

**FIRST AMENDMENT TO
DISPOSITION AND DEVELOPMENT AGREEMENT**

THIS FIRST AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT (this “First Amendment”) is entered into as of May 02, 2016, by and between the **CITY OF LANCASTER**, a charter city and municipal corporation (the “City”), **BYD ENERGY LLC**, a California limited liability company (“BYD Energy”), and **BYD COACH & BUS LLC**, a California limited liability company (“BYD Coach”). The City, BYD Energy and BYD Coach are sometimes individually referred to as a “Party” and collectively as the “Parties.”

RECITALS

A. The City, BYD Energy and BYD Coach entered into that certain Disposition and Development Agreement dated as of September 24, 2013 (the “DDA”).

B. The DDA provides, in part and subject to certain conditions, that the City agrees to and shall sell the Expansion Site (as defined in the DDA) to BYD Coach for a purchase price equal to the Expansion Site’s fair market value.

C. The Parties desire by this First Amendment to amend the DDA to provide as follows: (i) that the City agrees to and shall sell approximately two (2) acres of the Expansion Site to BYD Coach; (ii) that the City agrees to and shall sell the remainder of the Expansion Site to BYD Coach; and (iii) that sale of the Expansion Site to BYD Coach shall close on or before July 31, 2017.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions set forth herein the City, BYD Energy and BYD Coach hereby agree as follows:

1. **City’s Conveyance of Expansion Site to BYD Coach.** Section 301 of the DDA is amended and replaced in its entirety by the following:

“301. City’s Conveyance of Expansion Site to BYD Coach. Pursuant to the terms and conditions set forth in this Agreement, the City agrees to convey that certain real property located at the northwest corner of Avenue H and BYD Boulevard (formerly 7th Street West) in the City of Lancaster (the “Expansion Site”) to BYD Coach as follows: (i) the approximately two (2) acre portion of the Expansion Site that is identified on Exhibit “F” as the “Two-Acre Portion” shall be conveyed within thirty (30) days of the City receiving a written request from BYD Coach (but in no case later than July 31, 2017); and (ii) the remainder of the Expansion Site that is identified on Exhibit “F” as the “Remainder Portion” shall be conveyed within thirty (30) days of the City receiving a written request from BYD Coach (but in no case later than July 31,

2017). The Expansion Site is legally described in the Legal Description attached as Exhibit “F” and incorporated herein. The transfer of the Expansion Site by the City to BYD Coach shall be by quitclaim deeds, the form of which are attached hereto collectively as Exhibit “G” and incorporated herein (the “Expansion Site Quitclaim Deeds”). BYD Coach acknowledges that, as of the effective date of this Agreement, the Expansion Site is owned by Rexhall Industries, Inc. and that the City has a contractual right to purchase the Expansion Site pursuant to the terms and conditions of that certain “Memorandum of Understanding” and “First Amendment to Memorandum of Understanding” entered into by and among Rexhall Industries, Inc., the City and the Successor Agency to the Lancaster Redevelopment Agency, true and correct copies of which are attached hereto collectively as Exhibit “I” and incorporated herein.”

2. Expansion Site Legal Description. Exhibit “F” to the DDA is deleted and replaced in its entirety by the Expansion Site Legal Description that is attached hereto as Exhibit “A” and incorporated herein.

3. Expansion Site Quitclaim Deed. Exhibit “G” to the DDA is deleted and replaced in its entirety by the Expansion Site Quitclaim Deeds that are attached hereto as Exhibit “B” and incorporated herein.

4. First Amendment to Rexhall Memorandum of Understanding. Exhibit “I” to the DDA is supplemented by the First Amendment to Rexhall Memorandum of Understanding that is attached hereto as Exhibit “C” and incorporated herein.

5. No Further Changes. Except as expressly provided to the contrary in this First Amendment, the terms of the DDA shall remain in full force and effect as written. All terms used herein and not defined herein but defined in the DDA shall have the meaning given to such terms therein.

6. Effectiveness. This First Amendment shall become effective immediately upon execution by the Parties.

[Signatures begin on next page.]

IN WITNESS WHEREOF, the Parties have executed this First Amendment as of the date set forth above.

CITY:

CITY OF LANCASTER, a charter city and municipal corporation

By: _____
Its: _____

ATTEST:


City Clerk

APPROVED AS TO FORM:

City Attorney

BYD COACH:

BYD COACH LLC, a California limited liability company

By:  _____
Its: _____ 05.02.16 Cesar Almeida

BYD ENERGY:

BYD ENERGY LLC, a California limited liability company


By:  _____ 05.02.16
Its: _____ Cesar Almeida

EXHIBIT "A"
EXPANSION SITE LEGAL DESCRIPTION

[INSERT]

EXHIBIT "B"

EXPANSION SITE QUITCLAIM DEEDS

[Quitclaim Deed for Two-Acre Portion Described in Section 301 of the DDA]

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
))
City of Lancaster)
44933 North Fern Avenue)
Lancaster, California 93534)
Attention: City Clerk)
))

This document is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

QUITCLAIM DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the CITY OF LANCASTER, a California municipal corporation and charter city, does hereby remise, release and forever quitclaim to BYD COACH & BUS LLC, a California limited liability company, all its right title and interest in the real property in the City of Lancaster, County of Los Angeles, State of California described in Attachment No. 1 attached hereto and made a part hereof.

Dated: _____, 20__

CITY OF LANCASTER, a California municipal corporation and charter city

By: _____
Its: _____

ATTACHMENT NO. 1 TO QUITCLAIM DEED
[INSERT LEGAL DESCRIPTION OF TWO-ACRE PORTION]

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

[Quitclaim Deed for Remainder Portion Described in Section 301 of the DDA]

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
City of Lancaster)
44933 North Fern Avenue)
Lancaster, California 93534)
Attention: City Clerk)
)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

QUITCLAIM DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the CITY OF LANCASTER, a California municipal corporation and charter city, does hereby remise, release and forever quitclaim to BYD COACH & BUS LLC, a California limited liability company, all its right title and interest in the real property in the City of Lancaster, County of Los Angeles, State of California described in Attachment No. 1 attached hereto and made a part hereof.

Dated: _____, 20__

CITY OF LANCASTER, a California municipal corporation and charter city

By: _____
Its: _____

ATTACHMENT NO. 1 TO QUITCLAIM DEED
[INSERT LEGAL DESCRIPTION OF REMAINDER PORTION]

STATE OF CALIFORNIA

)

) ss.

COUNTY OF LOS ANGELES

)

On _____ before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

EXHIBIT "C"

FIRST AMENDMENT TO REXHALL MEMORANDUM OF UNDERSTANDING

[INSERT FINAL VERSION OF FIRST AMENDMENT TO REXHALL MOU]

**FIRST AMENDMENT TO
MEMORANDUM OF UNDERSTANDING**

THIS FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING (this "First Amendment") is entered into this 21 day of APRIL, 2016, by and between the **CITY OF LANCASTER**, a charter city and municipal corporation (the "City"), and **REXHALL INDUSTRIES, INC.**, a California corporation ("Rexhall"). The City and Rexhall are sometimes individually referred to as a "Party" and collectively as the "Parties."

RECITALS

A. The City, Rexhall and the Successor Agency to the Lancaster Redevelopment Agency entered into that certain Memorandum of Understanding dated as of September 24, 2013 (the "MOU").

B. The MOU provides, in part, that Rexhall agrees to and shall sell the Expansion Property (as defined in the MOU) to the City for a purchase price of 1,450,000 Dollars (\$1,450,000).

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions set forth herein the City and Rexhall hereby agree as follows:

1. Sale of Expansion Property. Section 1.b. of the MOU is amended and replaced in its entirety by the following:

"b. Sale of Expansion Property. Subject to the terms and conditions of this Agreement (and subject further to the terms and conditions of purchase and sale agreements to be negotiated, prepared and entered into by and between Rexhall and the City), Rexhall agrees to and shall sell the Expansion Property to the City for a purchase price of 1,450,000 Dollars (\$1,450,000) (the "Expansion Property Purchase Price"). The City shall pay a down payment of 234,936 Dollars (\$234,936) at or before (and as a condition precedent to) the close of escrow and the balance of 1,215,064 Dollars (\$1,215,064) shall be divided into two payments. The first payment will cover 50% of this balance and will be made on or before July 31, 2016. The second payment will cover the remainder of the balance and will be made on or before July 31, 2017. This obligation shall be evidenced by a promissory note and secured by a deed of trust recorded against the Expansion Property."

2. No Further Changes. Except as expressly provided to the contrary in this First Amendment, the terms of the MOU shall remain in full force and effect as written. All terms used herein and not defined herein but defined in the MOU shall have the meaning given to such terms therein.

3. **Effectiveness.** This First Amendment shall become effective immediately upon execution by the City and Rexhall.

IN WITNESS WHEREOF, the City and Rexhall have executed this First Amendment as of the date set forth above.

CITY:

CITY OF LANCASTER, a charter city and
municipal corporation

By: _____
Its: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

REXHALL:

REXHALL INDUSTRIES, INC., a California
corporation

By: 
Its: President & CEO