

July 11, 2023

Chris Turner
Executive Vice President
GILLIG LLC
451 Discovery Drive
Livermore, CA 94551

SAF-HOLLAND, Inc.
1950 Industrial Blvd.
Muskegon, MI 49443-0425
Tel: 123.123.1234

www.safholland.com

Dear Chris,

In response to your recent commercial proposal made via email on June 5, 2023 and as a follow up to our letter to you dated June 16, 2023, SAF-HOLLAND offers the following commercial terms. If GILLIG believes the following commercial terms to be an accurate description of our agreement to date on this matter, we would appreciate you signing and returning a copy of this letter.

A recall was initiated on GILLIG, Low-Floor 29' CNG transit buses, manufactured between 02/28/2011 and 11/19/2021. The recall requires the replacement of the lower control arm assembly of the rear suspension that is supplied by SAF-HOLLAND. To support these recall activities, the parties agree to share responsibilities as follows:

SAF-HOLLAND Inc.

- Develop a long-term design solution for the LCA assembly whose performance characteristics address the safety critical failure mode of the recalled LCA assembly.
- Technical requirements of the lower control arm solution will be based on road load data collected at Santa Monica Big Blue Bus.
- Supply interim parts kits (phase 1) at no charge with minimum order quantities of 25 units
- Supply secondary parts kits (phase 2) at no charge with minimum order quantities of 25 units
- Time plan
 - Phase 1 (pre-existing design) – parts availability June 30, 2023
 - Phase 2 (new design) – Testing schedule to be complete mid-August 2023
 - Estimate start of production for new design mid-November.

GILLIG

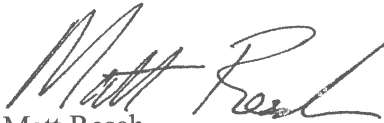
- Confirm data acquired from the Big Blue application is the most extreme load case known to date and is to be used to define new technical requirements
- Track and manage recall activities to completion and in accordance with NHTSA requirements
- Order parts from SAF-HOLLAND in compliance with minimum order quantities at no charge
- Take responsibility for all logistics and associated costs related to recall
- Responsible for all costs other than the specific parts provided by SAF-HOLLAND, including:
 - Logistics from SAF-HOLLAND to GILLIG and from GILLIG to end customer
 - Labor reimbursement to end user (if any)

- Ancillary repairs needed prior or after recall work has been issued
- Other costs related to the repair work outside of the foregoing

Notwithstanding the foregoing commercial terms, we agree that nothing stated herein indicates an admission of any liability, fault, or wrongdoing on either party's behalf. We agree to work together on a fulsome commercial solution for the rear suspension control arms for GILLIG. GILLIG and SAF Holland acknowledge and agree that final definitive agreement memorializing the terms of this MOU is appropriate under the circumstances. The parties agree that this final agreement will contain, among other terms, appropriate warranty and indemnity provisions relating to the replacement parts, and agree to negotiate those terms in good faith following the execution of this MOU.

Sincerely,

SAF-HOLLAND, Inc.

A handwritten signature in black ink that reads "Matt Resch".

Matt Resch
Vice President Sales – Powered Vehicles

Accepted and agreed:

GILLIG LLC

By: 

Chris Turner
Executive Vice President