCAR Leasing from insurance, or otherwise on franchisee's behalf for such loss or damage, have been applied to eliminate or satisfy in their entirety Franchisee's obligations under this Agreement. Franchisee shall be liable to PACCAR Leasing for any amount by which net proceeds of insurance (or other payment for such loss or damage) are less than the Early Termination Value set forth in Schedule A. If a Vehicle is lost or stolen and remains so for thirty (30) days after PACCAR Leasing has been so notified, Franchisee shall then be obligated to pay PACCAR Leasing the Early Termination Value as set forth in Schedule A. The lease as to that Vehicle will then terminate provided all charges for the Vehicle have been paid to that date, including without limitation all amounts due under this paragraph.

10. Sublease (Re-Lease)

Upon written credit approval by PACCAR Leasing, Franchisee shall have the right to sublease Vehicles on terms and to sublessees acceptable to PACCAR Leasing. Franchisee shall furnish PACCAR Leasing with such information as may be reasonably requested by PACCAR Leasing to evaluate the creditworthiness of each sublessee. Franchisee shall grant PACCAR Leasing, in a form acceptable to PACCAR Leasing, a security interest in, and collateral assignment of, all such subleases and rentals and other payments from sublessees to Franchisee to secure all amounts now or hereafter owing from Franchisee to PACCAR Leasing. Each sublease or Schedule A thereto also shall acknowledge that PACCAR Leasing at all times during the term of the sublease has, and shall retain, title and ownership of each Vehicle, and that the Franchisee does not have any proprietary rights or interest therein. The sublease shall further provide that PACCAR Leasing is entitled to receive all rental and other payments directly from sublessee upon providing proper notice to sublessee.

11. Ownership

Although Vehicles may in some states be covered by certificates of title issued in the name of Franchisee, Franchisee agrees and acknowledges that at all times during the term hereof title and ownership of each Vehicle (and all accessions thereto unless otherwise agreed under Section 6) shall remain in PACCAR Leasing and that the Franchisee has not and does not by these presents acquire any proprietary rights or interest therein. In the event certificates of title for any Vehicles are issued in the name of Franchisee, Franchisee hereby makes constitutes and appoints PACCAR Leasing the true and lawful attorney of Franchisee to execute certificates of title, or other title documents or instruments or to take other acts necessary to have certificates of title for any such Vehicles issued in the name of PACCAR Leasing. This power of attorney and authority herein granted shall be effective from the date of this Agreement until the parties mutually agree otherwise.

12. Early Termination

A. **Required Notice**. Either party (if that party is not in default of any provisions hereunder) may terminate this Agreement as to all or any of the Vehicles leased hereunder by giving the other party sixty (60) days prior written notice.

B. **Termination by Franchisee**. In the event this Agreement is terminated by Franchisee prior to the full term as to any Vehicles listed in Schedule A, PACCAR Leasing at its option may dispose of such Vehicles at such price as may be obtainable, and Franchisee shall be liable to PACCAR Leasing for any amount by which the net sales proceeds of disposition are less than the Early Termination Value as set forth in Schedule A. PACCAR Leasing and Franchisee may mutually agree on the sale of Vehicles to the Franchisee at the Early Termination Value as set forth in Schedule A. However, PACCAR Leasing shall be under no obligation to sell any Vehicle to Franchisee. In no event shall the purchase price be less than twenty percent (20%) of the Schedule A initial value of such Vehicles. In addition to the Early Termination Value set forth in the Schedule A, Franchisee will pay personal property and federal highway taxes, and other prepaid expenses previously paid by PACCAR Leasing for each Vehicle, prorated to the date of sale. Rather than selling such Vehicles to Franchisee or a third party, PACCAR Leasing may at its option lease such Vehicles to a third party and Franchisee shall be liable to PACCAR Leasing for any reduction of rental income under the new leases.

C. **Termination by PACCAR Leasing**. In the event this Agreement is terminated by PACCAR Leasing prior to the full term as to any Vehicles listed in Schedule A (and Franchisee is not in default under this Agreement), Franchisee shall have the option to purchase any Vehicles for cash at the Early Termination Value as set forth in Schedule A.

13. Default

If Franchisee fails to pay promptly any rental payment or other amounts owing when due or fails to furnish and pay the premiums for insurance provided in paragraph 8, or if any proceeding or case is instituted by or against Franchisee under any provisions of the U.S. Bankruptcy Code or any state insolvency low or for the appointment of a receiver, or if Franchisee makes an assignment for the benefit of creditors or becomes insolvent as that term is defined in the Uniform Commercial Code, or if Franchisee breaches any provision of this Agreement, or if in any proceeding in which Franchisee is involved any execution, writ, or process is obtained whereby any Vehicles may be taken or confiscated, then Franchisee shall be in default under this Agreement. In the event of any such default, PACCAR Leasing shall have all remedies provided by law and in equity and, at its sole option, shall have the right at any time to exercise concurrently, or separately, any one or all of the following remedies, and Franchisee shall be liable for all costs and expenses incurred by PACCAR Leasing in pursuing such remedies, including reasonable attorneys' fees:

A. **Termination of the Agreement**. Without notice to Franchisee, PACCAR Leasing, at its option, may terminate this Agreement as to any Vehicles, and all rental payments or other amounts owing shall become immediately due and payable;

B. **Vehicle Repossession**. PACCAR Leasing or its representative may enter the premises where any Vehicle is located, take possession of and remove it with or without legal process or notice to Franchisee;

C. **Disposition of Vehicles after Default**. Without relieving Franchisee from any of its obligations hereunder or waiving any of PACCAR Leasing's rights, PACCAR Leasing may at its option hold, lease or sell any Vehicles at such time, place and in such manner and at such price and on such other terms as PACCAR Leasing may deem appropriate. PACCAR Leasing shall have the option of requiring the Franchisee to purchase any Vehicles (but only in the event of default by Franchisee) for cash at the Early Termination Value as set forth in Schedule A. In no event shall the purchase price to Franchisee be less than twenty percent (20%) of the Schedule A initial value of each Vehicle. In addition to the Schedule A value, Franchisee will pay personal property, federal highway taxes, sales, use or transfer taxes or fees and other prepaid expenses previously paid by PACCAR Leasing for any Vehicle, prorated to the date of sale. In the event any such Vehicles are not purchased by Franchisee, and any such Vehicles are sold to a third party, Franchisee shall be liable to PACCAR Leasing for any amount by which the net sale proceeds of such disposition are less than the Early Termination Value as set forth in Schedule A. If any such Vehicles are leased to a third party, Franchisee shall be liable to PACCAR Leasing for any reduction of rental income under the new leases.

14. Force Majeure

PACCAR Leasing shall not be liable for any damages to Franchisee for failure or delay of PACCAR Leasing to perform any of the terms hereof when such failure or delay is caused by events which are beyond the reasonable control or without the fault of PACCAR Leasing.

15. Transfer or Assignment by Franchisee

Franchisee shall promptly notify PACCAR Leasing in writing prior to any or all substantial changes in ownership or any material disposition of the assets of Franchisee's business. Without the prior written consent of PACCAR Leasing, Franchisee shall not transfer, assign, pledge, or grant a security Interest in, this Lease, any subleases of Vehicles, or any interest therein or any proceeds thereof.

16. Assignment by PACCAR Leasing

PACCAR Leasing may assign this Lease, its rights hereunder and all or any part of the rentals, charges and all other claims or rights to money or credits due or to become due hereunder at any time, and, upon notice from assignee directing payment to such assignee, Franchisee shall make all payments coming due thereafter to the assignee without offset, counterclaim or defense of any kind. In no event shall the assignee become liable or responsible to perform any of the obligations imposed upon PACCAR Leasing by this Lease. In the event of default by PACCAR Leasing of any provisions of this Lease, Franchisee will remain responsible to assignee to perform Franchisee's obligations as follows: Franchisee may elect to purchase promptly for cash all Vehicles then being leased under this Lease at the Early Termination Value set forth in Schedule A, or Franchisee may elect to assume all obligations that PACCAR Leasing has with assignee with respect to all Vehicles.

17. Financial Reporting

Franchisee warrants that it has no undisclosed or contingent liabilities that are not reflected in a financial statement on file with PACCAR Leasing at the execution of this Agreement. During the continuation of this Agreement, Franchisee will (i) forward to PACCAR Leasing not later than the twenty-fifth (20th) day of each month, financial data and accounting information on designated forms for the previous month's operations, (ii) forward to PACCAR Leasing its audited annual financial statements not later than one hundred twenty (120) days following the close of its fiscal year, and (iii) allow PACCAR Leasing or PACCAR Leasing's auditors, accountants or other agents, to make a reasonable audit or examination of any of the books and records of Franchisee, all of which will be made available upon request. Such accountants or other representatives of PACCAR Leasing will be permitted to make any verification of the accuracy of the records that PACCAR Leasing deems necessary or proper.

18. Savings Clause

If any provision of this Agreement is invalid under applicable laws of any jurisdiction, such provision shall be deemed not to be a part of this Agreement in such jurisdiction, but shall not invalidate any other provision hereof.

19. Notices

All notices provided for herein shall be in writing and mailed or otherwise delivered to PACCAR Leasing or Franchisee, as the case may be, at its address as set forth herein or such other address designated in writing by the party to be notified.

20. Entire Agreement; Binding Effect

This Lease contains the entire agreement and understanding between the parties, and its terms shall not be construed as altered by any verbal agreement or informal writing, nor by failure to insist upon performance or failure to exercise any right or privilege, but alteration or addition shall be accomplished only by written endorsement hereon or amendment hereto, or additional Schedule A's made a part hereof, duly executed by both parties. This Lease shall be binding on the parties hereto, their successors, legal representatives and assigns.

IN WITNESS WHEREOF, each of the parties hereto has caused their presents to be duly executed as of the day and year first above written by a person duly authorized. Electronic signatures will be treated as originals.

PACCAR Leasing Company,
a division of PACCAR Financial Corp.

By: ______________________	By: ______________________
Print Name: Ken A. Roemer	Print Name: ______________________
Its: President	Its: ______________________

VEHICLE PERMITTING AND LICENSING SERVICE AGREEMENT US

This Agreement is made as of the day of , , between PACCAR Leasing Company, a division of PACCAR Financial Corp. (hereinafter "PACCAR Leasing") and (hereinafter "Franchisee") whose address is .

1. SERVICES COVERED

PACCAR Leasing agrees to provide and Franchisee agrees to obtain state fuel and/or provincial tax reporting, vehicle licensing and permitting services pursuant to the terms and conditions of this Agreement.

2. TERM

The term of this Agreement shall be the earlier of three (3) years commencing on the date set out above, or the date of termination, expiration or cancellation of the Franchise Agreement between PACCAR Leasing and Franchisee. This Agreement shall be automatically renewed for successive terms of three (3) years unless terminated earlier in accordance with Paragraph 3.B. or Paragraph 8.

3. CHARGES

A. Franchisee agrees to pay PACCAR Leasing an initial set-up fee of $10 per vehicle covered by this Agreement, which shall be due on the first day of the month following the date the vehicle is placed in service, and a monthly fee of ($____) for each vehicle covered by this Agreement. The first monthly payment for each vehicle covered shall be due on the first of the month following the date the vehicle is first placed in service. Remaining payments shall become due on the first day of each successive month thereafter. In addition, Franchisee agrees to pay PACCAR Leasing a fee of ($____), plus applicable state fees, for each temporary permit obtained by PACCAR Leasing on behalf of the Franchisee.

B. Upon thirty (30) days' prior written notice, PACCAR Leasing may change the fees set forth in this Agreement. Franchisee shall be deemed to have accepted any such price increase unless Franchisee provides PACCAR Leasing thirty (30) days prior written notice of termination of this Agreement no later than ten (10) days after Franchisee receives notification from PACCAR Leasing of a price increase.

4. PACCAR LEASING AGREES:

A. To prepare and file on behalf of Franchisee apportioned interstate license applications.

B. To prepare and file on behalf of Franchisee and Franchisee's lessees where applicable interstate reciprocity permit applications.

C. To prepare and file on behalf of Franchisee and Franchisee's lessees where applicable fuel and mileage tax permit applications.

D. To prepare and file on behalf of Franchisee other forms of state permit applications required for private carrier fleets or leased vehicles.

E. To prepare and file on behalf of Franchisee and Franchisee's lessees where applicable required monthly, quarterly, and annual fuel and mileage tax reports.

F. To prepare and file on behalf of Franchisee and Franchisee's lessees where applicable annual mileage reports required for apportioned licensing.

G. To prepare and file on behalf of Franchisee and Franchisee's lessees where applicable fuel tax refund applications where allowed.

H. To prepare and provide on behalf of Franchisee fleet and customer tax liability reports and other management reports as agreed by PACCAR Leasing and Franchisee.

I. To assist Franchisee in record preparation for state and provincial audits.

J. To advise Franchisee on obtaining temporary state and provincial license and fuel tax permits and to obtain clearance on Franchisee's behalf when available.

Notwithstanding the foregoing, PACCAR Leasing reserves the right to return the completed state applications and fuel and mileage tax reports to the Franchisee for filing directly by the Franchisee, where credit conditions so warrant.

5. FRANCHISEE AGREES:

A. To provide to PACCAR Leasing all information necessary in a timely and accurate form for PACCAR Leasing to perform the services specified above.

B. To provide the information requested by PACCAR Leasing on forms that PACCAR Leasing may from time to time require

C. To pay all invoices for services, fees, and taxes promptly as required by standard PACCAR Leasing credit policies.

D. To reimburse PACCAR Leasing for all taxes and fees paid by PACCAR Leasing on behalf of the Franchisee.

E. To provide information to PACCAR Leasing on the forms as required by the various governmental agencies.

6. IT IS MUTUALLY AGREED:

A. PACCAR Leasing shall be liable only for damages directly related to the services performed under this Agreement, such as any tax penalties or fines, and which are the direct result of PACCAR Leasing's negligence. PACCAR Leasing shall not be liable for any incidental or consequential damages, including but not limited to any damages directly or indirectly associated with lost revenue or costs due to vehicle delays.

B. Franchisee shall remain liable for any taxes, fees and interest due regardless of any delays or errors in reporting or permitting.

C. No action, regardless of form, arising out of the services under this Agreement may be brought by either party more than one year after the cause of action has occurred, except that an action for nonpayment of taxes, permit, or license fees may be brought within the statutory period for limitations of actions.

7. WARRANTY:

PACCAR Leasing makes no representations, warranties, or guaranties, express or implied, other than those contained in this Agreement.

8. TERMINATION:

A. If either party shall refuse, neglect or fail to perform, observe and keep any of the terms or conditions of this Agreement and such refusal, neglect or failure shall continue for a period of five (5) days after written notice of the defaulting party, the other party shall have the right, in addition to any other right or remedies it may have, to terminate this Agreement immediately upon written notice.

B. If PACCAR Leasing shall for any reason deem it necessary to cancel, terminate or fail to renew Franchisee's franchise agreement, PACCAR Leasing may at the same time terminate this Agreement immediately upon written notice to Franchisee. In any subsequent renewal periods after the first three (3) year term, either party may terminate the Agreement without cause upon 90 days' written notice.

9. FORCE MAJEURE:

PACCAR Leasing shall not be liable for any damages to Franchisee for failure or delay of PACCAR Leasing to perform any of the terms hereof when such failure or delay is caused by events which are beyond the reasonable control of, or without the fault of PACCAR Leasing.

10. ASSIGNMENT:

Neither PACCAR Leasing nor Franchisee shall assign this Agreement or any right or obligation hereunder without the prior written consent to the other party, which consent shall not be unreasonably withheld.

11. SAVINGS CLAUSE:

If any provision of this Agreement is invalid under the laws of any state where used, such provision shall be deemed not to be a part of this Agreement in such state, but shall not invalidate any other provision hereof.

12. NOTICES:

A. All notices provided for herein shall be in writing and mailed to PACCAR Leasing and Franchisee at their respective addresses as set forth herein or such other addresses designated in writing by either party.

B. This Agreement contains the entire Agreement and understanding between parties and its term shall not be construed as altered by any verbal agreement or informal writing, nor by failure to insist upon performance or failure to exercise any right or privilege, but alteration or addition shall be accomplished only by written endorsement hereon or amendment hereto, duly executed by both parties.

IN WITNESS WHEREOF, each of the parties hereto has caused their presence to be duly executed the day and year first above written by a person duly authorized. Electronic signatures will be treated as originals.

PACCAR Leasing Company,
a division of PACCAR Financial Corp.

By: ____________________________	By: ____________________________
Print Name: Ken A. Roemer	Print Name: ______________________
Its: President	Its: ______________________________

DISCLOSURE DOCUMENT – EXHIBIT E

SECURITY AGREEMENT AND COLLATERAL ASSIGNMENT OF LEASES US

THIS SECURITY AGREEMENT AND COLLATERAL ASSIGNMENT OF LEASES ("Agreement") dated as of the day of , by and between , a ("Debtor") and PACCAR Leasing Company, a division of PACCAR Financial Corp., a Washington corporation ("Secured Party").

DEBTOR AND SECURED PARTY HEREBY AGREE AS FOLLOWS:

1. Assignment and Grant of Security Interest. Debtor hereby assigns and grants to Secured Party a security interest in the following described property and any and all proceeds and products thereof and accessions thereto (collectively the "Collateral"):

All leases (the "Lease") now existing or hereafter entered into between Debtor as lessor and customers of Debtor as lessee relative to vehicles, which vehicles are now or hereafter held by Debtor as lessee of Secured Party under that certain Lease for Re-Lease Agreement dated the day of , , or any extensions, renewals, amendments, or modifications thereof or substitutions therefor or any other leases or similar agreements between Debtor and Secured Party (the "Lease for Re-Lease"), and all proceeds thereof in whatever form, including without limitation, accounts receivable, contract rights, general intangibles, rents, cash, cash equivalents, insurance proceeds, documents or instruments.

This assignment and grant of security interest are for collateral and security purposes only. Secured Party does not undertake and shall not be liable for the performance of any obligations or duties of Debtor as lessor under the Leases or assume any other liabilities of Debtor arising thereunder by reason of this Agreement.

2. Secured Indebtedness. The indebtedness secured hereby shall include (a) all money now or hereafter due from Debtor to Secured Party under the Lease for Re-Lease Agreement; (b) all money now or hereafter due from Debtor to Secured Party under that certain Franchise Agreement between Debtor and Secured party dated the day of , (the "Franchise Agreement"); (c) all other present or future, direct or contingent liabilities and indebtedness of Debtor to Secured Party of any nature whatsoever, and any extensions or renewals thereof; and (d) all attorney's fees, court costs and expenses of whatever kind incident to the collection of any of said indebtedness or other obligations and the enforcement and protection of the security interest created hereby.

3. Representations, Warranties and Agreements of Debtor. Debtor represents, warrants and agrees as follows:

(a) Debtor will promptly notify Secured Party, in writing, of any new place or places of business or of any change in the location of the collateral or any records pertaining thereto. This provision does not constitute Secured Party's consent to any new business location of Debtor.

(b) Debtor is the owner of the Collateral free and clear of any liens and security interests, and Debtor will defend the Collateral against the claims and demands of all persons.

(c) Debtor will pay to Secured Party all amounts secured hereby as and when the same shall be due and payable, whether at maturity, by acceleration or otherwise, or when Secured Party deems itself insecure for any reason, and will promptly perform all terms of said indebtedness and this or any other security or lease agreement between Debtor and Secured Party, and will promptly discharge all said liabilities.

(d) Debtor will pay all costs of filing and financing, continuation and termination statements with respect to the security interests created hereby, and Secured Party is authorized to do all things that it deems necessary to perfect and continue perfected the security interests created hereby and to protect the Collateral.

(e) The address set forth after Debtor's signature on this Agreement is Debtor's only place of business and the location of all tangible Collateral and the place where the records concerning all intangible Collateral are kept and/or maintained.

4. Default. Debtor shall be in default upon failure to pay when due any amount secured hereby, or upon failure to observe or perform any of Debtor's other agreements herein contained, or contained in any instruments, document or agreement now or hereafter evidencing, securing or in any way related to any indebtedness secured hereby, or if any warranty or statement by Debtor herein or furnished in connection herewith is false or misleading, or if proceedings in which Debtor is alleged to be insolvent or unable to pay Debtor's debts as they mature are instituted by or against Debtor under any provisions of any bankruptcy law or any other law, or if Debtor makes an assignment for the benefit of creditors, or if Secured Party in good faith believes its prospect of payment and performance is impaired.

5. Remedies. Upon default, all sums secured hereby shall immediately become due and payable at Secured Party's option without notice to Debtor, and Secured Party may proceed to enforce payment of same and to exercise any and all rights and remedies provided by the Uniform Commercial Code (   ) or other applicable law, as well as all other right and remedies possessed by Secured Party, all of which shall be cumulative. Without limiting the foregoing, Secured Party shall have the right to collect all rents and other amounts owing under the Leases upon written notice to Debtor's

lessees, and Debtor's lessees shall have no liability to Debtor for payments made to Secured Party pursuant to this provision.

If the Secured Party exercises its right to collect rents and other amounts owing under the leases as per Article 5 of the agreement, the Secured Party will not unreasonably withhold that portion of the amounts collected that is not due Secured Party by the Debtor. Amounts over and above that due Secured Party will be returned to Debtor without undue delay.

Secured Party may waive any default before or after the same has been declared without impairing its right to declare a subsequent default hereunder, this right being a continuing one.

6. Secured Party's Option to Require Delivery of Leases. In the event Debtor receives a written request from Secured Party, Debtor shall immediately deliver all of the original Leases now in Debtor's possession to Secured Party and shall hereafter deliver all original Leases to Secured Party within seven (7) days of Debtor's receipt thereof. Debtor may retain copies of the Leases for its records, but shall mark each as a "copy."

7. Severability. If any provision of this Agreement is held invalid, such invalidity shall not affect the validity or enforceability of the remaining provisions of this Agreement.

8. Binding Effect. This Agreement shall inure to the benefit of Secured Party's successors and assigns and shall bind Debtor's heirs, representatives, successors and assigns. If Debtor is composed of more than one person, firm and/or entity, their obligations hereunder shall be joint and several.

9. Financial Reporting. Debtor has no undisclosed or contingent liabilities that are not reflected in a financial statement on file with Secured Party at the execution of the Agreement. During the continuation of this Agreement, Debtor will (i) forward to Secured Party, not later than the 20th day of each month, financial data and accounting information on designated form for the previous month's operations (ii) forward to Secured Party its audited annual financial statements not later than 120 days following the close of it fiscal year, and (iii) allow Secured Party, or Secured Party's auditors, accountants or other agents, to make a reasonable audit or examination of any of the books and records of Debtor, or the Collateral, all of which will be made available upon request. Such accountants or other representatives of Secured Party will be permitted to make any verification of the existence of the Collateral or accuracy of the records that Secured Party deems necessary or proper.

10. U.C.C. Termination Statement. Debtor agrees that, notwithstanding the payment in full of all indebtedness secured hereby and whether or not there is any outstanding obligation of Secured Party to make future advances, Secured Party shall not be required to send Debtor a termination statement with respect to any UCC-1 financing statement filed to perfect Secured Party's security interest(s) in any of the Collateral, unless and until Debtor shall have made written demand therefor.

Upon receipt of proper written demand, Secured Party may at its option, in lieu of sending a termination statement to Debtor, cause said termination statement to be filed with the appropriate filing officer(s). If Secured Party fails to send or cause to be filed such a termination statement within ten (10) days of its receipt of proper demand therefor, Secured Party shall be liable to Debtor for $10 for each day that elapses between the receipt of said written demand and the sending of said termination statement for the filing thereof by Secured Party), and no more.

11. Protection of Collateral. Except as may be of public record as of the date hereof, Debtor will not permit any liens or security interests other than those created by this Agreement to attach to any of the Collateral, nor permit any of the Collateral to be levied upon under any legal process, nor permit anything to be done that may impair the security intended to be afforded by this Agreement, nor permit any tangible Collateral to be become attached to or commingled with other goods without the prior written consent of Secured Party. Furthermore, Debtor will not sell, exchange, lien or otherwise dispose of any of the Collateral without the prior written consent of Secured Party.

12. Additional Agreements With Respect to Collateral. Debtor additionally warrants and agrees as follows:

(a) Secured Party's security interest hereunder shall attach to all proceeds of all sales or other dispositions of the Collateral in whatever form, including without limitation, accounts receivables, contracts, general intangibles, rents, cash, cash equivalents, or insurance proceeds. If at any time any such proceeds shall be represented by any instruments, chattel paper or documents of title, then such instruments, chattel paper or documents of title shall be promptly delivered to Secured Party and subject to the security interest granted hereby. If at any time any of Debtor's inventory is represented by any document of title, such document of title will be delivered promptly to Secured Party and subject to the security interest granted hereby.

(b) By the execution of this Agreement, Secured Party shall not be obligated to do or perform any of the acts or things provided in any contracts covered hereby that are to be done or performed by Debtor, but if there is a default by Debtor in the payment of any amount due in respect to any indebtedness secured hereby, then Secured Party may, at its election, perform some or all of the obligations provided in said contracts to be performed by Debtor, and if Secured Party incurs any liability or expenses by reason thereof, the same shall be payable by Debtor upon demand and shall also be secured by this Agreement.

(c) Debtor shall on request from Secured Party submit to Secured Party duplicate copies of all invoices on outstanding amounts subject to Secured Party's security interest. Upon default by Debtor hereunder, Secured Party shall have the right to notify the lessees or account debtors obligated on any or all of the Leases or items representing proceeds thereof to make payment thereof directly to Secured Party, and to take control of all proceeds of any such Leases. Until default and such time as Secured Party elects to exercise such right, Debtor is authorized, as agent of the Secured Party, to collect and enforce said Leases.

13. Execution of U.C.C. Forms. In connection with the granting of a security interest hereunder, Debtor hereby authorizes PACCAR Leasing Company or any of its officers or employees to sign and execute on behalf of Debtor any and all UCC financing statements and any necessary amendments thereto for the purpose of perfecting Secured Party's security interest in the Collateral. Debtor as Lessee under the Lease for Re-Lease Agreement referenced in paragraph 1, herein, also authorizes Secured Party as Lessor to sign and execute on its behalf any and all necessary documents, including UCC forms, necessary to provide public notice of this lease transaction, which the parties intend to be a true lease.

IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement as of the date first above written. Electronic signatures will be treated as originals.

SECURED PARTY:	DEBTOR:
PACCAR Leasing Company, a division of PACCAR Financial Corp.	
By: ______________________________	By: ______________________________
Print Name: Ken A. Roemer	Print Name: ________________________
Its: President	Its: ______________________________

DISCLOSURE DOCUMENT – EXHIBIT F

PERSONAL GUARANTEE

("Franchisee") indicated below expects to obtain credit and services from PACCAR Financial Corp., acting through its division PACCAR Leasing Company (hereinafter, "PACCAR Leasing"). The undersigned guarantor(s) is an owner of Franchisee and will derive benefit from PACCAR Leasing transacting business with Franchisee.

To induce PACCAR Leasing to transact business with Franchisee from time-to-time, and in consideration thereof, the undersigned guarantor(s) (each, a "Guarantor") hereby jointly, severally and unconditionally guarantee to PACCAR Leasing payment when due of all indebtedness of Franchisee to PACCAR Leasing, whether now existing or hereafter incurred. (The indebtedness of Franchisee to PACCAR Leasing includes all indebtedness to PACCAR Leasing incurred by any subsidiary owned or controlled by Franchisee or by the principal owners of Franchisee.)

Notwithstanding anything to the contrary herein, Guarantor shall only be liable for an amount which is the lesser of payments due PACCAR Leasing or $500,000.00; PROVIDED THAT, the amount guaranteed shall be increased without limit by the total of any payments due or to become due on equipment leased under the PACCAR Leasing "Lease for Re-Lease" program, or otherwise financed by PACCAR Leasing, where PACCAR Leasing subsequently discovers facts of the transaction were not as represented by Franchisee.

Guarantor hereby assents to all terms of any Franchisee indebtedness incurred to PACCAR Leasing, and hereby waives notice of acceptance of this Guarantee, demand and protest of nonpayment respecting any Franchisee indebtedness and any and all notices which may be required to be given by any statute or rule of law. The obligations of Guarantor shall not be affected by the validity, legality or enforceability of any Franchisee obligation, and shall not be affected by any PACCAR Leasing action or omission, or by any other circumstances, which may vary, or constitute a lawful discharge of the risks of Guarantor. It is Guarantor's intent that its obligations hereunder shall be absolute and unconditional under all circumstances, and shall not be discharged except upon full performance of this Guarantee. This Guarantee shall not be discharged or affected by the death of any Guarantor and shall bind each Guarantor's respective estate, heirs, administrators, representatives, successors and assigns. Any married Guarantor executing this Guarantee intends to obligate any marital community estate.

Until prior payment in full of all Franchisee indebtedness to PACCAR Leasing, Guarantor hereby subordinates its claims, present and future, against Franchisee and waives all subrogation to any collateral for Franchisee's indebtedness.

All rights and remedies of PACCAR Leasing against Guarantor are cumulative and may be repeatedly exercised. Regarding each claim against Guarantor referred to any attorney for collection, Guarantor agrees to pay all costs and expenses of PACCAR Leasing, including reasonable attorney's fees.

This Guarantee is a continuing Guarantee and shall remain effective and bind each Guarantor until such Guarantor gives notice to PACCAR Leasing to advance no further credit on the security of its Guarantee, but such notice shall not affect the liability of such Guarantor respecting any Franchisee indebtedness incurred before receipt by PACCAR Leasing of such notice or terminate or modify the liability of any other Guarantor executing this Guarantee.

Guarantor warrants to PACCAR Leasing that it has full power, authority and legal right to execute and perform this Guarantee, has taken all necessary action therefor, and that execution and performance hereof do not contravene any legal or contractual restrictions affecting any Guarantor.

This Guarantee shall be deemed made under and shall be governed by the laws of the State of Washington. Electronic signatures will be treated as originals.

EXECUTED THIS DAY OF , .

FRANCHISEE:	GUARANTOR (S):
______________________	______________________
Franchisee Legal Name	Printed Name
	______________________
	Signature

DISCLOSURE DOCUMENT – EXHIBIT G

ADDENDUM TO FRANCHISE AGREEMENT – Right of First Refusal

This Addendum is made a part of, and incorporated into, the Franchise Agreement between PACCAR Leasing Company, a division of PACCAR Financial Corp. (hereinafter "PACCAR Leasing") and , a (hereinafter “Franchisee”), dated this day of , and all future renewals or replacements therefore.

WHEREAS, Franchisee desires in the event it decides to sell its business, or any branch thereof, to have PACCAR Leasing provide assistance to Franchisee in identifying potential buyers; and

WHEREAS, PACCAR Leasing desires to have an option to purchase and a right of first refusal in the event Franchisee decides to sell its business or any branch thereof;

NOW, THEREFORE, in consideration of the promises and mutual covenants of the parties hereinafter set forth, it is agreed as follows:

1. Franchisee shall give PACCAR Leasing notice in writing before undertaking any efforts to sell the franchise. The notice will contain a description of the assets to be sold, the proposed selling price, and other terms relevant to the sale. Upon request, PACCAR Leasing agrees to provide assistance to Franchisee in locating buyer candidates acceptable to both Franchisee and PACCAR Leasing, although Franchisee shall independently negotiate any buy/sell agreement. In the alternative and at its sole option, PACCAR Leasing may elect to purchase the franchise assets by advising Franchisee in writing within 30 days after receiving Franchisee's notice of intention to sell. PACCAR Leasing shall have the right to purchase the principal assets of Franchisee used in day-to-day operations, including the purchase or lease of real estate at a price and/or terms acceptable to both parties. If franchise premises are leased by Franchisee from an affiliated company or the Franchisee's principal owner(s), the right to purchase shall include the right to lease the premises, if desired, for a period of not less than 12 months at a market value lease rate term rather than purchase. Franchisee will not solicit purchase offers from any other party for a period of 60 days after notice of PACCAR Leasing's intention to purchase, unless PACCAR Leasing withdraws its offer.

2. In the event Franchisee offers to sell to another party at a lower price than originally offered to PACCAR Leasing, PACCAR Leasing shall have the option to purchase the franchise assets at the lower price. PACCAR Leasing shall give Franchisee notice of its election to purchase as provided in Paragraph 1 above, and all other provisions of this section shall apply except that the purchase price shall be as set out in the buy/sell agreement. Upon request, Franchisee will deliver to PACCAR Leasing all documents, agreements, and understandings between the parties to the buy/sell agreement. Should the Franchisee refuse to deliver such documents, it shall be presumed that the buy/sell agreement is not bona fide.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written. Electronic signatures will be treated as originals.

PACCAR Leasing Company,
a division of PACCAR Financial Corp.

By:____________________________	By:____________________________
Print Name: Ken A. Roemer	Print Name: ______________________
Its: President	Its:____________________________

DISCLOSURE DOCUMENT – EXHIBIT H

AGREEMENT FOR ELECTRONIC SUBMISSION OF DEALER TRUCK PURCHASE ORDERS US

This Agreement is made as of this day of , , by and between PACCAR Leasing Company, a division of PACCAR Financial Corp. (hereinafter "PACCAR Leasing") and (hereinafter "Franchisee").

Franchisee has requested to participate in Electronic Truck Ordering by submitting electronic files for paperless Dealer Truck Purchase Orders (hereinafter referred to as "Electronic Truck Purchase Order" or "ETPO"). The electronic files shall be submitted via electronic mail, or on a computer diskette, compact disk or other suitable media.

THEREFORE, the parties agree as follows:

1. All orders initiated pursuant to an ETPO shall be governed by PACCAR Leasing's Terms and Conditions for Truck Orders Under the PACCAR Leasing Purchase Direct Program (Exhibit "A") attached hereto and incorporated herein by reference. As a condition to entering into this Agreement, Franchisee will provide PACCAR Leasing with a duly executed copy of the Terms and Conditions for Truck Orders Under the PACCAR Leasing Purchase Direct Program.

2. Franchisee will initiate a file transfer of the ETPO to PACCAR Leasing via electronic mail, computer diskette, compact disk or other suitable media.

3. Franchisee will provide ETPO information upon the medium and in the format specified by PACCAR Leasing.

4. PACCAR Leasing will handle the processing of ETPO's in the same manner as Dealer Truck Purchase Orders submitted on paper.

5. PACCAR Leasing will retain the original transmitted ETPO file and any authorized change orders, as received by a PACCAR Leasing computer, on an electronic medium until the vehicle has been placed into service. The parties agree that the ETPO file retained by PACCAR Leasing, including any reproduction thereof by photographic, microfilm or other means made in the regular course of business, and any printouts thereof, shall be conclusive evidence of the order transaction.

6. If the Franchisee discovers that any ETPO it has initiated is in error, or an error in transmission has occurred, Franchisee will notify PACCAR Leasing of such error and PACCAR Leasing will utilize its best efforts on behalf of the Franchisee to correct errors, but PACCAR Leasing shall have no liability to the Franchisee if it is unsuccessful in correcting the entry.

7. If any ETPO’s are rejected by PACCAR Leasing’s computer and cannot be corrected by PACCAR Leasing, it will be the Franchisee’s responsibility to re-initiate the ETPO. PACCAR Leasing will notify the Franchisee of any rejected ETPO’s.

8. Franchisee will permit only authorized representatives of the Franchisee to transmit ETPO’s and will take all reasonable precautions to prevent unauthorized transmission of the ETPO’s. All orders transmitted from the Franchisee’s location will be presumed to be authorized by Franchisee, and PACCAR Leasing will have no liability in connection with the transmission or processing of unauthorized orders.

9. Franchisee will indemnify and hold PACCAR Leasing harmless from any losses, claims, or damages incurred in connection with the transmission of ETPO’s, including, but not limited to, errors in transmission, unauthorized transmission, non-transmission or delays in transmission, or rejection of ETPO’s. In the event Franchisee incurs any losses due to mishandling of ETPO’s PLC’s liability will be limited to losses resulting solely from PACCAR Leasing’s gross negligence or willful misconduct.

10. This Agreement may be terminated by either party upon a written notice to the other party. PACCAR Leasing shall not process any ETPO’s initiated by Franchisee after the effective date of termination of the Franchise Agreement between PACCAR Leasing and Franchisee, but this Agreement shall remain in full force and effect with respect to any ETPO’s initiated by Franchisee prior to the effective date of such termination.

11. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written. Electronic signatures will be treated as originals.

PACCAR Leasing Company,
a division of PACCAR Financial Corp.

By: ______________________________	By: ______________________________
Print Name: Ken A. Roemer	Print Name: ______________________
Its: President	Its: ____________________________

DISCLOSURE DOCUMENT – EXHIBIT H

TERMS AND CONDITIONS FOR TRUCK ORDERS UNDER THE PACCAR LEASING COMPANY PURCHASE DIRECT PROGRAM (KENWORTH) US

This Agreement is made as of this day of , by and between PACCAR Leasing Company, a division of PACCAR Financial Corp. (hereinafter "PACCAR Leasing") and (hereinafter "Franchisee"). The purpose of this Agreement is to set forth the Terms and Conditions on which PACCAR Leasing will accept truck orders from Franchisee from time to time, for trucks to be financed in accordance with the terms of the Lease for Re-Lease Agreement entered into between PACCAR Leasing and Franchisee.

The parties hereby agree that the following Terms and Conditions shall apply to all truck orders accepted by PACCAR Leasing.

All truck orders submitted by Franchisee to PACCAR Leasing, in connection with the PACCAR Leasing Purchase Direct Program, shall be deemed to contain the Terms and Conditions contained herein. All such truck orders, including these Terms and Conditions, are hereby made a part of, and incorporated into, the Lease for Re-Lease Agreement between PACCAR Leasing and Franchisee.

PACCAR Leasing reserves the right to modify the following Terms and Conditions upon thirty (30) days' notice to Franchisee. If Franchisee fails to object in writing to the modified Terms and Conditions within such thirty (30) day period, Franchisee will be deemed to have accepted the modified Terms and Conditions and they will be considered as in full force and effect.

Any additional or different terms shall be of no force and effect unless expressly agreed to in writing by a duly authorized representative of PACCAR Leasing.

TERMS AND CONDITIONS

GENERAL TERMS - This Truck Order is given and accepted subject to the condition that if Franchisee cancels a Truck Order, Franchisee will be obligated to reimburse PACCAR Leasing for any cancellation charges owed by PACCAR Leasing to Kenworth Truck Company and to purchase the trucks from PACCAR Leasing in accordance with the early termination provisions of the Lease for Re-Lease Agreement.

BREACH - If Franchise breaches any obligation of this Agreement, or fails to pay any amounts due pursuant hereto, PACCAR Leasing may enforce any remedy available under this Agreement or applicable law. Franchisee agrees that the venue of any suit or action on this Agreement may be selected by PACCAR Leasing and Franchisee agrees to pay PACCAR Leasing's reasonable attorney's fees incurred in any such suit or action. Venue of any action against PACCAR Leasing shall be the county in which this Truck Order is accepted by PACCAR Leasing.

SECURITY INTEREST - Nothing in this Agreement shall limit any ownership or security interest afforded PACCAR Leasing by law allowing recovery of goods delivered while Franchisee is insolvent, or by reason of the breach of any obligation to be performed by Franchisee.

ASSIGNMENT - Any assignment or transfer of Franchisee's rights under this Agreement, in whole or in part, made without PACCAR Leasing 's prior written consent shall be void.

MODIFICATION - This order contains the complete and final agreement between the Franchisee and PACCAR Leasing and no modification of the Terms and Conditions stated herein shall be binding unless made in writing and signed by an authorized representative of the party to be bound thereby.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written. Electronic signatures will be treated as originals.

PACCAR Leasing Company,
a division of PACCAR Financial Corp.

By: ____________________________	By: ____________________________
Print Name: Ken A. Roemer	Print Name: ____________________
Its: President	Its: ____________________________

DISCLOSURE DOCUMENT – EXHIBIT H

TERMS AND CONDITIONS FOR TRUCK ORDERS UNDER THE PACCAR LEASING COMPANY PURCHASE DIRECT PROGRAM (PETERBILT) US

This Agreement is made as of this day of , by and between PACCAR Leasing Company, a division of PACCAR Financial Corp. (hereinafter "PACCAR Leasing") and (hereinafter "Franchisee"). The purpose of this Agreement is to set forth the Terms and Conditions on which PACCAR Leasing will accept truck orders from Franchisee from time to time, for trucks to be financed in accordance with the terms of the Lease for Re-Lease Agreement entered into between PACCAR Leasing and Franchisee.

The parties hereby agree that the following Terms and Conditions shall apply to all truck orders accepted by PACCAR Leasing.

All truck orders submitted by Franchisee to PACCAR Leasing, in connection with the PACCAR Leasing Purchase Direct Program, shall be deemed to contain the Terms and Conditions contained herein. All such truck orders, including these Terms and Conditions, are hereby made a part of, and incorporated into, the Lease for Re-Lease Agreement between PACCAR Leasing and Franchisee.

PACCAR Leasing reserves the right to modify the following Terms and Conditions upon thirty (30) days' notice to Franchisee. If Franchisee fails to object in writing to the modified Terms and Conditions within such thirty (30) day period, Franchisee will be deemed to have accepted the modified Terms and Conditions and they will be considered as in full force and effect.

Any additional or different terms shall be of no force and effect unless expressly agreed to in writing by a duly authorized representative of PACCAR Leasing.

TERMS AND CONDITIONS

GENERAL TERMS - This Truck Order is given and accepted subject to the condition that if Franchisee cancels a Truck Order, Franchisee will be obligated to reimburse PACCAR Leasing for any cancellation charges owed by PACCAR Leasing to Peterbilt Motors Company and to purchase the trucks from PACCAR Leasing in accordance with the early termination provisions of the Lease for Re-Lease Agreement.

BREACH - If Franchise breaches any obligation of this Agreement, or fails to pay any amounts due pursuant hereto, PACCAR Leasing may enforce any remedy available under this Agreement or applicable law. Franchisee agrees that the venue of any suit or action on this Agreement may be selected by PACCAR Leasing and Franchisee agrees to pay PACCAR Leasing's reasonable attorney's fees incurred in any such suit or action. Venue of any action against PACCAR Leasing shall be the county in which this Truck Order is accepted by PACCAR Leasing.

SECURITY INTEREST - Nothing in this Agreement shall limit any ownership or security interest afforded PACCAR Leasing by law allowing recovery of goods delivered while Franchisee is insolvent, or by reason of the breach of any obligation to be performed by Franchisee.

ASSIGNMENT - Any assignment or transfer of Franchisee's rights under this Agreement, in whole or in part, made without PACCAR Leasing 's prior written consent shall be void.

MODIFICATION - This order contains the complete and final agreement between the Franchisee and PACCAR Leasing and no modification of the Terms and Conditions stated herein shall be binding unless made in writing and signed by an authorized representative of the party to be bound thereby.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written. Electronic signatures will be treated as originals.

PACCAR Leasing Company,
a division of PACCAR Financial Corp.

By: ______________________________	By: ________________________________
Print Name: Ken A. Roemer	Print Name: ________________________
Its: President	Its: ____________________________

LIST OF STATE ADMINISTRATORS

CALIFORNIA Corporations Counsel Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013	**IOWA** Franchise Examiner Securities Bureau Lucas State Office Building 2nd Floor Des Moines, IA 50319
CONNECTICUT Connecticut Department of Banking Securities Division 260 Constitution Plaza Hartford, CT 06103	**MARYLAND** Office of the Attorney General Maryland Securities Division 200 St. Paul Place Baltimore, MD 21202
FLORIDA Department of Agriculture Consumer Services PO Box 6700 Tallahassee, FL 32314-6700	**MICHIGAN** Department of Attorney General Customer Protection Division Attn: Franchise PO Box 30215 Lansing, MI 48909
HAWAII Director of Commerce and Consumer Affairs Department of Commerce and Consumer Affairs PO Box 541 Honolulu, HI 96809	**MINNESOTA** Minnesota Department of Commerce 85 7th Place East, Suite 280 Saint Paul, MN 55101 (651) 539-1500
ILLINOIS Attorney General's Office State of Illinois 500 South Second Street Springfield, IL 62706 217-782-1090	**NEBRASKA** Department of Banking and Finance 1230 'O' Street, Suite 400 Lincoln, NE 68508-1402
INDIANA Indiana Securities Division 302 West Washington Street, Room E111 Indianapolis, IN 46204 317-232-6681	**NEW YORK** Department of Law Bureau of Investor Protection and Securities 2 World Trade Center New York, NY 10047

OREGON Administrator Department of Consumer & Business Services Division of Finance and Securities 350 Winter Street, Suite 410 Salem, OR 97310-0768	**NORTH DAKOTA** Securities Commissioner Department of Securities 600 E. Boulevard Avenue State Capital, 5th Floor Bismark, ND 58505-0510
RHODE ISLAND Department of Business Regulations Securities Division Chief Securities Examiner 233 Richmond Street, Suite 232 Providence, RI 02903	**VIRGINIA** State Corporation Commission Division of Securities and Retail Financing 1300 East Main Street, 9 Floor Richmond, VA 23219
SOUTH DAKOTA Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, SD 57501-5070	**WASHINGTON** Director of Financial Institutions Securities Division General Administration Building 3rd Floor West, Room 300 210 11th Avenue SE (PO Box 9033) Olympia, WA 98504 (98507-9033)
	WISCONSIN Office of the Commissioner of Securities 101 East Wilson Street, 4th Floor Madison, WI 53702

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NEW JERSEY: Corporation Service Company Princeton South Corporate Ctr., Suite 160 100 Charles Ewing Blvd Ewing, NJ 08628	**TEXAS:** Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company 211 E. 7th Street, Suite 620 Austin, TX 78701-3218
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For transition period from __________ to __________

Commission File No. 001-11677

PACCAR FINANCIAL CORP.

(Exact name of Registrant as specified in its charter)

Washington	**91-6029712**
(State of incorporation)	**(I.R.S. Employer Identification No.)**
777 106th Avenue N.E., Bellevue, Washington	**98004**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code is (425) 468-7100

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Series P Medium-Term Notes $300.0 Million Due May 11, 2026	PCAR26	The NASDAQ Stock Market

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes: ☒ No: ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes: ☐ No: ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes: ☒ No: ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes: ☒ No: ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes: ☐ No: ☒

The aggregate market value of the voting stock held by non-affiliates of the registrant as of June 30, 2024: None

The number of shares outstanding of the registrant's classes of common stock as of January 31, 2025:

Common Stock, $100 par value—145,000 shares

THE REGISTRANT IS A WHOLLY OWNED SUBSIDIARY OF PACCAR INC AND MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTIONS (I) (1) (a) AND (b) OF FORM 10-K AND IS, THEREFORE, FILING THIS FORM WITH THE REDUCED DISCLOSURE FORMAT.

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(Millions of Dollars)

PART I

ITEM 1. BUSINESS

GENERAL

PACCAR Financial Corp.

PACCAR Financial Corp. (the "Company"), a Washington corporation, was incorporated in 1961 as a wholly owned subsidiary of PACCAR Inc ("PACCAR") to finance the sale of PACCAR products.

The Company principally provides financing and leasing of PACCAR manufactured trucks and other transportation equipment sold through the Kenworth and Peterbilt independent dealer networks in the United States. The Company also finances dealer inventories of new and used transportation equipment. PACCAR Leasing Company, a division of the Company operating as "PacLease", franchises Kenworth and Peterbilt dealerships to engage in full-service and finance leasing. In selected markets, PacLease directly engages in full-service leasing with its customers through Company-owned stores and through Kenworth and Peterbilt dealerships.

PACCAR

PACCAR is a multinational company operating in three principal industry segments: (1) the Truck segment includes the design, manufacture and distribution of high-quality, light-, medium- and heavy-duty commercial trucks; (2) the Parts segment includes the distribution of aftermarket parts for trucks and related commercial vehicles; and (3) the Financial Services segment includes finance and leasing products and services provided to customers and dealers. Heavy-duty trucks have a gross vehicle weight (GVW) of over 33,000 lbs (Class 8) in North America and over 16 metric tonnes in Europe and South America. Medium-duty trucks have a GVW ranging from 19,500 to 33,000 lbs (Class 6 to 7) in North America, and in Europe, light- and medium-duty trucks range between 6 and 16 metric tonnes. PACCAR's finance and leasing activities are principally related to PACCAR products and associated equipment. PACCAR's Other business included the manufacturing and marketing of industrial winches through October 31, 2024, when PACCAR sold 100% of the capital stock of PACCAR Winch Inc.

PACCAR's trucks are marketed under the Kenworth, Peterbilt and DAF nameplates. These trucks, which are built in three plants in the United States, three in Europe and one each in Australia, Brasil, Canada and Mexico, are used worldwide for over-the-road and off-highway hauling of commercial and consumer goods. PACCAR also designs and manufactures diesel engines, primarily for use in PACCAR's trucks, at its facilities in Columbus, Mississippi; Eindhoven, the Netherlands; and Ponta Grossa, Brasil. PACCAR competes in the North American Class 8 market, primarily with Kenworth and Peterbilt conventional models. These trucks are assembled at facilities in Chillicothe, Ohio; Denton, Texas; Renton, Washington and Mexicali, Mexico. PACCAR also competes in the North American Class 6 to 7 markets primarily with Kenworth and Peterbilt conventional models. These trucks are assembled at facilities in Ste. Therese, Canada; Denton, Texas and Mexicali, Mexico. PACCAR competes in the European light/medium market with DAF cab-over-engine (COE) trucks assembled in the United Kingdom (U.K.) by Leyland, one of PACCAR's wholly owned subsidiaries, and participates in the European heavy market with DAF COE trucks assembled in the Netherlands and the U.K. PACCAR competes in the Brazilian heavy truck market with DAF COE models assembled at Ponta Grossa in the state of Paraná, Brasil. PACCAR competes in the Australian medium and heavy truck markets with Kenworth conventional and COE models and certain DAF COE models assembled at its facility at Bayswater in the state of Victoria, Australia, and DAF COE models primarily assembled in the U.K. Commercial truck manufacturing comprises the largest segment of PACCAR's business and accounted for 74% of total 2024 net sales and revenues.

Substantially all trucks are sold to independent dealers. The Kenworth and Peterbilt nameplates are marketed and distributed by separate divisions in the U.S. and a foreign subsidiary in Canada. The Kenworth nameplate is also marketed and distributed by foreign subsidiaries in Mexico and Australia. The DAF nameplate is marketed and distributed worldwide by a foreign subsidiary headquartered in the Netherlands and is also marketed and distributed by foreign subsidiaries in Brasil, Australia and Mexico. The decision to operate as a subsidiary or as a division is incidental to PACCAR's Truck segment operations and reflects legal, tax and regulatory requirements in the various countries where PACCAR operates.

There are four principal competitors in the U.S. and Canada commercial truck market. PACCAR's share of the U.S. and Canadian Class 8 market was 30.7% of retail sales in 2024, and PACCAR's medium-duty market share was 18.0%. In Europe, there are six principal competitors in the commercial truck market, including parent companies to the four competitors of PACCAR in the U.S. In 2024, DAF had a 14.4% share of the European heavy-duty market and a 9.5% share of the light/medium duty market. These markets

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are highly competitive in price, quality and service. PACCAR is not dependent on any single customer for its sales. There are no significant seasonal variations in sales.

Aftermarket truck parts are sold and delivered to PACCAR's independent dealers through PACCAR's 20 strategically located parts distribution centers (PDCs) in the U.S., Canada, Europe, Australia, Mexico and Central and South America. Parts are primarily purchased from various suppliers and also manufactured by PACCAR. Aftermarket parts inventory levels are determined largely by anticipated customer demand and the need for timely delivery. The Parts segment accounted for 20% of total 2024 net sales and revenues.

In addition to the Company, which provides financing, leasing and full-service truck leasing in the United States, PACCAR offers similar financing programs for PACCAR products in Canada, Mexico, Australia, Europe and South America through other wholly owned finance subsidiaries. PACCAR also conducts full-service leasing operations through wholly owned subsidiaries in Canada, Mexico, Germany and Australia. The Financial Services segment accounted for 6% of total 2024 net sales and revenues.

PACCAR's common stock is traded on the NASDAQ Stock Market under the symbol PCAR. PACCAR and the Company are subject to the informational requirements of the Securities Exchange Act of 1934 and, in accordance therewith, file reports and other information with the Securities and Exchange Commission (the "Commission"). All reports, proxy statements and other information filed by PACCAR and the Company with the Commission may be inspected and copied at the public reference facility maintained by the Commission at 100 F Street, N.E., Washington, D.C. 20549 or through the Commission's internet site at www.sec.gov.

BUSINESS OF THE COMPANY

The Company operates primarily in the industry segment of finance and leasing services provided to customers and dealers in the United States for new Kenworth and Peterbilt trucks, used trucks, truck trailers and allied equipment. The Company's PacLease division franchises Kenworth and Peterbilt dealerships to engage in full-service and finance leasing. In selected markets, PacLease directly engages in full-service leasing with its customers through Company-owned stores and on a limited basis through Kenworth and Peterbilt dealerships.

The Company conducts business with substantially all Kenworth and Peterbilt dealers in the United States. The volume of the Company's business is significantly affected by PACCAR's sales of trucks to its dealers and competition from other financing sources.

The Company is primarily responsible for managing the sales of used trucks in the United States. The Company sells used trucks returned from matured operating leases in the ordinary course of business and trucks acquired from repossessions. The Company also obtains used trucks from Kenworth and Peterbilt in trades related to new truck sales. Certain gains and losses from the sale of used trucks are shared with Kenworth and Peterbilt. The Company records revenue on the sale of used trucks received in trade.

As of December 31, 2024, the Company employed 351 full-time employees, none of whom are represented by a collective bargaining agent.

Human Capital Management

The Company is committed to a strong, inclusive and collaborative culture and the Company's excellent financial results reflect its outstanding workforce. The Company provides its employees with robust benefit packages, comprehensive training programs, tuition assistance and a work environment that promotes safety, respect and belonging.

The Company's benefit packages support employee physical, emotional and financial well-being. Employee satisfaction and engagement are measured through periodic surveys. Employee training and development programs are extensive and comprehensive, including professional and technical skills training, compliance training, leadership development and management training.

Safety is a key priority at the Company's facilities. The Company's managers continuously address safety enhancements; provide regular and ongoing safety training; and use displays located in facilities to provide all employees with safety-related information.

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Environmental and Sustainability Leadership

The Company's environmental management system and policy are aligned with PACCAR's overall commitment to the environment as an integral part of the continuous improvement process. Refer to Part I, Item 1 in PACCAR's 2024 Annual Report on Form 10-K for further discussion on PACCAR's environmental and sustainability leadership.

THE COMPANY'S PRODUCTS

The Company offers the following products to retail customers:

Retail Contracts and Loans

The Company purchases retail installment contracts from dealers and receives assignments of the contracts and a first lien security interest in the vehicles financed ("Retail Contracts"). Certain Retail Contracts with third party leasing companies may also include an assignment to the Company of the related lease and rental payments due. Retail Contracts purchased by the Company have fixed or floating interest rates.

The Company also makes loans to the end users of the vehicles financed that are secured by a first lien security interest in the vehicles. These loans have fixed or floating interest rates.

Financing Leases

The Company offers financing lease contracts where it is treated as the owner of the equipment for tax purposes and generally retains the tax depreciation ("Financing Leases"). The lessee is responsible for the payment of property and sales taxes, licenses, maintenance and other operating costs.

The lessee is obligated to maintain the equipment and to insure the equipment against physical damage and liability losses.

Most of the Company's Financing Leases contain a Terminal Rental Adjustment Clause, which requires the lessee to guarantee to the Company a stated residual value upon disposition of the equipment at the end of the financing lease term.

Operating Leases

The Company offers operating lease contracts ("Operating Leases") where the Company owns the equipment. The lessee is responsible for the payment of property and sales taxes, licenses, maintenance and other operating costs. The lessee is obligated to maintain the equipment and to insure the equipment against physical damage and liability losses.

At the end of the operating lease term, the lessee has the option to return the equipment to the Company or purchase the equipment at its fair market value.

The Company offers the following products to Kenworth and Peterbilt dealers and PacLease franchisees:

Master Notes

Master note contracts ("Master Notes") are offered to select dealers for new and used trucks. For some Master Notes, retail installment contracts originated by the dealer for new or used trucks which meet the Company's requirements as to form, terms and creditworthiness for Retail Contracts are pledged to the Company as collateral for direct, full recourse loans by the Company to the dealer. For other Master Notes, specified trucks in the dealer's lease and rental inventory, together with the associated lease and rental contracts between the dealer and its customers, are pledged as collateral. The dealer may pay the loans early or make additional draws up to a specified percentage of the value of the contracts and/or vehicles pledged to the Company. Master Notes have fixed or floating interest rates.

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Wholesale Contracts

The Company provides wholesale financing for new and used truck inventories for dealers ("Wholesale Contracts"). Wholesale Contracts are secured by the inventories financed. The amount of credit extended by the Company for each truck is generally limited to the invoice price of new equipment and to the wholesale value of used equipment. Wholesale Contracts have floating interest rates.

Dealer Loans

The Company makes secured loans to selected Kenworth and Peterbilt dealers ("Dealer Loans"). The purpose of these loans includes the financing of real estate, fixed assets, working capital and dealership acquisitions. Dealer Loans have fixed or floating interest rates.

Full-Service Leasing

The Company also conducts full-service leasing operations under the PacLease trade name. Selected dealers are franchised to provide full-service leasing, which includes the equipment, maintenance, parts, taxes and licenses in one combined contract with the customer. The Company provides the franchisees with equipment financing and managerial support. The Company also operates full-service lease outlets in selected markets.

Insurance

The Company offers insurance coverage through an unrelated regulated insurance carrier for a fee on new trucks and used trucks inventory to dealers that have Wholesale Contracts with the Company.

CUSTOMER CONCENTRATION, PAST DUE ACCOUNTS AND LOSS EXPERIENCE

Customer Concentration

The Company's customers are principally concentrated in the transportation industry in the United States. The Company's portfolio assets are diversified over a large number of customers and dealers with no single customer or dealer balance representing over 10% of the total portfolio assets as of December 31, 2024 and 2023. There is no single customer or dealer representing over 10% of Interest and other revenues for the years ended December 31, 2024, 2023 and 2022.

Past Due Receivables and Allowance for Credit Losses

An account is considered past due by the Company if any portion of an installment is due and unpaid for more than 30 days. In periods of adverse economic conditions, past due levels, repossessions and credit losses generally increase.

The provision for losses on finance and other receivables is charged to income as necessary to reflect management's estimate of expected credit losses, net of recoveries, inherent in the portfolio. Receivables are charged off against the allowance for credit losses when, in the judgment of management, they are considered uncollectible (generally upon repossession of the collateral).

For further discussion of the allowance for credit losses, see "Item 7. – Management's Discussion and Analysis of Financial Condition and Results of Operations."

COMPETITION AND ECONOMIC FACTORS

The commercial truck and trailer finance and leasing business is highly competitive among banks, commercial finance companies, captive finance companies and leasing companies. Some of these institutions have substantially greater financial resources than the Company and may borrow funds at lower rates.

The dealers are the primary source of contracts acquired by the Company. Dealers are not required to obtain financing from the Company and they have a variety of other sources that may be used for wholesale and customer financing of trucks. Retail purchasers also have a variety of sources available to finance truck purchases.

The ability of the Company to compete in its market is principally based on the rates, terms and conditions that the Company offers dealers and retail purchasers, as well as the specialized services it provides. Rates, terms and conditions are based on the Company's

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desire to provide flexible financing and services to satisfy dealer and customer needs, the ability of the Company to borrow funds at competitive rates and the Company's need to earn an adequate return on its invested capital. The Company's business is also affected by changes in market interest rates and used truck values, which in turn are related to general economic conditions, demand for credit, inflation and governmental policies. Seasonality is not a significant factor in the Company's business.

The volume of receivables available to be acquired by the Company from dealers is largely dependent upon the number of Kenworth and Peterbilt trucks sold in the United States. Sales of medium- and heavy-duty trucks depend on the capital equipment requirements of the transportation industry, which are influenced by growth and cyclical variations in the economy. Medium- and heavy-duty truck sales are also sensitive to economic factors such as fuel costs, interest rates, insurance premiums, federal excise and highway use taxes, taxation on the acquisition and use of capital goods, as well as government regulations.

REGULATION AND SIMILAR MATTERS

In certain states, the Company is subject to retail installment sales or installment loan statutes and related regulations, the terms of which vary from state to state. These laws may require the Company to be licensed as a sales finance company and may regulate disclosure of finance charges and other terms of retail installment contracts. The Company is subject to substantive state franchise regulations and federal and state uniform franchise disclosure laws in connection with the offering of PacLease full-service truck leasing and rental franchises to Kenworth and Peterbilt truck dealers. The Company owns and operates several truck leasing and rental business locations, which are subject to applicable state licensing laws. The Company is also subject to certain provisions of federal law relating to non-discrimination in the granting of credit.

SOURCES OF FUNDS

The Company's primary sources of funds are medium-term note borrowings and commercial paper proceeds in the public capital markets, collections on loans and leases, retained earnings and to a lesser extent borrowings from PACCAR, bank loans and capital contributions. The Company's investment in additional receivables is dependent upon its ability to raise funds at competitive rates in the public and private debt markets. The receivables and leases that are financed are either fixed rate or floating rate with terms that generally range from 36 to 60 months.

To reduce the risk of changes in interest rates that could affect interest margins, the Company obtains funding with interest rate characteristics similar to the corresponding assets. Fixed rate assets are primarily funded with fixed and floating rate medium-term notes and commercial paper. Floating rate assets are funded primarily with commercial paper with maturities of three months or less and floating rate medium-term notes. Interest-rate swaps may be combined with commercial paper or medium-term notes to achieve the Company's matched funding objectives.

As of December 31, 2024, the total notional amount of interest-rate swap contracts outstanding was $661.6. These swap contracts are accounted for as cash flow or fair value hedges.

The notional amounts are used to measure the volume of these contracts and do not represent exposure to credit loss. The permitted types of interest-rate swap contracts, counterparties' transaction limits and related approval authorizations have been established by the Company's senior management and Board of Directors. The interest-rate contracts outstanding are regularly reported to, and reviewed by, the Company's senior management.

The Company periodically registers debt securities under the Securities Act of 1933 for offering to the public. In November 2024, the Company filed a shelf registration statement to issue medium-term notes. The shelf registration statement expires in November 2027 and does not limit the principal amount of debt securities that may be issued during the period. The total principal amount of medium-term notes outstanding for the Company as of December 31, 2024 was $7,250.0. See "Note G – Borrowings" in the Notes to the Financial Statements for further information on the Company's medium-term notes.

The Company participated with PACCAR and certain other PACCAR affiliates in committed bank facilities of $4,000.0 at December 31, 2024. Of this amount, $1,500.0 expires in June 2025, $1,250.0 expires in June 2027 and $1,250.0 expires in June 2029. PACCAR and the Company intend to extend or replace these credit facilities on or before expiration to maintain facilities of similar amounts and duration.

Of the $4,000.0 credit facilities, $3,088.0 is available for use by the Company and/or PACCAR and certain non-U.S. PACCAR financial subsidiaries. The remaining $912.0 is allocated to PACCAR and certain non-U.S. PACCAR financial subsidiaries. These

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credit facilities are used to provide backup liquidity for the Company's commercial paper and maturing medium-term notes. The Company is liable only for its own borrowings under these credit facilities. There were no borrowings under these credit facilities in 2024.

RELATIONSHIP WITH PACCAR AND AFFILIATES

General

The operations of the Company are dependent on its relationship with PACCAR. Sales of PACCAR products are the Company's principal source of its financing business. The Company receives administrative support from and pays dividends to its parent company and periodically borrows funds from or lends money to PACCAR and/or its affiliates. The Company's principal office is located in the corporate headquarters building of PACCAR (owned by PACCAR).

The Company also leases office space from five facilities leased by PACCAR. Since the directors of the Company are all executives of PACCAR and PACCAR is the sole owner of the Company's outstanding voting common stock, PACCAR can determine the course of the Company's business.

Periodically, the Company makes loans to, borrows from and has intercompany transactions with PACCAR. The Company had $1,322.6 and $1,016.0 outstanding in loans due from PACCAR as of December 31, 2024 and 2023, respectively. In addition, the Company periodically loans funds to certain foreign finance and leasing affiliates of PACCAR. The Company had $720.0 and $716.0 outstanding in loans due from foreign finance affiliates of PACCAR as of December 31, 2024 and 2023, respectively. These affiliates have Support Agreements with PACCAR, similar to the Company's Support Agreement with PACCAR described below. The foreign affiliates operate in the U.K., the Netherlands, Mexico, Canada and Australia. Loans to these foreign affiliates during 2024 and 2023 were denominated in United States dollars. The foreign affiliates primarily provide financing and leasing of PACCAR manufactured trucks and related equipment sold through the DAF, Kenworth and Peterbilt independent dealer networks in Europe, Mexico, Canada, and Australia. The Company will not make loans to the foreign affiliates in excess of the equivalent of $1,100.0 United States dollars, unless the amount in excess of such limit is guaranteed by PACCAR. The Company periodically reviews the funding alternatives for these affiliates, and these limits may be revised in the future.

PACCAR charges the Company for certain administrative services it provides. These costs were charged to the Company based upon the Company's use of the services and PACCAR's cost. See "Note D – Transactions with PACCAR and Affiliates" in the Notes to the Financial Statements.

Support Agreement

The Company and PACCAR are parties to a Support Agreement that obligates PACCAR to provide, when required, financial assistance to the Company to ensure that the Company maintains a ratio of earnings to fixed charges (as defined in the Support Agreement) of at least 1.25 to 1 for any fiscal year. The required ratio for the years ended December 31, 2024, 2023 and 2022 was met without assistance. The Support Agreement also requires PACCAR to own, directly or indirectly, all outstanding voting stock of the Company. See "Note D – Transactions with PACCAR and Affiliates" in the Notes to the Financial Statements.

The Company and PACCAR may amend or terminate any or all of the provisions of the Support Agreement upon 30 days notice, with copies of the notice being sent to all nationally recognized statistical rating organizations ("NRSROs") which have issued ratings with respect to debt of the Company ("Rated Debt"). Such amendment or termination will be effective only if (i) two NRSROs confirm in writing that their ratings with respect to any Rated Debt would remain the same after such amendment or termination, or (ii) the notice of amendment or termination provides that the Support Agreement will continue in effect with respect to Rated Debt outstanding on the effective date of such amendment or termination unless such debt has been paid or defeased pursuant to the indenture or other agreement applicable to such debt, or (iii) the holders of at least two-thirds of the aggregate principal amount of all outstanding Rated Debt with an original maturity in excess of 270 days consent in writing to such amendment or termination, provided that the holders of Rated Debt having an original maturity of 270 days or less shall continue to have the benefits of the Support Agreement until the maturity of such debt.

The Support Agreement expressly states that PACCAR's commitments to the Company thereunder do not constitute a PACCAR guarantee of payment of any indebtedness or liability of the Company to others and do not create rights against PACCAR in favor of persons other than the Company. There are no guarantees, direct or indirect, by PACCAR of payment of any indebtedness of the Company.

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OTHER DISCLOSURES

The Company's filings on Forms 10-K, 10-Q and 8-K and any amendments to those reports can be obtained through a link on the Company's website, www.paccarfinancial.com, or PACCAR's website, www.paccar.com, free of charge as soon as reasonably practicable after the report is electronically filed with, or furnished to, the Commission. The information on the websites is not incorporated by reference into this report.

ITEM 1A. RISK FACTORS

The Company is exposed to certain risks and uncertainties that could have a material adverse impact to the Company's financial condition and operating results, including:

Business and Industry Risks

Sales of PACCAR Products

The Company's business is substantially dependent upon the sale of PACCAR products and its ability to offer competitive financing in the United States. Changes in the volume of sales of PACCAR products due to a variety of reasons could impact the level of business of the Company. Refer to the "Relationship with PACCAR and Affiliates" section in "Item 1. – Business" and "Note D – Transactions with PACCAR and Affiliates" in the Notes to the Financial Statements for further discussion regarding the Company's relationship with PACCAR.

Production Costs, Capacity and Inflation

PACCAR's products are exposed to variability in material and commodity costs. Commodity or component price increases, cost pressures due to inflation, significant shortages of component products and labor availability may adversely impact PACCAR's production capacity, resulting in lower truck financing volume for the Company. Many of PACCAR's suppliers also supply automotive manufacturers, and factors that adversely affect the automotive industry can also have adverse effects on these suppliers, PACCAR and the Company. Supplier delivery performance can be adversely affected if increased demand for these suppliers' products exceeds their production capacity.

Unexpected events, including natural disasters, extreme weather events, or pandemics, may increase PACCAR's cost of doing business or disrupt PACCAR's or its suppliers' operations. The likelihood or severity of these unexpected events may increase due to the effects of climate change.

Transition Risks Related to Climate Change

PACCAR has ongoing product development programs intended to address changing customer demand in the context of climate change and achieve its targeted reductions in emissions. These involve the continuing development of compliant clean diesel powertrains and the design, manufacture, and sale of alternative powertrain commercial vehicles (e.g., battery-electric, hybrid, hydrogen fuel cell, and hydrogen combustion). The pace of transition from diesel combustion to alternative powertrain commercial vehicles is highly uncertain and will be influenced by various factors. Refer to Part I, Item 1A in PACCAR's 2024 Annual Report on Form 10-K for further discussion.

PACCAR believes its current strategies, programs and resources are sufficient to address changes in customer demand in the context of climate change and to meet its emissions reduction targets. If PACCAR is not successful in addressing the risks noted above, there may be a material adverse impact on its business, operations and financial condition of PACCAR or the Company.

Liquidity Risks, Credit Ratings and Costs of Funds

Disruptions or volatility in U.S. financial markets could limit the Company's sources of liquidity, or the liquidity of customers and dealers. A lowering of the Company's credit ratings could increase the cost of borrowing and adversely affect access to capital markets. The Company obtains funds for its operations from commercial paper and medium-term note debt. If the markets for commercial paper and medium-term notes do not provide the necessary liquidity in the future, the Company may experience increased costs or may have to limit its financing of retail and wholesale assets.

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Competitive Risk

The Company competes with banks, other commercial finance companies and financial services firms which may have lower costs of borrowing, higher leverage or market share goals that result in a willingness to offer lower interest rates, which may lead to decreased margins, lower market share or both for the Company.

Credit Risk

The Company is exposed to the risk of loss arising from the failure of a customer, dealer or counterparty to meet the terms of the loans, leases and derivative contracts with the Company. Although most of the financial assets of the Company are secured by the underlying equipment and sometimes other collateral, in the event a customer cannot meet its obligations to the Company, there is a risk the value of the underlying collateral will not be sufficient to recover the amounts owed to the Company, resulting in credit losses.

Interest-Rate Risk

The Company is subject to interest-rate risks, because increases in interest rates could reduce demand for its products, increase borrowing costs and potentially reduce interest margins. The Company uses derivative contracts to match the interest rate characteristics of its debt to the interest rate characteristics of its finance receivables in order to mitigate the risk of changing interest rates.

Residual Value Risk

Residual value risk is the risk that the estimated residual value of leased assets, established at lease origination for the Company's operating leases and certain finance leases, will not be recoverable when the leased asset is returned to the Company. When the market value of these leased assets at contract maturity or at early termination is less than its contractual residual value, the Company will be exposed to a greater risk of loss on the sales of the returned equipment. Refer to the Critical Accounting Policy on "Operating Leases" in "Item 7. – Management's Discussion and Analysis of Financial Condition and Results of Operations" for further discussion regarding the Company's exposure to residual value risk.

Information Technology and Cybersecurity

The Company relies on information technology systems and networks, some of which are managed by third parties, to process, transmit and store electronic information, and to manage or support a variety of its business processes and activities. Some of PACCAR's products include telematics which provide over-the-air software updates, advanced fleet management tools and real-time data analytics on driver and vehicle performance. These computer systems and networks may be subject to disruptions during the process of upgrading or replacing software, databases or components; power outages; hardware failures; computer viruses/malware; or outside parties attempting to disrupt the Company's business or gain unauthorized access to the Company's electronic data. The Company maintains a cybersecurity insurance policy and continues to invest in protections to guard against such events. Despite these safeguards, there remains a risk of system disruptions, unauthorized access and data loss.

If the Company's computer systems were to be damaged, disrupted or breached, it could impact data availability and integrity, result in a theft of the Company's intellectual property or lead to unauthorized disclosure of confidential information of the Company's customers, suppliers and employees. Security breaches could also result in a violation of U.S. and international privacy and other laws and subject the Company to various litigations and governmental proceedings. These events could have an adverse impact on the Company's results of operations and financial condition, damage its reputation, disrupt operations and negatively impact competitiveness in the marketplace.

Political, Regulatory and Economic Risks

Emissions Requirements and Reduction Targets

PACCAR's operations and products are subject to extensive statutory and regulatory requirements governing greenhouse gas and non-greenhouse gas emissions. These include standards imposed by the U.S. Environmental Protection Agency (EPA), the European Union, U.S. state regulatory agencies (such as the California Air Resources Board), regulatory agencies in other international markets where the Company operates, and international accords related to climate change including the Paris Agreement. The primary laws and regulations are the EPA's Greenhouse Gas Emissions Standards and Fuel Efficiency Standards for Medium and Heavy-Duty Engines and Vehicles, EPA's Clean Truck Initiative, the Regulation of the European

Parliament and of the Council on the Monitoring and Reporting of CO_2 Emissions from Fuel Consumption of New Heavy-Duty Vehicles, and the Heavy-Duty Omnibus Regulation and Advanced Clean Truck (ACT) regulation of the California Air Resources Board. The EU regulations have set CO_2 emission reduction targets and require a significant portion of vehicles

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sold to be zero or near zero emission. Not meeting these targets would result in significant fines by the EU commission. The ACT regulation, which has been adopted by several states, requires an increasing percentage of medium- and heavy-duty trucks sold into the state to be zero emission.

PACCAR's product planning is aligned with these statutory and regulatory requirements, and uses a climate change scenario analysis to limit global warming to below 2°C. Even without legislation to reduce greenhouse gas emissions, PACCAR expects to continue to significantly invest in technologies to improve fuel efficiency for its customers, which would also reduce greenhouse gas emissions.

PACCAR continually monitors developments in emissions and climate change-related laws and regulations in the markets in which PACCAR conducts business, and expects that climate change-related laws, regulations and international accords will continue to evolve. PACCAR cannot reasonably predict whether future laws, regulations and international accords could materially increase its environmental compliance costs, alter its product development strategy, or impact its business, financial condition or results of operations of PACCAR or the Company.

PACCAR, Cummins, Daimler Trucks and EVE Energy have partnered to produce state-of-the-art commercial vehicle batteries in a 21-gigawatt hour (GWh) factory in Marshall County, Mississippi. The factory is expected to start production in the next few years.

Litigation and Regulatory Actions

On July 19, 2016, the European Commission (EC) concluded its investigation of all major European truck manufacturers and reached a settlement with DAF Trucks N.V., its subsidiary DAF Trucks Deutschland GmbH (collectively, "DAF") and PACCAR Inc as their parent. Following the settlement, certain EC-related claims and lawsuits have been filed in various jurisdictions primarily in Europe against all major European truck manufacturers including PACCAR Inc and DAF. These claims and lawsuits include a number of collective proceedings, including class actions in the U.K. and Israel, alleging EC-related claims and seeking monetary damages. In certain jurisdictions, additional claimants may bring EC-related claims and lawsuits against PACCAR Inc or its subsidiaries.

The legal proceedings are moving through the court systems. Several European courts have issued judgments; some have been favorable while others have been unfavorable and are being appealed. In the U.K., one class action has been certified by the lower court and the proceeding remains in its preliminary stages. PACCAR Inc believes it has meritorious defenses to all of the pending legal claims. In 2023, several European courts issued judgments; some have been favorable while others have been unfavorable and are being appealed. Since early 2023, PACCAR Inc has been settling with selected claimants. In the first quarter 2023, PACCAR Inc recorded a non-recurring pre-tax charge of $600.0 ($446.4 after-tax) for the estimable total cost. The estimate may be adjusted as the legal process continues and potential settlements occur, which could have a material impact on the PACCAR Inc's financial results.

Accounting Estimates

In the preparation of the Company's financial statements, in accordance with U.S. generally accepted accounting principles, management uses estimates and makes judgments and assumptions that affect asset and liability values and the amounts reported as income and expense during the periods presented. Certain of these estimates, judgments and assumptions, such as residual values on operating leases, the allowance for credit losses and the provision for income taxes, are particularly sensitive. If actual results are different from estimates used by management, they may have a material impact on the financial statements.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 1C. CYBERSECURITY

PACCAR maintains a comprehensive cybersecurity management and governance program, which includes the Company. The Company's information security management system is based upon the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF). The Company engages internal and third-party auditors and other professional parties when necessary, as part of its cybersecurity management program. The Company conducts penetration and compromise assessment tests, implements detection and prevention tools, monitors cyber events and has active disaster recovery plans. For third-party IT services, the Company conducts an architectural, privacy and security analysis of their solution. If any gaps are identified, the third-party remediates or mitigates the risk to an acceptable level. The Company simulates potential cyber-attacks and performs incident responses to test preparedness. These exercises are used to train and update the Company's Incident Response plan, including any gaps identified. The Company conducts yearly information security training for employees and conducts ongoing phishing tests.

PACCAR's Security Risk Council, which includes the Company's Management and PACCAR's Chief Information Security Officer, meets regularly to cover risks, plans and updates to the security program. It briefs the PACCAR Board of Directors and/or the Audit Committee of the Board of Directors on technology and information security matters. Management and the PACCAR Board of Directors also receive periodic updates on the status of cybersecurity investments to guard against such events. In the event of a security breach, the PACCAR's Security Risk Council evaluates its significance and briefs the PACCAR Board on the event.

The Company has not experienced any notable security incidents that would have a material impact on the results of operations and financial condition of the Company. Certain PACCAR dealers and suppliers have reported they have experienced cyberattacks and those have not caused any material impact to PACCAR or the Company.

ITEM 2. PROPERTIES

The Company's principal office is located in the corporate headquarters building of PACCAR (owned by PACCAR) at 777 106th Avenue N.E., Bellevue, Washington 98004. The Company owns two full-service leasing facilities in Texas. The Company owns used truck sales facilities in South Carolina, Illinois, Texas and Utah, and leases one facility in California.

Other offices and leasing facilities of the Company are located in premises leased by PACCAR. The Company considers all its properties to be suitable for their intended purpose. Annual lease rentals for these premises in the aggregate are not material in relation to expenses as a whole.

ITEM 3. LEGAL PROCEEDINGS

Refer to the Company's risk factors (Part I, Item 1A) and Note K – "Commitments and Contingencies" in the Notes to Financial Statements (Part II, Item 8) for discussion on litigation matters, which is incorporated by reference herein.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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(Millions of Dollars)

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

All outstanding common stock is owned by PACCAR; therefore, there is no trading market in the Company's common stock.

ITEM 6. [Reserved]

PACCAR Financial Corp.
(Millions of Dollars)

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

The Company's results of operations for the years ended December 31, 2024 and 2023 are presented below. For information on the year ended December 31, 2022 refer to Part II, Item 7 in the 2023 Annual Report on Form 10-K.

	Year ended December 31		
	2024	2023	% Change
New business volume by product:			
Retail loans and finance leases	**$ 3,103.6**	$ 2,925.8	6
Equipment on operating leases	**241.4**	87.0	177
Dealer master notes	**258.2**	269.6	(4)
	$ 3,603.2	$ 3,282.4	10
New loan and lease unit volume:			
Retail loans and finance leases	**21,600**	20,200	7
Equipment on operating leases	**1,400**	800	75
	23,000	21,000	10
Average earning assets by product:			
Retail loans and finance leases	**$ 7,092.2**	$ 6,266.3	13
Dealer wholesale financing	**2,387.1**	1,528.0	56
Dealer master notes	**470.5**	399.3	18
Average finance receivables	**9,949.8**	8,193.6	21
Equipment on operating leases	**630.8**	802.5	(21)
	$ 10,580.6	$ 8,996.1	18
Revenue by product:			
Retail loans and finance leases	**$ 499.9**	$ 384.3	30
Equipment on operating leases	**182.5**	235.4	(22)
Dealer wholesale financing	**135.5**	75.5	79
Dealer master notes	**25.9**	18.1	43
Used truck sales, other revenues and fees	**36.7**	20.8	76
	880.5	734.1	20
Income before income taxes	**$ 154.6**	$ 181.7	(15)

New Business Volume

New business volume increased to a record $3,603.2 in 2024 from $3,282.4 in 2023. New business volume from retail loans and finance leases increased to $3,103.6 in 2024 from $2,925.8 in 2023, primarily due to higher finance market share. Equipment on operating leases new business volume increased to $241.4 from $87.0, primarily driven by increased demand from one large fleet customer. Dealer master notes new business volume decreased to $258.2 in 2024 from $269.6 in 2023 due to decreased finance volume from dealers.

Finance market share of new PACCAR truck sales was 20.2% in 2024 compared to 18.9% in 2023.

The Company has programs to assign new lease and loan contracts to third parties to generate new business and to limit the risk of portfolio concentration with certain large customers. These transactions are accounted for as sales of the related retail loans, finance leases, or equipment on operating leases, and are excluded from new business volume. The Company sold retail loans and finance leases with a book value of $15.7 and $52.7 in 2024 and 2023, respectively, and received cash proceeds of $16.3 and $55.8 in 2024 and 2023, respectively. The Company retains servicing responsibilities for these retail loans and leases, and fees received for servicing are deferred and recognized over the contract term.

Revenues

The Company's revenues increased to $880.5 in 2024 from $734.1 in 2023, primarily driven by higher portfolio yields and higher average wholesale and retail loan and finance leases portfolio balances, partially offset by a lower average operating lease portfolio.

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(Millions of Dollars)

Income Before Income Taxes

The Company's income before income taxes was $154.6 in 2024 compared to $181.7 in 2023. The decrease in income before income taxes in 2024 was primarily the result of lower operating lease margin of $36.3 and a higher provision for losses of $29.4, partially offset by higher finance margin of $45.6.

Included in Other assets on the Company's Balance Sheets are used trucks held for sale, net of impairments, of $113.7 at December 31, 2024 and $145.5 at December 31, 2023. These trucks are primarily units returned from matured operating leases in the ordinary course of business, and also include trucks acquired from repossessions or through acquisitions of used trucks in trades related to new truck sales.

The Company recognized losses on used trucks, excluding repossessions, of $24.0 in 2024 compared to gains of $1.9 in 2023, including losses on multiple unit transactions of $18.8 in 2024 compared to $8.3 in 2023. Used truck losses related to repossessions, which are recognized as credit losses, were $5.6 in 2024 compared to $1.0 in 2023.

Revenue and Expenses

The major factors for the changes in interest and fee income, interest and other borrowing costs and finance margin in 2024 compared to 2023 are summarized below:

	Interest and Fee Income	Interest and Other Borrowing Costs	Finance Margin
2023	$ 477.9	$ 275.7	$ 202.2
Increase (decrease)			
Average finance receivables	102.3		102.3
Average receivables from PACCAR and affiliates	2.2		2.2
Average debt balances		69.0	(69.0)
Yields	78.9		78.9
Borrowing rates		68.8	(68.8)
Total increase	183.4	137.8	45.6
2024	**$ 661.3**	**$ 413.5**	**$ 247.8**

- Average finance receivables increased $1,756.2 in 2024 primarily due to higher dealer wholesale financing and a larger retail loan and finance lease portfolio, which increased interest and fee income by $102.3.
- Average receivables from PACCAR and affiliates increased $47.7 in 2024 as a result of new loans to affiliated companies exceeding collections, which increased interest and fee income by $2.2.
- Average debt balances increased $1,612.0 in 2024, increasing interest and other borrowing costs by $69.0. The average debt balances reflect higher funding requirements for the portfolio growth in retail loans, finance leases and wholesale receivables, as well as funding for the affiliated companies.
- Yields increased $78.9 due to higher yields on receivables from customers and PACCAR and affiliates. Yields on customer finance receivables were 5.8% in 2024, compared to 5.1% in 2023. Yields on receivables from PACCAR and affiliates were 4.5% in 2024, compared to 3.2% in 2023.
- Average borrowing rates in 2024 were 4.3% compared to 3.4% in 2023 due to higher debt market interest rates, resulting in an increase of $68.8 in interest and other borrowing costs.

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The major factors for the changes in operating lease and rental revenues, depreciation and other rental expenses and operating lease margin in 2024 compared to 2023 are summarized below:

	Operating Lease and Rental Revenues	Depreciation and Other Rental Expenses	Operating Lease Margin
2023	$ 235.4	$ 189.1	$ 46.3
(Decrease) increase			
Operating lease impairments		7.9	(7.9)
Results on returned lease assets		16.5	(16.5)
Average operating lease assets	(77.0)	(62.7)	(14.3)
Revenue and cost per asset	24.1	21.7	2.4
Total decrease	(52.9)	(16.6)	(36.3)
2024	**$ 182.5**	**$ 172.5**	**$ 10.0**

- Operating lease impairments increased in 2024 due to lower used truck market prices.
- Results on returned lease assets increased depreciation and other rental expenses by $16.5, primarily due to losses on sales of returned lease units in 2024 compared to gains in 2023.
- Average operating lease assets decreased in 2024 due to the volume of expiring leases exceeding new business volume for leased vehicles.
- Revenue and cost per asset increased by $24.1 primarily due to higher lease rates, reflecting higher average truck value financed and higher market rates. Cost per asset increased by $21.7 primarily due to higher depreciation.

Used truck sales and other revenues and cost of used truck sales and other expenses are summarized below for 2024 compared to 2023:

	Year ended December 31	
	2024	2023
Used truck sales	**$ 23.8**	$ 9.4
Insurance, franchise and other revenues	**12.9**	11.4
Used truck sales and other revenues	**36.7**	20.8
Cost of used truck sales	**26.8**	10.4
Insurance, franchise and other expenses	**7.5**	4.6
Cost of used truck sales and other expenses	**34.3**	15.0
Results from used trucks and other	**$ 2.4**	$ 5.8

Results from used trucks and other decreased by $3.4 in 2024, primarily due to lower results from the sale of used trucks received on trade driven by lower used truck market prices.

SG&A

The Company's SG&A increased to $68.1 in 2024 from $64.5 in 2023, primarily due to higher personnel and related expenses. As a percentage of average earning assets, the Company's SG&A was .6% in 2024 compared to .7% in 2023.

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(Millions of Dollars)

Allowance for Credit Losses

The following table summarizes information on the Company's allowance for credit losses on receivables and asset portfolio and presents related ratios:

	Year ended December 31 2024	2023
Balance at beginning of period	**$ 61.0**	$ 61.7
Provision for losses	**37.5**	8.1
Charge-offs	**(24.4)**	(9.8)
Recoveries	**.3**	1.0
Balance at end of period	**$ 74.4**	$ 61.0
Ratios:		
Charge-offs, net of recoveries ($24.1 in 2024) to average total portfolio ($9,949.8 in 2024)	**.24 %**	.11 %
Allowance for credit losses ($74.4 in 2024) to year-end total portfolio ($11,165.7 in 2024)	**.67 %**	.66 %
Year-end retail loan and lease receivables past due over 30 days ($98.2 in 2024) to year-end retail loan and lease receivables ($7,521.6 in 2024)	**1.31 %**	.88 %

The provision for losses on receivables was $37.5 in 2024 compared to $8.1 in 2023, primarily due to higher charge-offs, portfolio growth and higher past due balances in 2024.

Charge-offs, net of recoveries, were $24.1 in 2024 compared to $8.8 in 2023 due to higher credit losses in 2024, including three large fleet customers, as well as higher average loss severity from lower used truck market values.

Retail loan and lease receivables past due over 30 days were 1.31% at December 31, 2024 compared to .88% at December 31, 2023. The increase from December 31, 2023 was primarily due to four large fleet customers becoming past due in 2024. The Company continues to focus on maintaining low past due balances.

The estimation methods and factors considered for determining the allowance during the periods included in this filing have been consistently applied. See "Note A – Significant Accounting Policies" and "Note B – Finance and Other Receivables" for additional discussion regarding the Allowance for Credit Losses.

Modifications

The Company modifies loans and finance leases in the normal course of its operations. The Company may modify loans and finance leases for commercial reasons or for credit reasons. Modifications for commercial reasons are changes to contract terms for customers that are not considered to be in financial difficulty. Insignificant delays are modifications extending terms up to three months for customers experiencing some short-term financial stress, but not considered to be in financial difficulty. Modifications for credit reasons are changes to contract terms for customers considered to be in financial difficulty. The Company's modifications typically result in granting more time to pay the contractual amounts owed and charging a fee and interest for the term of the modification. When considering whether to modify customer accounts for credit reasons, the Company evaluates the creditworthiness of the customers and modifies those accounts that the Company considers likely to perform under the modified terms.

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(Millions of Dollars)

The post-modification balances of accounts modified during 2024 and 2023 are summarized below:

	Year ended December 31			
	2024		2023	
	Amortized Cost Basis	**% of Total Portfolio***	Amortized Cost Basis	% of Total Portfolio*
Commercial	**$ 385.5**	**3.5 %**	$ 163.9	1.8 %
Insignificant Delay	**128.3**	**1.1 %**	196.3	2.1 %
Credit	**199.8**	**1.8 %**	3.1	
	$ 713.6	**6.4 %**	$ 363.3	3.9 %

* Amortized cost basis immediately after modification as a percentage of the year-end portfolio balance.

Modification activity increased to $713.6 in 2024 from $363.3 in 2023. The increase in Commercial modifications reflects higher volumes of refinancing. The decrease in Insignificant Delay modifications reflects a decrease in customers requesting payment relief for up to three months. The increase in Credit modifications is primarily due to two large fleet customers that were granted a weighted average of five months term extension. These customers were not past due at the time of modification and at December 31, 2024.

When the Company modifies a 30+ days past due account, the customer is then generally considered current under the revised contractual terms. The Company modified $21.3 accounts during the fourth quarter of 2024 and $2.7 accounts during the fourth quarter of 2023 that were 30+ days past due and became current at the time of modification. Had these accounts not been modified and had they continued to not make payments, the pro forma percentage of retail loan and lease accounts 30+ days past due would have been as follows:

	As of December 31	
	2024	2023
Pro forma percentage of retail loan and lease accounts 30+ days past due	**1.57 %**	.91 %

The Company typically requires customers to pay current before granting modifications. The higher proforma percentage of retail loan and lease accounts 30+ days past due at December 31, 2024 was primarily due to a modification with an insignificant term extension granted to one large fleet customer with additional collateral.

A contract modification that improves the past due status reduces the probability of default. The effect of modifications is included in the Company's historical loss information used to determine the allowance for credit losses. Modification of accounts in prior quarters that were 30+ days past due at the time of modification are included in past dues if they were not performing under the modified terms at December 31, 2024 and 2023.

Portfolio

The Company's portfolio is concentrated with customers in the heavy- and medium-duty truck transportation industry. The portfolio is comprised of retail loans and leases, dealer wholesale financing and dealer master notes as follows:

	December 31 2024		December 31 2023	
Retail loans	**$ 5,675.3**	**51 %**	$ 5,028.2	54 %
Retail leases	**1,846.3**	**16 %**	1,710.4	18 %
Dealer wholesale financing	**3,070.1**	**27 %**	1,953.3	21 %
Dealer master notes	**518.1**	**5 %**	509.2	6 %
Operating lease receivables and other	**55.9**	**1 %**	65.3	1 %
Total portfolio	**$ 11,165.7**	**100 %**	$ 9,266.4	100 %

Retail loans increased to $5,675.3 at December 31, 2024 from $5,028.2 at December 31, 2023, reflecting new business volume exceeding collections.

Retail leases increased to $1,846.3 at December 31, 2024 from $1,710.4 at December 31, 2023, reflecting new business volume exceeding collections.

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(Millions of Dollars)

Dealer wholesale financing balances increased to $3,070.1 at December 31, 2024 from $1,953.3 at December 31, 2023, due to higher dealer new truck inventory and higher average amount financed. In addition, during the fourth quarter of 2024 the Company acquired $492.7 of wholesale receivables for one large dealer.

Dealer master notes increased to $518.1 at December 31, 2024 from $509.2 at December 31, 2023. Dealers may pay the loans early or make additional borrowings up to specified balances of the contracts and/or vehicles pledged to the Company. As of December 31, 2024, the underlying pledged contracts and/or vehicles were $677.4, of which the dealers have $134.4 as potential additional borrowing capacity.

Income Taxes

The Company's effective income tax rate was 24.8% for 2024 compared to 23.2% for 2023, reflecting changes in the state tax expense during 2024 as compared to 2023.

The Company is included in the consolidated federal income tax return of PACCAR. Federal income taxes for the Company are determined on a separate return basis. State income taxes, where the Company files combined tax returns with PACCAR, are determined on a blended statutory rate, which is substantially the same as the rate computed on a separate return basis.

During 2024, the Company's deferred income tax benefit was $7.6 compared to a deferred income tax provision of $11.2 during 2023. The Company's net deferred tax liability decreased to $467.7 at December 31, 2024 from $476.3 at December 31, 2023, primarily due to lower benefits from accelerated depreciation. Deferred taxes are impacted by new business volume and the accelerated depreciation deduction rate under U.S. federal and state tax law. The difference in the timing of depreciation for financial statement and income tax purposes does not impact operating results and is not expected to have a significant impact on liquidity in 2025.

Company Outlook

Average earning assets in 2025 are expected to be similar to 2024. If current freight transportation conditions decline due to a weaker economy, then past due accounts, truck repossessions and credit losses would likely increase from the current levels and new business volume would likely decline. See the Forward-Looking Statements section of Management's Discussion and Analysis for factors that may affect this outlook.

Funding and Liquidity

The Company's debt ratings at December 31, 2024 are as follows:

	Standard and Poor's	Moody's
Commercial paper	A-1	P-1
Senior unsecured debt	A+	A1

A decrease in these credit ratings could negatively impact the Company's ability to access capital markets at competitive interest rates and the Company's ability to maintain liquidity and financial stability.

The Company periodically registers debt securities under the Securities Act of 1933 for offering to the public. In November 2024, the Company filed a shelf registration statement to issue medium-term notes. The shelf registration statement expires in November 2027 and does not limit the principal amount of debt securities that may be issued during the period.

The Company participates with PACCAR and certain other PACCAR affiliates in committed bank facilities of $4,000.0 at December 31, 2024. Of this amount, $1,500.0 expires in June 2025, $1,250.0 expires in June 2027 and $1,250.0 expires in June 2029. PACCAR and the Company intend to extend or replace these credit facilities on or before expiration to maintain facilities of similar amounts and duration.

Of the $4,000.0 credit facilities, $3,088.0 is available for use by the Company and/or PACCAR and certain non-U.S. PACCAR financial subsidiaries. The remaining $912.0 is allocated to PACCAR and certain non-U.S. PACCAR financial subsidiaries. These credit facilities are used to provide backup liquidity for the Company’s commercial paper and maturing medium-term notes. The Company is liable only for its own borrowings under these credit facilities. There were no borrowings under these credit facilities in 2024.

PACCAR Financial Corp.
(Millions of Dollars)

The Company issues commercial paper and medium-term notes to fund its financing and leasing operations. The total principal amounts of commercial paper and medium-term notes outstanding for the Company as of December 31, 2024 were $3,618.9 and $7,250.0, respectively.

The Company believes its current investment grade credit ratings of A+/A1, committed bank facilities, collections on existing loans and leases and its ability to borrow from PACCAR, if necessary, will continue to provide it with sufficient resources and access to capital markets at competitive interest rates to maintain its liquidity and financial stability. In the event of a decrease in the Company's credit ratings or a disruption in the financial markets, the Company may not be able to refinance its maturing debt in the financial markets. In such circumstances, the Company would be exposed to liquidity risk to the degree that the timing of debt maturities differs from the timing of receivable collections from customers. The Company believes its various sources of liquidity, including committed bank facilities, would continue to provide it with sufficient funding resources to service its maturing debt obligations.

The following summarizes the Company's contractual cash commitments at December 31, 2024:

	Maturity				
	Within 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
Borrowings*	$ 5,318.9	$ 3,600.0	$ 1,600.0	$ 350.0	$ 10,868.9
Interest on debt**	269.6	327.4	102.0	73.9	772.9
Operating leases	.3	.4			.7
Total	$ 5,588.8	$ 3,927.8	$ 1,702.0	$ 423.9	$ 11,642.5

* Commercial paper included in borrowings is at par value.
** Interest on floating rate debt is based on the applicable market rates at December 31, 2024.

As described in "Note G – Borrowings" in the Notes to the Financial Statements, borrowings consist of medium-term notes and commercial paper. The Company has operating leases for office space.

In addition, the Company had loan and lease commitments of $394.5 expiring within one year. These commitments represent commitments to fund new retail loan and lease contracts.

Critical Accounting Policies

The Company's significant accounting policies are disclosed in "Note A – Significant Accounting Policies" in the Notes to the Financial Statements. In the preparation of the Company's financial statements, in accordance with U.S. generally accepted accounting principles, management uses estimates and makes judgments and assumptions that affect asset and liability values and the amounts reported as income and expense during the periods presented. The following are accounting policies which, in the opinion of management, are particularly sensitive and which, if actual results are different from estimates used by management, may have a material impact on the financial statements.

Operating Leases

Trucks sold pursuant to agreements accounted for as operating leases are disclosed in "Note C – Equipment on Operating Leases" in the Notes to the Financial Statements. In determining its estimate of the residual value of such vehicles, the Company considers the length of the lease term, the truck model, the expected usage of the truck and anticipated market demand. Operating lease terms generally range from three to five years. The resulting residual values on operating leases generally range between 30% and 60% of original equipment cost. If the sales price of a truck at the end of the term of the agreement differs from the Company's estimated residual value, a gain or loss will result.

Future market conditions, changes in government regulations and other factors outside the Company's control could impact the ultimate sales price of trucks returned under these contracts. Residual values are reviewed regularly and adjusted if market conditions warrant. A decrease in the estimated equipment residual values would increase annual depreciation expense over the remaining lease term.

During 2024, market values on equipment returning upon operating lease maturity were generally lower than the residual values on the equipment, resulting in an increase in depreciation expense of $10.9.

PACCAR Financial Corp.
(Millions of Dollars)

At December 31, 2024, the aggregate residual value of equipment on operating leases was $257.5. A 10% decrease in used truck values, if expected to persist over the remaining maturities of the Company's operating leases, would reduce residual value estimates and result in the Company recording additional depreciation expense of approximately $14.2 in 2025, $5.9 in 2026, $2.7 in 2027, $1.6 in 2028 and $1.3 in 2029 and thereafter.

Allowance for Credit Losses

The allowance for credit losses related to the Company’s loans and finance leases is disclosed in “Note B – Finance and Other Receivables” in the Notes to the Financial Statements. The Company has developed a systematic methodology for determining the allowance for credit losses for its two portfolio segments, retail and wholesale. The retail segment consists of retail loans and sales-type finance leases, net of unearned interest. The wholesale segment consists of truck inventory financing loans to dealers that are collateralized by trucks and other collateral. The wholesale segment generally has less risk than the retail segment. Wholesale receivables generally are shorter in duration than retail receivables, and the Company requires periodic reporting of the wholesale dealer’s financial condition, conducts periodic audits of the trucks being financed and in many cases, obtains guarantees or other security such as dealership assets. In determining the allowance for credit losses, retail loans and finance leases are evaluated together since they relate to a similar customer base, their contractual terms require regular payment of principal and interest, generally over 36 to 60 months, and they are secured by the same type of collateral. The allowance for credit losses consists of both specific and general reserves.

The Company individually evaluates certain finance receivables for expected credit losses. Finance receivables that are evaluated individually consist of all wholesale accounts and certain large retail accounts with past due balances or otherwise determined to be at a higher risk of loss. In general, finance receivables that are 90 days past due are placed on non-accrual status. Finance receivables on non-accrual status which have been performing for 90 consecutive days are placed on accrual status if it is deemed probable that the Company will collect all principal and interest payments.

Individually evaluated receivables on non-accrual status are generally considered collateral dependent. Large balance retail and all wholesale receivables on non-accrual status are individually evaluated for loss based on the value of the underlying collateral or a discounted cash flow analysis. Small balance receivables on non-accrual status with similar risk characteristics are evaluated as a separate pool to determine the appropriate reserve for losses using the historical loss information discussed below.

The Company evaluates finance receivables that are not individually evaluated and share similar risk characteristics on a collective basis and determines the general allowance for credit losses for both retail and wholesale receivables based on historical loss information, using past due account data, current market conditions, and expected changes in future macroeconomic conditions that affect collectability. Historical credit loss data provides relevant information of expected credit losses. The historical information used includes assumptions regarding the likelihood of collecting current and past due accounts, repossession rates, and the recovery rate on the underlying collateral based on used truck values and other pledged collateral or recourse.

The Company has developed a range of loss estimates of its portfolio based on historical experience, taking into account loss frequency and severity in both strong and weak truck market conditions. A projection is made of the range of estimated credit losses inherent in the portfolio from which an amount is determined based on current market conditions and other factors impacting the creditworthiness of the Company’s borrowers and their ability to repay. Adjustments to historical loss information are made for changes in forecasted economic conditions that are specific to the industry and market in which the Company conducts business. The Company utilizes economic forecasts from third-party sources and determines expected losses based on historical experience under similar market conditions. After determining the appropriate level of the allowance for credit losses, a provision for losses on finance receivables is charged to income as necessary to reflect management’s estimate of expected credit losses, net of recoveries, inherent in the portfolio.

The adequacy of the allowance is evaluated quarterly based on the most recent past due account information and current and future market conditions. As accounts become past due, the likelihood that they will not be fully collected increases. The Company’s experience indicates the probability of not fully collecting past due accounts ranges between 30% and 70%. Over the past two years, the Company’s year-end 30+ days past due accounts of loan and lease receivables were 1.31% in 2024 and .88% in 2023.

Historically, a 100 basis point increase in the 30+ days past due percentage has resulted in an increase in credit losses of 1 to 21 basis points of receivables. At December 31, 2024, 30+ days past dues were 1.31%. If past dues were 100 basis points higher or 2.31% as of December 31, 2024, the Company’s estimate of credit losses would likely have increased by a range of $1 to $16 depending on the extent of the past dues, the estimated value of the collateral as compared to amounts owed and general economic factors.

PACCAR Financial Corp.
(Millions of Dollars)

Forward-Looking Statements

This Form 10-K contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements relating to future results of operations or financial position and any other statement that does not relate to any historical or current fact. Such statements are based on currently available operating, financial and other information and are subject to risks and uncertainties that may affect actual results. Risks and uncertainties include, but are not limited to: national and local economic, political and industry conditions; changes in the levels of new business volume due to unit fluctuations in new PACCAR truck sales or reduced market share; changes in competitive factors; changes affecting the profitability of truck owners and operators; price changes impacting equipment costs and residual values; changes in interest rates and other operating costs; insufficient liquidity in the capital markets and availability of other funding sources; cybersecurity risks to the Company’s information technology systems; pandemics; climate-related risks; global conflicts; litigation involving the Company or affiliated entities; and legislation and governmental regulation.

PACCAR Financial Corp.
(Millions of Dollars)

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk and Derivative Financial Instruments

In the normal course of business, the Company issues various financial instruments that expose the Company to market risk associated with market interest rates. Policies and procedures have been established by the Company to manage these market risks through the use of various derivative financial instruments. The Company does not engage in derivatives trading, market-making or other speculative activities.

The following is a sensitivity analysis for the Company's assets and liabilities that have interest-rate risk. The Company measures its interest-rate risk by estimating the amount by which the fair value of interest rate sensitive assets and liabilities, including derivative financial instruments, would change assuming an immediate 100 basis point increase across the yield curve as shown in the following table:

Fair Value (Losses) Gains

	Year ended December 31	
	2024	2023
Assets		
Fixed rate loans	**$ (109.4)**	$ (99.8)
Due from PACCAR	**(22.9)**	(20.2)
Due from foreign finance affiliates	**(12.5)**	(9.3)
Interest rate swaps related to debt	**1.9**	3.9
Liabilities		
Fixed rate debt	**163.4**	110.5
Interest rate swaps related to debt	**(20.7)**	3.9
Total	**$ (.2)**	$ (11.0)

The Company's debt as of December 31, 2024 and 2023 consisted of commercial paper and floating and fixed rate medium-term notes.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements of the Company and related schedules described under "Item 15. – Exhibits and Financial Statement Schedules" are included following this page.

Report of Independent Registered Public Accounting Firm

Board of Directors
PACCAR Inc and PACCAR Financial Corp.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of PACCAR Financial Corp. (a wholly owned subsidiary of PACCAR Inc) (the Company) as of December 31, 2024 and 2023, the related statements of income, comprehensive income, stockholder’s equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Used trucks held for sale

Description of the Matter	Included in Other assets on the Company's Balance Sheet are used trucks held for sale of $113.7 million as of December 31, 2024. As discussed in Note J to the financial statements, the carrying amount of used trucks held for sale is written down as necessary to reflect the fair value less costs to sell. The Company determines the fair value of used trucks from a pricing matrix, which is based on the market approach. The significant observable inputs into the valuation model are recent sales prices of comparable units sold individually, which is the lowest unit of account, and the condition of the vehicles. Auditing management's estimate of the impairments for used trucks held for sale was complex and required judgment in evaluating management's assumptions used in determining the fair value of units held for sale.
How We Addressed the Matter in Our Audit	We evaluated and tested the design and operating effectiveness of internal controls over the used trucks held for sale process, including management's assessment of the assumptions and data underlying the fair value of units held for sale. The fair value of units held for sale is determined by the Company's used truck pricing matrix, which is based on historical sales data. Our audit procedures included, among others, evaluating whether the historical sales data was representative of current market prices and recent trends in sales for similar units, by comparing the data to units sold at or subsequent to year end. We tested the completeness and accuracy of the sales data used in the used truck pricing matrix by comparing it to source systems. We also compared management's internal pricing matrix to sales data from third-party sources.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1961.

Seattle, Washington
February 19, 2025

PACCAR Financial Corp.

STATEMENTS OF INCOME

(Millions of Dollars)	Year ended December 31 2024	2023	2022
Interest and fee income	**$ 661.3**	$ 477.9	$ 318.5
Operating lease and rental revenues	**182.5**	235.4	306.1
Used truck sales and other revenues	**36.7**	20.8	18.3
TOTAL INTEREST AND OTHER REVENUES	**880.5**	734.1	642.9
Interest and other borrowing costs	**413.5**	275.7	138.8
Depreciation and other rental expenses	**172.5**	189.1	179.6
Cost of used truck sales and other expenses	**34.3**	15.0	8.6
Selling, general and administrative expenses	**68.1**	64.5	60.7
Provision for losses on receivables	**37.5**	8.1	(4.7)
TOTAL EXPENSES	**725.9**	552.4	383.0
INCOME BEFORE INCOME TAXES	**154.6**	181.7	259.9
Income taxes	**38.3**	42.2	63.1
NET INCOME	**$ 116.3**	$ 139.5	$ 196.8

Earnings per share and dividends per share are not reported because the Company is a wholly owned subsidiary of PACCAR.

STATEMENTS OF COMPREHENSIVE INCOME

(Millions of Dollars)	Year ended December 31 2024	2023	2022
Net income	**$ 116.3**	$ 139.5	$ 196.8
Other comprehensive income (loss)			
Unrealized gains (losses) on derivative contracts			
Gains (losses) arising during the period	**6.7**	(5.2)	(.9)
Tax effect	**(1.7)**	1.3	.2
Reclassification adjustment	**(10.8)**	(4.6)	27.9
Tax effect	**2.7**	1.1	(6.9)
Net other comprehensive (loss) income	**(3.1)**	(7.4)	20.3
TOTAL COMPREHENSIVE INCOME	**$ 113.2**	$ 132.1	$ 217.1

See Notes to Financial Statements.

PACCAR Financial Corp.

BALANCE SHEETS

(Millions of Dollars)	December 31 2024	December 31 2023
ASSETS		
Cash	**$ 83.1**	$ 175.1
Finance and other receivables, net of allowance for losses (2024 - $74.4 and 2023 - $61.0)	**11,091.3**	9,205.4
Due from PACCAR and affiliates	**2,070.5**	1,750.7
Equipment on operating leases, net of accumulated depreciation (2024 - $314.6 and 2023 - $412.5)	**509.1**	528.0
Other assets	**266.5**	337.8
TOTAL ASSETS	**$ 14,020.5**	$ 11,997.0
LIABILITIES		
Accounts payable, accrued expenses and other	**$ 696.7**	$ 603.1
Due to PACCAR and affiliates	**21.8**	58.6
Commercial paper	**3,610.3**	2,842.4
Medium-term notes	**7,216.6**	6,071.7
Deferred taxes and other liabilities	**473.6**	490.0
TOTAL LIABILITIES	**12,019.0**	10,065.8
STOCKHOLDER'S EQUITY		
Preferred stock, par value $100 per share, 6% noncumulative and nonvoting, 450,000 shares authorized, 310,000 shares issued and outstanding	**31.0**	31.0
Common Stock, par value $100 per share, 200,000 shares authorized, 145,000 shares issued and outstanding	**14.5**	14.5
Additional paid-in capital	**178.7**	171.6
Retained earnings	**1,769.4**	1,703.1
Accumulated other comprehensive income	**7.9**	11.0
TOTAL STOCKHOLDER'S EQUITY	**2,001.5**	1,931.2
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**$ 14,020.5**	$ 11,997.0

See Notes to Financial Statements.

PACCAR Financial Corp.

STATEMENTS OF CASH FLOWS

(Millions of Dollars)	Year ended December 31 2024	2023	2022
OPERATING ACTIVITIES			
Net income	**$ 116.3**	$ 139.5	$ 196.8
Items included in net income not affecting cash:			
Depreciation and amortization	**171.9**	181.9	167.9
Provision for losses on receivables	**37.5**	8.1	(4.7)
Deferred taxes	**(7.6)**	11.2	15.6
Administrative fees for services from PACCAR	**7.1**	7.0	8.6
Change in tax-related balances with PACCAR	**.4**	6.3	24.4
Increase in payables and other	**69.8**	40.2	144.0
NET CASH PROVIDED BY OPERATING ACTIVITIES	**395.4**	394.2	552.6
INVESTING ACTIVITIES			
Finance and other receivables originated	**(3,653.5)**	(3,319.7)	(2,807.1)
Collections on finance and other receivables	**2,785.4**	2,470.7	2,366.4
Net increase in wholesale receivables	**(1,116.8)**	(860.1)	(355.6)
Loans to PACCAR and affiliates	**(986.6)**	(415.0)	(694.9)
Collections on loans from PACCAR and affiliates	**662.0**	555.0	350.9
Net decrease (increase) in other receivables to PACCAR and affiliates	**14.0**	16.0	(118.0)
Acquisitions of equipment for operating leases	**(244.9)**	(62.4)	(228.0)
Proceeds from disposals of equipment	**188.1**	176.1	213.5
Other, net	**11.4**	(11.4)	(69.5)
NET CASH USED IN INVESTING ACTIVITIES	**(2,340.9)**	(1,450.8)	(1,342.3)
FINANCING ACTIVITIES			
Net increase in short-term commercial paper	**767.0**	1,191.1	574.2
Proceeds from medium-term notes	**2,936.5**	1,991.8	2,092.2
Payments of medium-term notes	**(1,800.0)**	(1,750.0)	(1,750.0)
Dividends paid	**(50.0)**	(250.0)	(100.0)
NET CASH PROVIDED BY FINANCING ACTIVITIES	**1,853.5**	1,182.9	816.4
NET (DECREASE) INCREASE IN CASH	**(92.0)**	126.3	26.7
CASH AT BEGINNING OF YEAR	**175.1**	48.8	22.1
CASH AT END OF YEAR	**$ 83.1**	$ 175.1	$ 48.8

See Notes to Financial Statements.

PACCAR Financial Corp.

STATEMENTS OF STOCKHOLDER'S EQUITY

(Millions of Dollars)	Year ended December 31 2024	2023	2022
PREFERRED STOCK, $100 par value			
Balance at beginning of year	**$ 31.0**	$ 31.0	$ 31.0
Balance at end of year	**31.0**	31.0	31.0
COMMON STOCK, $100 par value			
Balance at beginning of year	**14.5**	14.5	14.5
Balance at end of year	**14.5**	14.5	14.5
ADDITIONAL PAID-IN CAPITAL			
Balance at beginning of year	**171.6**	164.6	156.0
Investments from PACCAR	**7.1**	7.0	8.6
Balance at end of year	**178.7**	171.6	164.6
RETAINED EARNINGS			
Balance at beginning of year	**1,703.1**	1,813.6	1,716.8
Net income	**116.3**	139.5	196.8
Dividends paid	**(50.0)**	(250.0)	(100.0)
Balance at end of year	**1,769.4**	1,703.1	1,813.6
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)			
Accumulated unrealized net gain (loss) on derivative contracts:			
Balance at beginning of year	**11.0**	18.4	(1.9)
Net unrealized (loss) gain	**(3.1)**	(7.4)	20.3
Balance at end of year	**7.9**	11.0	18.4
TOTAL STOCKHOLDER'S EQUITY	**$ 2,001.5**	$ 1,931.2	$ 2,042.1

See Notes to Financial Statements.

PACCAR Financial Corp.

Notes to Financial Statements	(Millions of Dollars)

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

Description of Operations and Basis of Presentation:

PACCAR Financial Corp. (the "Company") is a wholly owned subsidiary of PACCAR Inc ("PACCAR"). The Company primarily provides financing of PACCAR manufactured trucks and related equipment sold by authorized dealers. The Company also finances dealer inventories of transportation equipment and franchises Kenworth and Peterbilt dealerships to engage in full-service and finance leasing. The operations of the Company are fundamentally affected by its relationship with PACCAR.

Due to the nature of the Company's business, customers are concentrated in the transportation industry throughout the United States. Generally, all receivables are collateralized by the equipment being financed. The risk of credit losses related to this concentration has been considered in establishing the allowance for credit losses.

Use of Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Finance and Other Receivables:

Loans – Loans represent fixed or floating rate loans to customers or dealers collateralized by the vehicles purchased and are recorded at amortized cost.

Finance leases – Finance leases are sales-type finance leases, which lease equipment to retail customers and dealers. These leases are reported as the sum of minimum lease payments receivable and estimated residual value of the property subject to the contracts, reduced by unearned interest.

Dealer wholesale financing – Dealer wholesale financing is floating rate wholesale loans to Kenworth and Peterbilt dealers for new and used trucks and are recorded at amortized cost. The loans are collateralized by the trucks being financed.

Operating lease receivables and other – Operating lease receivables and other include monthly rentals due on operating leases, unamortized loan and lease origination costs, interest on loans and other amounts due within one year in the normal course of business.

Allowance for Credit Losses:

The Company continuously monitors the payment performance of its finance receivables. For large retail finance customers and dealers with wholesale financing, the Company regularly reviews their financial statements and makes site visits and phone contact as appropriate. If the Company becomes aware of circumstances that could cause those customers or dealers to face financial difficulty, whether or not they are past due, the customers are placed on a watch list.

The Company modifies loans and finance leases in the normal course of its operations. The Company may modify loans and finance leases for commercial reasons or for credit reasons. Modifications for commercial reasons are changes to contract terms for customers that are not considered to be in financial difficulty. Insignificant delays are modifications extending terms up to three months for customers experiencing some short-term financial stress, but not considered to be in financial difficulty. Modifications for credit reasons are changes to contract terms for customers considered to be in financial difficulty. The Company's modifications typically result in granting more time to pay the contractual amounts owed and charging a fee and interest for the term of the modification.

When considering whether to modify customer accounts for credit reasons, the Company evaluates the creditworthiness of the customers and modifies those accounts that the Company considers likely to perform under the modified terms. The Company does not typically grant credit modifications for customers that do not meet minimum underwriting standards since the Company normally repossesses the financed equipment in these circumstances.

On average, commercial and other modifications extended contractual terms by approximately four months in 2024 and three months in 2023, and did not have a significant effect on the weighted average term or interest rate of the total portfolio at December 31, 2024 or 2023.

The Company has developed a systematic methodology for determining the allowance for credit losses for its two portfolio segments, retail and wholesale. The retail segment consists of retail loans and sales-type finance leases, net of unearned interest. The wholesale segment consists of truck inventory financing loans to dealers that are collateralized by trucks and other collateral. The wholesale segment generally has less risk than the retail segment. Wholesale receivables generally are shorter in duration than retail receivables, and the Company requires periodic reporting of the wholesale dealer's financial condition, conducts periodic audits of the trucks being financed and, in many cases, obtains guarantees or other security such as dealership assets. In determining the allowance for credit losses, retail loans and finance leases are evaluated together since they relate to a similar customer base, their contractual terms require regular payment of principal and interest, generally over 36 to 60 months, and they are secured by the same type of collateral. The allowance for credit losses consists of both specific and general reserves.

The Company individually evaluates certain finance receivables for expected credit losses. Finance receivables that are evaluated individually consist of all wholesale accounts and certain large retail accounts with past due balances or otherwise determined to be at a higher risk of loss. In general, finance receivables that are 90 days past due are placed on non-accrual status. Finance receivables on non-accrual status which have been performing for 90 consecutive days are placed on accrual status if it is deemed probable that the Company will collect all principal and interest payments.

Individually evaluated receivables on non-accrual status are generally considered collateral dependent. Large balance retail and all wholesale receivables on non-accrual status are individually evaluated for loss based on the value of the underlying collateral or a discounted cash flow analysis. Small balance receivables on non-accrual status with similar risk characteristics are evaluated as a separate pool to determine the appropriate reserve for losses using the historical loss information discussed below.

The Company evaluates finance receivables that are not individually evaluated and share similar risk characteristics on a collective basis and determines the general allowance for credit losses for both retail and wholesale receivables based on historical loss information, using past due account data, current market conditions, and expected changes in future macroeconomic conditions that affect collectability. Historical credit loss data provides relevant information of expected credit losses. The historical data used includes assumptions regarding the likelihood of collecting current and past due accounts, repossession rates, and the recovery rate on the underlying collateral based on used truck values and other pledged collateral or recourse.

The Company has developed a range of loss estimates of its portfolio based on historical experience, taking into account loss frequency and severity in both strong and weak truck market conditions. A projection is made of the range of estimated credit losses inherent in the portfolio from which an amount is determined based on current market conditions and other factors impacting the creditworthiness of the Company's borrowers and their ability to repay. Adjustments to historical loss information are made for changes in forecasted economic conditions that are specific to the industry and market in which the Company conducts business. The Company utilizes economic forecasts from third party sources and determines expected losses based on historical experience under similar market conditions. After determining the appropriate level of the allowance for credit losses, a provision for losses on finance receivables is charged to income as necessary to reflect management's estimate of expected credit losses, net of recoveries, inherent in the portfolio.

In determining the fair value of the collateral, the Company uses a pricing matrix and categorizes the fair value as Level 2 in the hierarchy of fair value measurement. The pricing matrix is reviewed quarterly and updated as appropriate. The pricing matrix considers the make, model and year of the equipment as well as recent sales prices of comparable equipment sold individually, which is the lowest unit of account, through wholesale channels to the Company's dealers (principal market). The fair value of the collateral also considers the overall condition of the equipment.

Accounts are charged off against the allowance for credit losses when, in the judgment of management, they are considered uncollectible, which generally occurs upon repossession of the collateral. Typically the timing between the repossession and charge-off is not significant. In cases where repossession is delayed (e.g., for legal proceedings), the Company records a partial charge-off. The charge-off is determined by comparing the fair value of the collateral, less cost to sell, to the amortized cost basis.

PACCAR Financial Corp.

Notes to Financial Statements (Millions of Dollars)

Revenue Recognition:

Interest income from finance and other receivables is recognized using the interest method. Certain loan and lease origination costs are deferred and amortized to interest income over the expected life of the contracts, generally 36 to 60 months, using the straight-line method which approximates the interest method. For operating leases, rental revenue is recognized on a straight-line basis over the lease term.

Recognition of interest income and rental revenue is suspended (put on non-accrual status) when the receivable becomes more than 90 days past the contractual due date or earlier if some other event causes the Company to determine that collection is not probable. Accordingly, no finance receivables more than 90 days past due were accruing interest at December 31, 2024 or December 31, 2023. Recognition is resumed if the receivable becomes current by the payment of all amounts due under the terms of the existing contract and collection of remaining amounts is considered probable (if not contractually modified) or if the customer makes scheduled payments for three months and collection of remaining amounts is considered probable (if contractually modified). Payments received while the finance receivable is on non-accrual status are applied to interest and principal in accordance with the contractual terms.

The Company recognizes revenue on the sale of used trucks acquired from PACCAR truck division customers as part of new truck sales packages when the used trucks are invoiced and delivered to a customer.

Equipment on Operating Leases:

Equipment on operating leases is recorded at cost and is depreciated on the straight-line basis to its estimated residual value. Residual values are reviewed regularly and adjusted if market conditions warrant.

Derivative Financial Instruments:

As part of its risk management strategy, the Company enters into derivative contracts to hedge against interest-rate risk. Certain derivative instruments designated as either cash flow hedges or fair value hedges are subject to hedge accounting. Derivative instruments that are not subject to hedge accounting are held as derivatives not designated as hedging instruments. The Company's policies prohibit the use of derivatives for speculation or trading. At the inception of each hedge relationship, the Company documents its risk management objectives, procedures and accounting treatment.

All of the Company's interest-rate contracts are transacted under International Swaps and Derivatives Association (ISDA) master agreements. Each agreement permits the net settlement of amounts owed in the event of default and certain other termination events. For derivative financial instruments, the Company has elected not to offset derivative positions in the balance sheet with the same counterparty under the same agreements and is not required to post or receive collateral. Exposure limits and minimum credit ratings are used to minimize the risks of counterparty default. The Company's maximum exposure to potential default of its derivative counterparties is limited to the asset position of its derivative portfolio. The asset position of the Company's derivative portfolio was $3.3 at December 31, 2024.

The Company assesses hedges at inception and on an ongoing basis to determine if the designated derivatives are highly effective in offsetting changes in fair values or cash flows of the hedged items. Hedge accounting is discontinued prospectively when the Company determines that a derivative financial instrument has ceased to be a highly effective hedge. Cash flows from derivative instruments are included in operating activities in the Statements of Cash Flows.

Income Taxes:

The Company is included in the consolidated federal income tax return of PACCAR. Federal income taxes for the Company are determined on a separate return basis, and any related tax liability is paid by the Company to PACCAR and any related tax benefit is paid by PACCAR to the Company. State income taxes, where the Company files combined tax returns with PACCAR, are determined on a blended statutory rate, which is substantially the same as the rate computed on a separate return basis. As of December 31, 2024, the United States Internal Revenue Service has completed examinations of PACCAR's tax returns for all years through 2016. PACCAR's state income tax returns remain subject to examination in other jurisdictions for the years ranging from 2012 through 2024.

Notes to Financial Statements (Millions of Dollars)

Preferred Stock:

The Company's Articles of Incorporation provide that the 6%, noncumulative, nonvoting preferred stock (100% owned by PACCAR) is redeemable only at the option of the Company's Board of Directors.

New Accounting Pronouncements:

In December 2023, Financial Accounting Standards Board (FASB) issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in this ASU require entities to disclose certain, specific categories within the rate reconciliation and enhance disclosures regarding income taxes paid and income tax expense. This ASU is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The amendments in this ASU should be applied on a prospective basis; however, retrospective application is permitted. The implementation of this ASU will result in additional disclosures and will not have an impact on the Company's financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses.* The amendments in this ASU expand the disclosures in the notes to the financial statements about specific cost and expense categories presented on the face of the income statement. This ASU is effective for annual periods beginning after December 15, 2026, and interim periods within annual periods beginning after December 15, 2027. Early adoption is permitted. The amendments in this ASU should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date or (2) retrospectively to any or all prior periods presented. The Company is currently evaluating the impact of this update on the related notes to the financial statements.

The Company adopted the following standard on January 1, 2024, which had no impact on the Company's financial statements.

STANDARD	DESCRIPTION
2023-07	*Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*

NOTE B – FINANCE AND OTHER RECEIVABLES

The Company's finance and other receivables include the following:

	December 31 2024	December 31 2023
Retail loans	**$ 5,675.3**	$ 5,028.2
Retail financing leases	**1,846.3**	1,710.4
Dealer wholesale financing	**3,070.1**	1,953.3
Dealer master notes	**518.1**	509.2
Operating lease receivables and other	**55.9**	65.3
	11,165.7	9,266.4
Less allowance for credit losses:		
Loans and leases	**(71.8)**	(58.6)
Dealer wholesale financing	**(1.1)**	(1.0)
Operating lease receivables and other	**(1.5)**	(1.4)
	$ 11,091.3	$ 9,205.4

PACCAR Financial Corp.

Notes to Financial Statements (Millions of Dollars)

Annual minimum payments due on loans and finance leases and a reconciliation of the undiscounted cash flows to the net investment in finance leases at December 31, 2024 are as follows:

	Loans	Finance Leases
2025	$ 1,954.9	$ 573.9
2026	1,440.8	458.8
2027	1,253.6	412.4
2028	886.0	310.0
2029	490.2	195.1
Thereafter	167.9	97.9
	$ 6,193.4	2,048.1
Unguaranteed residual values		56.0
Unearned interest on finance leases		(257.8)
Net investment in finance leases		$ 1,846.3

Included in Finance and other receivables, net of allowance for credit losses, on the Balance Sheets is accrued interest receivable, net of allowance for credit losses, of $32.8 and $31.6 as of December 31, 2024 and 2023, respectively.

Interest income recognized on finance leases was $98.7 and $77.8 for the years ended December 31, 2024 and 2023, respectively. Estimated residual values included with finance leases amounted to $56.0 in 2024 and $57.6 in 2023. Experience indicates substantially all of dealer wholesale financing will be repaid within one year. In addition, repayment experience indicates that some loans, leases and other finance receivables will be paid prior to contract maturity, while others may be extended or modified.

For the following credit quality disclosures, finance receivables are classified into two portfolio segments, wholesale and retail. The retail portfolio is further segmented into dealer retail and customer retail. The dealer wholesale segment consists of truck inventory financing to PACCAR dealers. The dealer retail segment consists of loans and leases to participating dealers and franchises that use the proceeds to fund customers' acquisition of commercial vehicles and related equipment. The customer retail segment consists of loans and leases directly to customers for the acquisition of commercial vehicles and related equipment. Customer retail receivables are further segregated between fleet and owner/operator classes. The fleet class consists of customer retail accounts operating five or more trucks. All other customer retail accounts are considered owner/operator. These two classes have similar measurement attributes, risk characteristics and common methods to monitor and assess credit risk.

Allowance for Credit Losses

The allowance for credit losses is summarized as follows:

	2024				
	Dealer		**Customer**		
	Wholesale	**Retail**	**Retail**	**Other***	**Total**
Balance at January 1	**$ 1.0**	**$ 1.7**	**$ 56.9**	**$ 1.4**	**$ 61.0**
Provision for losses	**.1**	**(.6)**	**37.9**	**.1**	**37.5**
Charge-offs			**(24.4)**		**(24.4)**
Recoveries			**.3**		**.3**
Balance at December 31	**$ 1.1**	**$ 1.1**	**$ 70.7**	**$ 1.5**	**$ 74.4**

	2023				
	Dealer		Customer		
	Wholesale	Retail	Retail	Other*	Total
Balance at January 1	$ 1.0	$ 1.8	$ 57.9	$ 1.0	$ 61.7
Provision for losses		(.1)	8.0	.2	8.1
Charge-offs			(9.8)		(9.8)
Recoveries			.8	.2	1.0
Balance at December 31	$ 1.0	$ 1.7	$ 56.9	$ 1.4	$ 61.0

PACCAR Financial Corp.

Notes to Financial Statements (Millions of Dollars)

	2022				
	Dealer		Customer		
	Wholesale	Retail	Retail	Other*	Total
Balance at January 1	$ 1.0	$ 6.5	$ 57.1	$ 1.1	$ 65.7
Provision for losses		(4.7)			(4.7)
Charge-offs			(1.6)	(.1)	(1.7)
Recoveries			2.4		2.4
Balance at December 31	$ 1.0	$ 1.8	$ 57.9	$ 1.0	$ 61.7

* Operating lease and other trade receivables.

Credit Quality

The Company's customers are principally concentrated in the transportation industry in the United States. The Company's portfolio assets are diversified over a large number of customers and dealers with no single customer or dealer balances representing over 10% of the total portfolio assets as of December 31, 2024 and 2023. The Company retains as collateral a security interest in the related equipment. There is no single customer or dealer representing over 10% of Interest and other revenues for the years ended December 31, 2024, 2023 and 2022.

At the inception of each contract, the Company considers the credit risk based on a variety of credit quality factors including prior payment experience, customer financial information, credit-rating agency ratings, loan-to-value ratios and other internal metrics. On an ongoing basis, the Company monitors credit quality based on past due status and collection experience as there is a meaningful correlation between the past due status of customers and the risk of loss.

The Company has three credit quality indicators: performing, watch and at-risk. Performing accounts pay in accordance with the contractual terms and are not considered high risk. Watch accounts include accounts 31 to 90 days past due and large accounts that are performing but are considered to be high-risk. Watch accounts are not collateral dependent. At-risk accounts are collateral dependent, including accounts over 90 days past due and other accounts on non-accrual status.

The tables below summarize the amortized cost basis of the Company's finance receivables within each credit quality indicator by year of origination and portfolio class and current period gross charge-offs of the Company's finance receivables by year of origination and portfolio class.

PACCAR Financial Corp.

Notes to Financial Statements (Millions of Dollars)

At December 31, 2024	Revolving Loans	2024	2023	2022	2021	2020	Prior	Total
Amortized Cost Basis:								
Dealer:								
Wholesale:								
Performing	$ 3,064.1							$ 3,064.1
Watch	6.0							6.0
	$ 3,070.1							$ 3,070.1
Retail:								
Performing	$ 229.8	$ 599.6	$ 562.3	$ 371.1	$ 181.6	$ 83.5	$ 128.1	$ 2,156.0
Watch		1.1	21.5	5.6	1.6	4.4	.4	34.6
	$ 229.8	$ 600.7	$ 583.8	$ 376.7	$ 183.2	$ 87.9	$ 128.5	$ 2,190.6
Total Dealer	$ 3,299.9	$ 600.7	$ 583.8	$ 376.7	$ 183.2	$ 87.9	$ 128.5	$ 5,260.7
Customer Retail:								
Fleet:								
Performing		$ 2,140.6	$ 1,418.7	$ 830.5	$ 398.9	$ 185.7	$ 39.8	$ 5,014.2
Watch		2.5	5.6	5.4	1.8	.5	.9	16.7
At-risk		19.3	148.5	61.2	29.3	3.1	.7	262.1
		$ 2,162.4	$ 1,572.8	$ 897.1	$ 430.0	$ 189.3	$ 41.4	$ 5,293.0
Owner/Operator:								
Performing		$ 249.2	$ 109.0	$ 90.6	$ 67.0	$ 25.9	$ 5.4	$ 547.1
Watch		.5	2.5	1.6	.9	.4		5.9
At-risk		.5	.8	1.1	.3	.4		3.1
		$ 250.2	$ 112.3	$ 93.3	$ 68.2	$ 26.7	$ 5.4	$ 556.1
Total Customer Retail		$ 2,412.6	$ 1,685.1	$ 990.4	$ 498.2	$ 216.0	$ 46.8	$ 5,849.1
Total	$ 3,299.9	$ 3,013.3	$ 2,268.9	$ 1,367.1	$ 681.4	$ 303.9	$ 175.3	$ 11,109.8

At December 31, 2024	Revolving Loans	2024	2023	2022	2021	2020	Prior	Total
Gross Charge-Offs:								
Customer Retail:								
Fleet		$ .2	$ 4.5	$ 6.1	$ 1.2	$ 1.6	$ 5.8	$ 19.4
Owner/Operator			1.5	1.8	.5	.7	.5	5.0
Total		$ .2	$ 6.0	$ 7.9	$ 1.7	$ 2.3	$ 6.3	$ 24.4

PACCAR Financial Corp.

Notes to Financial Statements (Millions of Dollars)

At December 31, 2023	Revolving Loans	2023	2022	2021	2020	2019	Prior	Total
Amortized Cost Basis:								
Dealer:								
Wholesale:								
Performing	$ 1,951.4							$ 1,951.4
Watch	1.9							1.9
	$ 1,953.3							$ 1,953.3
Retail:								
Performing	$ 280.7	$ 677.3	$ 467.2	$ 267.6	$ 135.2	$ 146.3	$ 106.6	$ 2,080.9
	$ 280.7	$ 677.3	$ 467.2	$ 267.6	$ 135.2	$ 146.3	$ 106.6	$ 2,080.9
Total Dealer	$ 2,234.0	$ 677.3	$ 467.2	$ 267.6	$ 135.2	$ 146.3	$ 106.6	$ 4,034.2
Customer Retail:								
Fleet:								
Performing		$ 1,967.2	$ 1,244.9	$ 725.3	$ 453.3	$ 151.5	$ 38.9	$ 4,581.1
Watch		24.2	16.6	3.3	2.0	.5	.9	47.5
At-risk		2.4	4.0	4.5	2.0	.6	.1	13.6
		$ 1,993.8	$ 1,265.5	$ 733.1	$ 457.3	$ 152.6	$ 39.9	$ 4,642.2
Owner/Operator:								
Performing		$ 151.8	$ 140.5	$ 130.5	$ 66.3	$ 24.5	$ 4.0	$ 517.6
Watch		.9	1.9	1.1	.5	.2		4.6
At-risk		.6	.8	.8	.2	.1		2.5
		$ 153.3	$ 143.2	$ 132.4	$ 67.0	$ 24.8	$ 4.0	$ 524.7
Total Customer Retail		$ 2,147.1	$ 1,408.7	$ 865.5	$ 524.3	$ 177.4	$ 43.9	$ 5,166.9
Total	$ 2,234.0	$ 2,824.4	$ 1,875.9	$ 1,133.1	$ 659.5	$ 323.7	$ 150.5	$ 9,201.1

At December 31, 2023	Revolving Loans	2023	2022	2021	2020	2019	Prior	Total
Gross Charge-Offs:								
Customer Retail:								
Fleet		$ .5	$ 2.4	$ .8	$ .2	$ 3.8		$ 7.7
Owner/Operator		.2	.7	.8	.2		$ .2	2.1
Total		$ .7	$ 3.1	$ 1.6	$ .4	$ 3.8	$ .2	$ 9.8

The tables below summarize the amortized cost basis of the Company’s finance receivables by aging category. In determining past due status, the Company considers the entire contractual account balance past due when any installment is over 30 days past due. Substantially all customer accounts that were greater than 30 days past due prior to credit modification became current upon modification for aging purposes.

	Dealer		**Customer Retail**		
At December 31, 2024	**Wholesale**	**Retail**	**Fleet**	**Owner/ Operator**	**Total**
Current and up to 30 days past-due	**$ 3,070.1**	**$ 2,190.6**	**$ 5,203.5**	**$ 547.4**	**$ 11,011.6**
31 – 60 days past-due			**42.3**	**5.1**	**47.4**
Greater than 60 days past-due			**47.2**	**3.6**	**50.8**
	$ 3,070.1	**$ 2,190.6**	**$ 5,293.0**	**$ 556.1**	**$ 11,109.8**

PACCAR Financial Corp.

Notes to Financial Statements (Millions of Dollars)

At December 31, 2023	Dealer Wholesale	Dealer Retail	Customer Retail Fleet	Customer Retail Owner/ Operator	Total
Current and up to 30 days past-due	$ 1,953.3	$ 2,080.9	$ 4,589.2	$ 518.2	$ 9,141.6
31 – 60 days past-due			45.3	4.8	50.1
Greater than 60 days past-due			7.7	1.7	9.4
	$ 1,953.3	$ 2,080.9	$ 4,642.2	$ 524.7	$ 9,201.1

The amortized cost basis of finance receivables that are on non-accrual status is as follows:

At December 31, 2024	Dealer Wholesale	Dealer Retail	Customer Retail Fleet	Customer Retail Owner/ Operator	Total
Amortized cost basis with a specific reserve			**$ 237.1**	**$ 2.2**	**$ 239.3**
Amortized cost basis with no specific reserve			**24.0**	**1.1**	**25.1**
Total			**$ 261.1**	**$ 3.3**	**$ 264.4**

The increase in amortized cost basis with a specific reserve was primarily due to two large fleet customers.

At December 31, 2023	Dealer Wholesale	Dealer Retail	Customer Retail Fleet	Customer Retail Owner/ Operator	Total
Amortized cost basis with a specific reserve			$ 8.2	$ 1.8	$ 10.0
Amortized cost basis with no specific reserve			5.3	.8	6.1
Total			$ 13.5	$ 2.6	$ 16.1

Interest income recognized on a cash basis for finance receivables that are on non-accrual status is as follows:

	2024	2023	2022
Fleet	**$ 1.2**	$ .5	$ .6
Owner/Operator	**.1**	.2	.1
	$ 1.3	$ .7	$ .7

Customers Experiencing Financial Difficulty

The Company modified $199.8 and $3.1 of finance receivables for customers experiencing financial difficulty during the years ended December 31, 2024 and 2023, respectively. Generally, other than insignificant term extensions and payment delays are modifications extending terms and payment delays for more than three months. The amortized cost basis of finance receivables for other than insignificant term extensions and payment delays for customers in financial difficulty was as follows:

	At December 31, 2024 Amortized Cost Basis	**At December 31, 2024 % of Total Retail Portfolio**
Customer Retail:		
Fleet	**$ 145.4**	**1.9 %**

The higher other than insignificant modifications to customers experiencing financial difficulties was primarily driven by two large fleet customers. These customers were not past due at the time of modification and at December 31, 2024. The modifications granted customers additional time to pay and added a weighted-average of five months to the life of the modified contracts. The Company provided only insignificant term extensions for the same periods in 2023.

The effect of modifications is included in the Company's historical loss information used to determine the allowance for credit losses. For certain modifications to customers experiencing financial difficulties that are at-risk at December 31, 2024 and December 31, 2023, the allowance for credit losses is based on the value of underlying collateral or a discounted cash flow analysis.

PACCAR Financial Corp.

Notes to Financial Statements (Millions of Dollars)

There were $.8 and nil finance receivables modified with customers experiencing financial difficulty during the previous twelve months that had a payment default in the year ended December 31, 2024 and 2023, respectively.

Repossessions

When the Company determines a customer is not likely to meet its contractual commitments, the Company repossesses the vehicles which serve as collateral for loans, finance leases and equipment on operating leases. The Company records the vehicles as used truck inventory included in Other assets on the Balance Sheets. The balance of repossessed units at December 31, 2024 and 2023 was $34.5 and $18.3, respectively.

Proceeds from the sales of repossessed assets were $30.5, $11.5 and $6.9 for the years ended December 31, 2024, 2023 and 2022, respectively. These amounts are included in Proceeds from disposal of equipment on the Statements of Cash Flows. Write-downs of repossessed equipment on operating leases are recorded as impairments and included in Depreciation and other rental expenses on the Statements of Income.

NOTE C – EQUIPMENT ON OPERATING LEASES

Terms of operating leases at origination and the related depreciation generally range from three to five years. The total future annual minimum rental payments to be received for equipment on non-cancelable operating leases beginning January 1, 2025 of $317.8 are due as follows: $118.3 in 2025, $86.0 in 2026, $55.9 in 2027, $44.2 in 2028 and $13.4 in 2029 and thereafter. Depreciation expense related to equipment on operating leases was $153.9, $167.6 and $152.9 in 2024, 2023 and 2022, respectively. Substantially all equipment on operating leases is manufactured by PACCAR.

NOTE D – TRANSACTIONS WITH PACCAR AND AFFILIATES

The Company and PACCAR are parties to a Support Agreement that obligates PACCAR to provide, when required, financial assistance to the Company to ensure that the Company maintains a ratio of earnings to fixed charges (as defined in the Support Agreement) of at least 1.25 to 1 for any fiscal year. The required ratio for the years ended December 31, 2024, 2023 and 2022 was met without assistance. The Support Agreement also requires PACCAR to own, directly or indirectly, all outstanding voting stock of the Company.

Periodically, the Company makes loans to, borrows from and has intercompany transactions with PACCAR. In addition, the Company periodically loans funds to certain foreign finance and leasing affiliates of PACCAR. These affiliates have Support Agreements with PACCAR, similar to the Company's Support Agreement with PACCAR. The foreign affiliates operate in the United Kingdom, the Netherlands, Mexico, Canada and Australia. Loans to these foreign affiliates during 2024 and 2023 were denominated in United States dollars. The foreign affiliates primarily provide financing and leasing of PACCAR manufactured trucks and related equipment sold through the DAF, Kenworth, and Peterbilt independent dealer networks in Europe, Mexico, Canada and Australia. The Company will not make loans to the foreign affiliates in excess of the equivalent of $1,100.0 U.S. dollars, unless the amount in excess of such limit is guaranteed by PACCAR. The Company periodically reviews the funding alternatives for these affiliates, and these limits may be revised in the future.

Amounts outstanding at December 31, 2024 and 2023, including balances with foreign finance affiliates operating in the United Kingdom, the Netherlands, Mexico, Canada and Australia, are summarized below:

	December 31 2024	December 31 2023
Due from PACCAR and affiliates		
Loans due from PACCAR	**$ 1,322.6**	$ 1,016.0
Loans due from foreign finance affiliates	**720.0**	716.0
Receivables	**27.9**	18.7
	$ 2,070.5	$ 1,750.7
Due to PACCAR and affiliates		
Tax-related payable due to PACCAR	**$ 2.3**	$ 1.9

Payables	**19.5**	56.7
	$ 21.8	$ 58.6

Notes to Financial Statements (Millions of Dollars)

The Company is included in the consolidated federal income tax return of PACCAR. The tax-related payable due to PACCAR represents the related tax provision to be settled with PACCAR.

PACCAR has issued letters of credit as of December 31, 2024 in the amount of $.8 on behalf of the Company to guarantee funds for payment to insured franchisees and customers for any future insurance losses.

PACCAR charges the Company for certain administrative services it provides. These costs were charged to the Company based upon the Company's use of the services and PACCAR's cost. Fees for the services were $7.1 in 2024, $7.0 in 2023 and $8.6 in 2022 and are included in Additional paid-in capital.

The Company's principal office is located in the corporate headquarters building of PACCAR (owned by PACCAR). The Company also leases office space from five facilities leased by PACCAR. Lease payments for the use of these facilities are included in the above-mentioned administrative services charged by PACCAR.

The Company's employees and PACCAR employees are covered by a defined benefit pension plan sponsored by PACCAR. The assets and liabilities of the plan are reflected on the balance sheets of PACCAR. PACCAR contributes to the plan and allocates the expenses to the Company based principally on the number of eligible plan participants. Expenses for the defined benefit pension plan were $3.4, $3.1 and $4.9 for the years 2024, 2023 and 2022, respectively, and are included in Selling, general and administrative expenses.

The Company's employees and PACCAR employees are also covered by a defined contribution plan, sponsored by PACCAR. Expenses are based on the actual contribution made on the behalf of participating employees. Expenses incurred by the Company for the defined contribution plan were $2.0 in 2024 and 2023 and $1.9 in 2022 and are included in Selling, general and administrative expenses.

NOTE E – STOCKHOLDER'S EQUITY

Accumulated other comprehensive income (AOCI) of $7.9 and $11.0 at December 31, 2024 and 2023, respectively, is comprised of the unrealized net (loss) gain on derivative contracts, net of taxes. Changes in and reclassifications out of AOCI during 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Balance at beginning of year	**$ 11.0**	$ 18.4	$ (1.9)
Amounts recorded in AOCI			
Unrealized gain (loss) on derivative contracts	**6.7**	(5.2)	(.9)
Income tax effect	**(1.7)**	1.3	.2
Amounts reclassified out of AOCI			
Interest and other borrowing costs	**(10.8)**	(4.6)	27.9
Income taxes	**2.7**	1.1	(6.9)
Net other comprehensive (loss) income	**(3.1)**	(7.4)	20.3
Balance at end of year	**$ 7.9**	$ 11.0	$ 18.4

NOTE F – DERIVATIVE FINANCIAL INSTRUMENTS

Interest-rate contracts involve the exchange of fixed for floating rate or floating for fixed rate interest payments based on the contractual notional amounts in a single currency. The Company is exposed to interest-rate risk caused by market volatility as a result of its borrowing activities. The objective of these contracts is to mitigate the fluctuations on earnings, cash flows and fair value of borrowings. Net amounts paid or received are reflected as adjustments to interest expense.

At December 31, 2024, the notional amount of these contracts totaled $661.6 with amounts expiring over the next 9.2 years. Notional maturities for all interest-rate contracts are $80.0 for 2025, $30.0 for 2026, $86.1 for 2027, $8.5 for 2028, $70.0 for 2029 and $387.0 thereafter.

Notes to Financial Statements (Millions of Dollars)

PACCAR Financial Corp.

The following table presents the balance sheet classification, fair value and gross and net amounts of derivative financial instruments:

	As of December 31			
	2024		2023	
Interest-rate contracts:	**Assets**	**Liabilities**	Assets	Liabilities
Other assets	**$ 3.3**		$ 1.2	
Accounts payable, accrued expenses and other		**$ 7.0**		$ 5.2
Gross amounts recognized in Balance Sheets	**3.3**	**7.0**	1.2	5.2
Less amounts not offset in financial instruments	**(2.2)**	**(2.2)**	(.4)	(.4)
Pro forma net amount	**$ 1.1**	**$ 4.8**	$ .8	$ 4.8

Cash Flow Hedges

Certain of the Company's interest-rate contracts have been designated as cash flow hedges. Changes in the fair value of derivatives designated as cash flow hedges are recorded in AOCI. The maximum length of time over which the Company is hedging its exposure to the variability in future cash flows is 7.9 years.

Amounts in AOCI are reclassified into net income in the same period in which the hedged transaction affects earnings and are presented in the same income statement line as the earnings effect of the hedged transaction. The amount of gain recorded in AOCI at December 31, 2024 that is estimated to be reclassified to interest expense in the following 12 months if interest rates remain unchanged is approximately $4.7, net of taxes. The fixed interest earned on finance receivables will offset the amount recognized in interest expense, resulting in a stable interest margin consistent with the Company's interest-rate risk management strategy.

Fair Value Hedges

Changes in the fair value of derivatives designated as fair value hedges are recorded in earnings together with the changes in fair value of the hedged item attributable to the risk being hedged. The following table presents the amounts recorded on the Balance Sheets related to cumulative basis adjustments for fair value hedges:

	December 31 2024	December 31 2023
Medium-term notes		
Carrying amount of hedged liabilities	**$ 492.9**	$ 76.4
Cumulative basis adjustment included in the carrying amount	**(7.1)**	(3.6)

The above table excludes the cumulative basis adjustments on discontinued hedge relationships of $(2.6) and $(10.3) as of December 31, 2024 and 2023, respectively.

The following table presents the amount of expense (income) on cash flow and fair value hedges recognized in Interest and other borrowing costs on the Statements of Income:

	As of December 31	
	2024	2023
Loss (gain) on fair value hedges		
Derivatives	**$ 6.7**	$ (15.5)
Hedged items	**1.0**	22.6
Gain on cash flow hedges		
Reclassified from AOCI into income	**(10.8)**	(4.6)
	$ (3.1)	$ 2.5

Notes to Financial Statements (Millions of Dollars)

NOTE G – BORROWINGS

The carrying amounts of borrowings are summarized as follows:

	As of December 31			
	2024		2023	
	Effective Rate	**Borrowings**	Effective Rate	Borrowings
Commercial paper	**4.5 %**	**$ 3,610.3**	5.3 %	$ 2,842.4
Medium-term notes	**4.1 %**	**7,216.6**	3.2 %	6,071.7
	4.3 %	**$ 10,826.9**	3.9 %	$ 8,914.1

Commercial paper and medium-term notes borrowings were $10,826.9 and $8,914.1 at December 31, 2024 and 2023, respectively. Unamortized debt issuance costs, unamortized discounts and the net effect of fair value hedges were $(42.0) and $(37.8) at December 31, 2024 and 2023, respectively. The effective rate is the weighted average rate as of December 31, 2024 and includes the effects of interest-rate swap agreements.

The annual principal maturities of the borrowings are as follows:

	Commercial Paper	Term Notes	Total
2025	$ 3,618.9	1,700.0	$ 5,318.9
2026		2,100.0	2,100.0
2027		1,500.0	1,500.0
2028		600.0	600.0
2029 and after		1,350.0	1,350.0
	$ 3,618.9	$ 7,250.0	$ 10,868.9

Interest paid on borrowings was $358.2, $239.4 and $126.6 in 2024, 2023 and 2022, respectively.

In November 2024, the Company filed a shelf registration statement under the Securities Act of 1933. The registration expires in November 2027 and does not limit the principal amount of debt securities that may be issued during the period.

See "Note D – Transactions with PACCAR and Affiliates" for discussion of borrowings from PACCAR.

NOTE H – CREDIT ARRANGEMENTS

The Company participated with PACCAR and certain other PACCAR affiliates in committed bank facilities of $4,000.0 at December 31, 2024. Of this amount, $1,500.0 expires in June 2025, $1,250.0 expires in June 2027 and $1,250.0 expires in June 2029. PACCAR and the Company intend to extend or replace these credit facilities on or before expiration to maintain facilities of similar amounts and duration.

Of the $4,000.0 credit facilities, $3,088.0 is available for use by the Company and/or PACCAR and certain non-U.S. PACCAR financial subsidiaries. The remaining $912.0 is allocated to PACCAR and certain non-U.S. PACCAR financial subsidiaries. These credit facilities are used to provide backup liquidity for the Company's commercial paper and maturing medium-term notes. The Company is liable only for its own borrowings under these credit facilities. There were no borrowings under these credit facilities in 2024.

NOTE I – INCOME TAXES

The Company's effective income tax rate was 24.8% for 2024 compared to 23.2% for 2023, reflecting changes in the state tax expense during 2024 as compared to 2023.

The components of the Company's provision for income taxes include the following:

PACCAR Financial Corp.

Notes to Financial Statements (Millions of Dollars)

	Year ended December 31		
	2024	2023	2022
Current provision			
Federal	**$ 38.2**	$ 19.1	$ 34.7
State	**7.7**	11.9	12.8
	45.9	31.0	47.5
Deferred (benefit) provision			
Federal	**(7.6)**	18.0	17.6
State		(6.8)	(2.0)
	(7.6)	11.2	15.6
Total provision for income taxes	**$ 38.3**	$ 42.2	$ 63.1

A reconciliation of the statutory U.S. federal tax rate to the effective income tax rate is as follows:

	Year ended December 31		
	2024	2023	2022
Statutory rate	**21.0 %**	21.0 %	21.0 %
Effect of state	**3.8 %**	2.2 %	3.3 %
	24.8 %	23.2 %	24.3 %

Cash paid for income taxes was nil in 2024, 2023 and 2022. PACCAR Inc pays all federal and state income taxes on behalf of the Company.

The tax effects of temporary differences representing deferred tax assets and liabilities are as follows:

	December 31 2024	December 31 2023
Deferred tax assets:		
Allowance for losses on receivables	**$ 18.2**	$ 14.9
Other	**9.8**	7.6
Deferred tax liabilities:		
Depreciation	**(493.6)**	(495.7)
Other	**(2.1)**	(3.1)
Net deferred tax liability	**$ (467.7)**	$ (476.3)

NOTE J – FAIR VALUE MEASUREMENTS

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Inputs to valuation techniques used to measure fair value are either observable or unobservable. These inputs have been categorized into the fair value hierarchy described below:

Level 1 – Valuations are based on quoted prices that the Company has the ability to obtain in actively traded markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market or exchange traded market, valuation of these instruments does not require a significant degree of judgment.

Level 2 – Valuations are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 – Valuations are based on model-based techniques for which some or all of the assumptions are obtained from indirect market information that is significant to the overall fair value measurement and which require a significant degree of management judgment.

Notes to Financial Statements (Millions of Dollars)

Assets and Liabilities Subject to Non-recurring and Recurring Fair Value Measurement

Impaired loans and used trucks held for sale are measured on a non-recurring basis. Derivative contracts are measured on a recurring basis. The Company's assets and liabilities subject to fair value measurements are as follows:

Level 2		**December 31 2024**		December 31 2023
Assets:				
Impaired loans, net of specific reserves (2024 - $8.9)	**$**	**29.1**		
Used trucks held for sale		**29.5**	$	29.7
Derivative contracts		**3.3**		1.2
Liabilities:				
Derivative contracts	**$**	**7.0**	$	5.2

The Company uses the following methods and assumptions to measure fair value for assets and liabilities subject to non-recurring and recurring fair value measurements:

Used Trucks Held for Sale: The carrying amount of used trucks held for sale is written down as necessary to reflect the fair value less costs to sell. The Company determines the fair value of used trucks from a pricing matrix, which is based on the market approach. The significant observable inputs into the valuation model are recent sales prices of comparable units sold individually, which is the lowest unit of account, and the condition of the vehicles. Used truck impairments related to units held at December 31, 2024 and 2023 were $5.8 and $5.7 during 2024 and 2023, respectively. These assets, which are shown in the above table when they are written down to fair value less costs to sell, are categorized as Level 2 and are included in Other assets on the Balance Sheets.

Derivative Financial Instruments: The Company's derivative financial instruments consist of interest-rate swaps and are carried at fair value. These derivative contracts are traded over the counter and their fair value is determined using industry standard valuation models, which are based on the income approach (i.e., discounted cash flows). The significant observable inputs into the valuation models include interest rates, yield curves and credit default swap spreads. These contracts are categorized as Level 2 and are included in Other assets and Accounts payable, accrued expenses and other on the Balance Sheets.

Fair Value Disclosure of Other Financial Instruments

For financial instruments that are not recognized at fair value, the Company uses the following methods and assumptions to determine the fair value. These instruments are categorized as Level 2, except cash which is categorized as Level 1 and fixed rate loans which are categorized as Level 3.

Cash: Carrying amounts approximate fair value.

Net Receivables: For floating rate loans, dealer wholesale financing and operating lease and other trade receivables, carrying values approximate fair values. For fixed rate loans, fair values are estimated using the income approach by discounting cash flows to their present value based on assumptions regarding credit and liquidity risks to approximate current rates for comparable loans. Finance lease receivables and related allowance for credit losses have been excluded from the accompanying table.

Commercial Paper and Medium-Term Notes: The carrying amounts of the Company's commercial paper and variable medium-term notes approximate fair value. For fixed rate debt, fair values are estimated using the income approach by discounting cash flows to their present value based on current rates for comparable debt.

PACCAR Financial Corp.

Notes to Financial Statements (Millions of Dollars)

The Company's estimate of fair value for fixed rate loans and debt that are not carried at fair value was as follows:

	December 31 2024		December 31 2023	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Assets:				
Due from PACCAR	**$ 1,182.6**	**$ 1,185.8**	$ 956.0	$ 941.7
Due from foreign finance affiliates	**657.0**	**659.8**	559.0	536.5
Fixed rate loans	**5,814.2**	**5,849.7**	5,380.4	5,324.4
Liabilities:				
Fixed rate debt	**$ 7,234.9**	**$ 7,229.0**	$ 6,084.5	$ 6,005.8

NOTE K – COMMITMENTS AND CONTINGENCIES

The Company is a party to various routine legal proceedings incidental to its business involving the collection of accounts and other matters. The Company believes that any reasonably possible range of losses with respect to these matters in addition to amounts accrued is not material to the Company's financial statements.

At December 31, 2024, the Company has loan and lease commitments of $394.5 expiring within one year. These commitments represent commitments to fund new retail loan and lease contracts.

NOTE L – SEGMENT AND RELATED INFORMATION

The Company is a single reportable segment entity and derives its earnings primarily from financing or leasing of PACCAR products and services provided to truck customers and dealers in the United States. The Company's chief operating decision maker is the Chief Executive Officer (CEO). The CEO evaluates the performance of the Company based on income before income taxes. The significant expenses reviewed by the CEO are consistent with those presented on the Company's Statements of Income. Refer to the Company's financial statements under Part II, Item 8 for further information.

PACCAR Financial Corp.

(Millions of Dollars)

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The registrant has not had any disagreements with its independent auditors on accounting or financial disclosure matters.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Company's management, including the principal executive officer and principal financial officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended) as of December 31, 2024. Based on that evaluation, the principal executive officer and principal financial officer of the Company concluded that the disclosure controls and procedures in place at the Company are effective to ensure that information required to be disclosed by the Company in reports that the Company files or submits under the Exchange Act, is recorded, processed, summarized and reported on a timely basis in accordance with applicable rules and regulations.

Management's Report on Internal Control over Financial Reporting

The management of the Company is responsible for establishing and maintaining satisfactory internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management assessed the Company's internal control over financial reporting as of December 31, 2024, based on criteria for effective internal control over financial reporting described in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this assessment, management concluded that the Company maintained effective internal control over financial reporting as of December 31, 2024.

There have been no changes in the Company's internal control over financial reporting during the fourth quarter of 2024 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None of the Company's directors or officers adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's year end ended December 31, 2024, as such terms are defined under Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PACCAR Financial Corp.

(Millions of Dollars)

PART III

ITEMS 10, 11, 12 AND 13

These items omitted pursuant to Form 10-K General Instruction (I)(1)(a) and (b).

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The Company's independent registered public accounting firm is Ernst & Young LLP, Seattle, Washington (Auditor Firm No. 42).

Audit Fees

Audit fees charged to the Company were $1.3 in 2024 and $1.1 in 2023.

Other Fees

No other fees were charged to the Company by the principal accountant.

As a wholly owned subsidiary of PACCAR, audit and non-audit services provided by the Company's independent registered public accounting firm are subject to PACCAR's Audit Committee pre-approval policies and procedures as described in the PACCAR 2024 proxy statement. During the year ended December 31, 2024, all services provided by the independent registered public accounting firm were pre-approved by the PACCAR Audit Committee.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(1) Listing of financial statements

The following financial statements of the Company are included in Item 8:

Statements of Income – Years Ended December 31, 2024, 2023 and 2022

Statements of Comprehensive Income – Years Ended December 31, 2024, 2023 and 2022

Balance Sheets – December 31, 2024 and 2023

Statements of Cash Flows – Years Ended December 31, 2024, 2023 and 2022

Statements of Stockholder's Equity – Years Ended December 31, 2024, 2023 and 2022

Notes to Financial Statements – December 31, 2024, 2023 and 2022

(2) Listing of financial statement schedules

All schedules are omitted because the required matter or conditions are not present or because the information required by the schedules is submitted as part of the financial statements and notes thereto.

(3) Listing of Exhibits

The exhibits required by Item 601 of Regulation S-K are listed in the accompanying Exhibit Index.

PACCAR Financial Corp.

EXHIBIT INDEX

Exhibits (in order of assigned index numbers)

Exhibit Number		Exhibit Description	Form	Date of First Filing	Exhibit Number	File Number
(3)	Articles of incorporation and by-laws:					
	(i)	Restated Articles of Incorporation of the Company, as amended	10-K	February 26, 2015	3(i)	001-11677
	(ii)	Restated By-laws of the Company	10-Q	August 7, 2014	3(c)	001-11677
(4)	Instruments defining the rights of security holders, including indentures:					
	(a)	Indenture for Senior Debt Securities dated as of November 20, 2009 between the Company and The Bank of New York Mellon Trust Company, N.A.	S-3	November 20, 2009	4.1	333-163273
	(b)	Forms of Medium-Term Note, Series P	S-3	November 2, 2018	4.2 and 4.3	333-228141
	(c)	Forms of Medium-Term Note, Series Q	S-3	November 1, 2021	4.3 and 4.4	333-260663
	(d)	Forms of Medium-Term Note, Series R	S-3	November, 7 2024	4.4 and 4.5	333-283056
	(e)	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934	10-K	February 21, 2024	4(d)	001-11677
(10)		Material contracts:				
	(a)	Support Agreement between the Company and PACCAR dated as of June 19, 1989. (P)	S-3	June 23, 1989	28.1	33-29434
(23)		Consent of Independent Registered Public Accounting Firm*				
(31)	Rule 13a-14(a)/15d-14(a) Certifications:					
	(a)	Certification of Principal Executive Officer*				
	(b)	Certification of Principal Financial Officer*				
(32)		Section 1350 Certifications:				
	(a)	Certification pursuant to rule 13a-14(b) and section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. section 1350)*				
(101.INS)		Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document*				
(101.SCH)		Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Document*				
(104)		Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)*				

* filed herewith

PACCAR Financial Corp.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PACCAR Financial Corp.

Date February 19, 2025

/s/ T. D. Drake
T. D. Drake
President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant as of the above date and in the capacities indicated.

(1) Principal Executive Officer

/s/ H.C.A.M. Schippers H.C.A.M. Schippers	Chief Executive Officer

(2) Principal Financial Officer

/s/ C. R. Gryniewicz C. R. Gryniewicz	Principal Financial Officer

(3) Principal Accounting Officer

/s/ S. L. Farrar S. L. Farrar	Controller

(4) A Majority of the Board of Directors

/s/ H.C.A.M. Schippers H.C.A.M. Schippers	Director
/s/ C. R. Gryniewicz C. R. Gryniewicz	Director
/s/ T. D. Drake T. D. Drake	Director

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Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 333-283056) of PACCAR Financial Corp. and in the related Prospectus of our report dated February 19, 2025, with respect to the financial statements of PACCAR Financial Corp. included in this Annual Report (Form 10-K) for the year ended December 31, 2024.

/s/ Ernst & Young LLP

Seattle, Washington
February 19, 2025

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Exhibit 31(a)

PACCAR Financial Corp.

CERTIFICATION

I, Harrie C.A.M. Schippers, certify that:

1. I have reviewed this annual report on Form 10-K of PACCAR Financial Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls over financial reporting.

Date February 19, 2025

/s/ Harrie C.A.M. Schippers
Harrie C.A.M. Schippers
Chief Executive Officer
(Principal Executive Officer)

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Exhibit 31(b)

PACCAR Financial Corp.

CERTIFICATION

I, Craig R. Gryniewicz, certify that:

1. I have reviewed this annual report on Form 10-K of PACCAR Financial Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date February 19, 2025

/s/ Craig R. Gryniewicz
Craig R. Gryniewicz
Principal Financial Officer

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Exhibit 32(a)

PACCAR Financial Corp.

**CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)**

In connection with the Annual Report of PACCAR Financial Corp. (the "Company") on Form 10-K for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certify, pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. section 1350), that to the best of our knowledge and belief:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date February 19, 2025

/s/ Harrie C.A.M. Schippers
Harrie C.A.M Schippers
Chief Executive Officer
PACCAR Financial Corp.
(Principal Executive Officer)

/s/ Craig R. Gryniewicz
Craig R. Gryniewicz
Principal Financial Officer
PACCAR Financial Corp.

DISCLOSURE DOCUMENT – EXHIBIT L

ACKNOWLEDGEMENT OF RECEIPT

<u>PacLease</u>

Uniform Disclosure Document - Effective Date: February 20, 2025

THE DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF PACLEASE OFFERS YOU A FRANCHISE, PACLEASE MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.

IF PACLEASE DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND [INSERT STATE AGENCY OF PROSPECTIVE FRANCHISEE'S STATE].

PacLease authorizes CSC Corporation to receive service of process for PacLease.

I have received a Disclosure Document of PacLease effective as of the date indicated above. This Disclosure Document included the following documents: Exhibit A–Franchise Agreement; Exhibit B–Standard Operating Procedures; Exhibit C–Lease for Re-Lease Agreement; Exhibit D–Vehicle Permitting and Licensing Service Agreement; Exhibit E–Security Agreement and Collateral Assignment of Leases; Exhibit F–Personal Guarantee; Exhibit G–Right of First Refusal Addendum to Franchise Agreement; Exhibit H–Agreement for Electronic Submission of Dealer Truck Purchase Orders; Exhibit I–List of State Administrators; Exhibit J–List of Agents for Service of Process; Exhibit K–Financial Statements and Exhibit L–Receipts.

I acknowledge that PacLease reserves the right to vary the terms or provisions within a contract or agreement designed to recognize individual differences in time, geography, market, volume, size or costs for goods, materials, and supplies incurred by PacLease. Any such variation to the terms or provisions within the contract or agreement shall not be considered as substantially varying so as to constitute a new franchise offering.

I acknowledge that the information contained in the Disclosure Document PacLease is confidential and proprietary. I agree that this information will be used only for purposes of evaluating the possible purchase of PacLease franchise, and will not be disclosed to any person other than my legal and financial advisors. Electronic signatures will be treated as originals.

Franchise: {Insert Franchise Legal Name}

Signed: ___________________________________	Signed: ___________________________________
Print Name: _______________________________	Print Name: _______________________________
Address: _________________________________	Address: _________________________________
____	____
Telephone: ________________________________	Telephone: ________________________________
Dated: ___________________________________	Dated: ___________________________________

Copy to: PacLease, 777 106th Avenue NE, Bellevue, WA 98004

FRANCHISE AGREEMENT
US

THIS AGREEMENT is made between PACCAR Leasing Company, a division of PACCAR Financial Corp. (hereinafter "PACCAR Leasing") having its principal place of business in Bellevue, Washington, and (hereinafter "Franchisee"), having its principal place of business at:

_____

_____

WHEREAS, PACCAR Leasing is the owner of the trademark(s) and service marks "PacLease and PACCAR Leasing and Design" (hereinafter "Trademark(s)"), the trade name "PacLease" and has formulated various programs, services, and methods for the business of leasing and renting heavy-duty trucks identified with the Trademark(s), and

WHEREAS, Franchisee desires to become a part of the PacLease leasing system developed by PACCAR Leasing, to establish and operate a heavy-duty truck leasing and rental business using the Trademark(s), and to use programs, services, and methods developed by PACCAR Leasing;

NOW, THEREFORE, in consideration of the promises and the mutual covenants of the parties hereinafter set forth, it is agreed as follows:

1.<u>Grant of Franchise.</u>

PACCAR Leasing hereby grants to Franchisee, subject to the terms and conditions of this Agreement and the continuing good faith performance thereof by Franchisee, a non-assignable, non-exclusive right to use programs, services, and methods developed by PACCAR Leasing in the operation of a truck leasing and rental business at the following location(s):

Main Location: ______

______

Additional Locations: ______

______

______

______

Franchisee will not operate from a different location(s) or conduct the leasing business at additional locations without the prior written consent of PACCAR Leasing. Furthermore, Franchisee acknowledges PACCAR Leasing has the exclusive right to grant the franchise to others.

1.1 In consideration of the payment by Franchisee of the fees specified herein and in the PacLease Standard Operating Procedures (as published and distributed by PACCAR Leasing to Franchisees from time to time), Franchisee shall be entitled for the term of this Agreement to use the Trademark(s) and PacLease trade name.

1.2 Franchisee acknowledges PACCAR Leasing's rights in the Trademark(s) and trade name and agrees for the purpose of protecting the Trademark(s) and trade name and enhancing the goodwill associated therewith, to strictly adhere to the PacLease Graphic Standards and all other instruction or manuals provided by PACCAR Leasing for the use thereof.

1.3 The Franchisee will not use the PacLease Trademark(s) or trade name as part of its leasing company's legal name, but will identify its leasing company in a manner consistent with the PacLease Graphic Standards.

1.4 Immediately upon expiration or termination of this Agreement, Franchisee agrees to discontinue using the Trademark(s) and trade name or any similar mark or name in the operation of its leasing business.

2. Fees.

In consideration of the opportunity to establish a truck leasing and rental business utilizing PACCAR Leasing's trade name, its Trademark(s), programs, methods, and procedures, Franchisee shall pay PACCAR Leasing an initial fee of **$_____** for the base location listed in paragraph 1 of this Agreement within thirty (30) days after this Agreement is signed. Thereafter, Franchisee shall pay PACCAR Leasing such periodic fees as may be specified in the Standard Operating Procedures. All such fees are non-refundable.

3. PACCAR Leasing's Obligations.

During the term of this Agreement or any renewal thereof, PACCAR Leasing agrees to:

3.1 Promote a national truck leasing and rental system identified with the Trademark(s);

3.2 Provide training and consulting services on operating a truck leasing and rental business including office and business management procedures and marketing approaches;

3.3 Assist in establishing a standardized accounting and cost control system for use in the truck leasing and rental business;

3.4 Assist in arranging insurance coverage for vehicles leased by Franchisee to third parties;

3.5 Provide a national marketing program;

3.6 Offer financing alternatives to enable Franchisee to acquire truck and trailer lease and rental inventory, provided Franchisee meets PACCAR Leasing's credit standards;

3.7 Take action as in its sole discretion is appropriate to protect the Trademark(s) and trade name against infringement;

3.8 From time to time, issue a directory containing the names and addresses of all Franchisees;

3.9 Promote compliance with PacLease Standard Operating Procedures and policies by all Franchisees through personal visits and inspections at their business locations; and

3.10 Provide such assistance as in its sole discretion is deemed appropriate to resolve disputes between Franchisees;

4. <u>Franchisee's Obligations.</u>

During the term of this Agreement or any renewal thereof, Franchisee agrees to:

4.1 Provide and maintain at its designated business location(s) sales and service facilities which are suitable for the operation of a heavy-duty truck leasing and rental business and which enables Franchisee to effectively conduct and perform all functions relating to such business;

4.2 Establish fully operational service facilities dedicated to the leasing and rental business and maintain such facilities in a neat and clean appearance which will reflect favorably on the PacLease system and other Franchisees, and meet all applicable government regulation. Franchisee may use the service capacity of its affiliated truck dealership or independent leasing operation as long as such facility satisfies Franchisee's obligations under this paragraph;

4.3 Employ such number of competent trained personnel, knowledgeable in the heavy-duty truck leasing and rental business, service and related activities as may be necessary to service the needs of potential customers. Franchisee's personnel shall participate in such training programs as PACCAR Leasing may provide from time to time;

4.4 Maintain in full force and effect a standard policy of garage liability in an amount no less than $1 million, evidence of which shall be provided to PACCAR Leasing;

4.5 Maintain an adequate sales staff dedicated to the sale of full service lease, rental and contract maintenance;

4.6 Use its reasonable best efforts to market leases and establish and maintain additional locations as are needed to meet market demands and to promote the maximum use, in Franchisee's lease and rental fleet, of vehicles manufactured by PACCAR's truck divisions;

4.7 Comply with all Standard Operating Procedures published by PACCAR Leasing and in effect from time to time (which are incorporated herein by this reference) and operate the business in a manner which will reflect favorably upon the PACCAR Leasing system and other Franchisees;

4.8 For all vehicles in Franchisee's PacLease lease and rental fleet, provide primary automobile liability insurance in an amount no less than $1 million combined single limit from an insurance company approved by PACCAR Leasing, and evidence of which shall be provided to PACCAR Leasing;

4.9 Maintain all vehicles in a clean, safe, and presentable condition with scheduled maintenance according to manufacturer's suggestions;

4.10 Maintain true and accurate business and accounting records in accordance with generally accepted accounting principles (GAAP) and with PACCAR Leasing requirements and permit PACCAR Leasing to conduct on-site inspections of such records and business activities from time to time during normal business hours;

4.11 Cooperate fully with other Franchisees and provide prompt service to vehicles of other Franchisees in accordance with the PACCAR Leasing Standard Operating Procedures;

4.12 Submit to PACCAR Leasing monthly financial statements, monthly sales reports, information on truck fleet size, availability of service, and such other matters as may be reasonably required in a form and manner established by PACCAR Leasing no later than the 20th day following the period covered;

4.13 Forward to PACCAR Leasing audited annual financial statements no later than one hundred twenty (120) days following the close of its fiscal year;

4.14 Indemnify PACCAR Leasing for any liability, loss or damage resulting from a breach of this Agreement or the acts or omissions of the Franchisee, its employees or agents in the general operation of Franchisee's business.

5. Conduct of Business.

Franchisee will conduct its leasing and rental business at all times solely under the Trademark(s) and PacLease trade name and will hold itself out to the public, advertise or approach any potential customer in a manner consistent with the PACCAR Leasing Standard Operating Procedures and Graphic Standards and the PacLease forms included therein.

6. Compliance With Laws.

Franchisee shall be solely responsible for compliance with all laws, statutes, ordinances, or codes of any public or governmental authority pertaining to Franchisee and its truck leasing and rental business, and for payment of all taxes, permits, licenses and registration fees and other charges or assessments arising out of the establishment and operation of Franchisee's leasing business.

7. Term of Agreement.

The term of this Agreement shall be commencing the **day of ,** , and shall be renewable thereafter for successive terms of three years unless terminated earlier in accordance with the provisions of paragraph 8.

8. Termination.

8.1 Franchisee may terminate this Agreement at any time by giving written notice of such intention to PACCAR Leasing at least ninety (90) days prior to the effective date specified for termination;

8.2 PACCAR Leasing may terminate this Agreement or refuse to renew it by giving written notice of such intention to Franchisee at least ninety (90) days prior to the effective date specified for termination (or the expiration date of the term) in the event Franchisee defaults in its obligations under any of the provisions of paragraphs 2, 4, 5, and 6 of this Agreement. The franchisee shall have sixty (60) days from receipt of such notice in which to cure any claimed default;

8.3 PACCAR Leasing may terminate this Agreement immediately by giving written notice of such intention specifying the effective date of termination, in the event of:

a. insolvency of Franchisee or the voluntary institution by Franchisee of any proceeding under the Federal bankruptcy law or under any state insolvency law, or the involuntary institution against Franchisee or any proceeding under such laws; or the appointment of a receiver or other officer having similar powers for Franchisee's business, or any levy under attachment, execution or similar process which is not within ten (10) days vacated or removed by payment or bonding;

b. any transfer or assignment of this Agreement by Franchisee, in whole or in part, without the prior written consent of PACCAR Leasing, such consent will not be unreasonably withheld;

c. any change, whether voluntary or by operation of law, in Franchisee's ownership or management without the prior written consent of PACCAR Leasing, such consent will not be unreasonably withheld, PROVIDED THAT PACCAR Leasing will not terminate this Agreement upon a change in ownership due to death, if the beneficial interest of the deceased owner passes directly to his surviving spouse, children, partner or partners, and in PACCAR Leasing's opinion any new owner-manager is considered reasonably qualified to assume such responsibilities;

8.4 Upon termination for any reason, Franchisee shall immediately discontinue the use of all signs, Trademark(s) and trade names associated in any way with the PacLease leasing system and shall remove and dispose of such signs. Franchisee shall refrain from any further advertising or publicity referring to PacLease or the leasing system promoted by PACCAR Leasing and shall return all literature and advertising materials identifying the Franchisee with PacLease. It is agreed that after expiration or termination, any use of the Trademark(s) or trade name by Franchisee will result in irreparable injury to PACCAR Leasing and Franchisee hereby consents to the entry of an order enjoining Franchisee from using the Trademark(s) or trade name in any way.

9. Relationship of the Parties.

Franchisee is an independent contractor and is not the agent of PACCAR Leasing for any purpose whatsoever and is not granted, by the terms of this Agreement or otherwise, any express or implied right or authority to assume or create any obligation or responsibility on behalf of, or in the name of, PACCAR Leasing in any matter or thing whatsoever.

10. Franchisee's Warranties Upon Execution of this Agreement.

Franchisee represents and warrants the following:

10.1 Franchisee understands this Agreement contemplates the operation of a business by Franchisee's principals and that Franchisee's success will depend on Franchisee's principal's active participation in such business;

10.2 Franchisee has investigated the potential of the area within which it will establish and operate its business, and agrees that the obligations imposed on Franchisee by this Agreement are appropriate given the benefits of the franchise and the market opportunities;

10.3 Franchisee has examined PACCAR Leasing's programs, services, and methods for the leasing business and agrees that they are appropriate for use in the conduct of its truck leasing and rental business;

10.4 The individuals signing this Agreement on behalf of the Franchisee intend to actively participate in the management of business.

11. Confidential Information.

11.1 PacLease may, from time to time, disclose certain Confidential Information to Franchisee. “Confidential Information” means any nonpublic information disclosed by PacLease to Franchisee and includes, without limitation: (a) information in verbal, written or electronic form or disclosed by inspection of tangible objects or by telephone or videoconference or otherwise, including without limitation, drawings, engineering and design specifications, inventions, know-how, operations, research and development data, graphs, databases, CAD/CAM drawings, software, technical information, presentations, demonstrations, contracts, pricing, customer lists, and letters; (b) PacLease’s business policies, practices, trade secrets, financial information, product purchases, marketing or promotion plans; (c) new or updated PACCAR vehicle models prior to public release, prototypes, parts or other equipment; or (d) information received from a third party that PacLease is obligated to treat as confidential.

11.2 Confidential Information shall not include any information that: (a) is or subsequently becomes publicly available without Franchisee’s breach of any obligation owed to PacLease; (b) was known to Franchisee prior to the date of disclosure by PacLease; (c) becomes known to Franchisee from a source other than PacLease which has not breached an obligation of confidentiality owed to PacLease; (d) is independently developed by or for Franchisee without use of any of PacLease’s Confidential Information; or (e) is licensed under an Open Source License (as defined by the Open Source Initiative (www.opensource.org)).

11.3 Franchisee shall hold PacLease’s Confidential Information in strict confidence and not disclose, or permit its Representatives (as defined below) to disclose, any Confidential Information to third parties unless authorized in writing by PacLease. Franchisee shall use the same degree of care with respect to the Confidential Information that Franchisee uses to protect its own confidential information of like importance, but not less than a reasonable degree of care. Franchisee may disclose Confidential Information pursuant to any subpoena or other validly-issued court order or in connection with any mandatory governmental reporting, provided Franchisee shall, to the extent legally permitted, (a) give PacLease reasonable notice prior to such disclosure and (b) comply with any applicable protective order or equivalent. If such a protective order is not obtained, Franchisee may disclose only such portion of the Confidential Information which it is advised by its counsel as being legally required.

11.4 Franchisee may disclose Confidential Information only to Franchisee's employees, affiliated companies, subcontractors or consultants (collectively, "Representatives") on a need-to-know basis. Franchisee shall notify and inform each of its Representatives of the provisions of this Section to ensure that such Representatives comply in full with the terms and conditions expressly set forth herein.

11.5 Confidential Information may only be used, reproduced, summarized or distributed by Franchisee in furtherance of Franchisee's truck leasing and rental business and not for any other purpose.

11.6 Franchisee's obligations under this Section shall survive the expiration or termination of this Agreement.

12. Miscellaneous Provisions.

12.1 All notices required to be given by this Agreement to either party shall be sufficient only if given in writing and delivered personally or by certified mail to Franchisee at the address set forth on page 1 of this Agreement, and to PACCAR Leasing at P.O. Box 1518, 777 106th Avenue N.E., Bellevue, Washington 98009;

12.2 Any failure by PACCAR Leasing to enforce at any time any of the provisions of this Agreement shall not be construed as a waiver of any of PACCAR Leasing's rights hereunder, nor affect the validity of this Agreement or any part hereof;

12.3 If any provisions of this contract are inconsistent with applicable state law, then the state law shall apply;

12.4 There are no other agreements or understandings, either oral or in writing, between the parties affecting this Agreement or relating to any of the subject matters covered by this Agreement, except as otherwise specifically provided or referred to in this Agreement. No change or addition to the Agreement shall be valid or binding unless executed in writing by both parties. Nothing in this or any related agreement, however, is intended to disclaim the representations made by PacLease in the franchise disclosure document furnished to Franchisee.

This Franchise Agreement dated this **day of ,** , supersedes and replaced the previous Franchise Agreement dated the day of , , entered into by the parties set forth below.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written. Electronic signatures will be treated as originals.

PACCAR Leasing Company,
a division of PACCAR Financial Corp.

By ___________________________ By ____________________________

Print Name: __Ken A. Roemer____ Print Name: ____________________

Its:__President_______________ Its: ____________________________

PacLease Area Operations Manager (Initials) – {Name}:_______________

Ernst & Young LLP
Suite 900
920 Fifth Avenue
Seattle, WA 98104
ey.com

Building a better working world

Independent Registered Public Accountant's Inclusion Letter

We agree to the inclusion in the Franchise Disclosure Document issued by PACCAR Leasing Company, a division of PACCAR Financial Corp., on February 19, 2025, of our report dated February 19, 2025, with respect to the financial statements of PACCAR Financial Corp. as of December 31, 2024 and 2023 and the years then ended.

Ernst + Young LLP

Seattle, Washington
February 19, 2025