

March 10, 2017

The Honorable Brian Sandoval
Office of the Governor
One Hundred One North Carson Street
Carson City, Nevada 89701

Mr. Richard Combs, Director
Legislative Counsel Bureau
401 South Carson Street
Carson City, Nevada 89701

Re: FF Inc. Quarterly Activity Report (Q4 2016)

Dear Governor Sandoval and Director Combs:

The Governor's Office of Economic Development (the "Office") hereby submits this quarterly activity report pursuant to NRS 360.895, Subsection 2 for the Qualified Project known as FF Inc. (the "Project"), formerly known as Faraday Future. The attached report is based on information provided by the Lead Participant, FF Inc. pursuant to the following requirements of NRS 360.895 subsection 2:

- (a) The dollar amount of the partial abatements approved for the lead participant in each qualified project;
- (b) The number of employees engaged in construction of each qualified project who are residents of Nevada and the number of employees employed by each participant in each qualified project who are residents of Nevada;
- (c) The number of qualified employees employed by each participant in each qualified project and the total amount of wages paid to those persons;
- (d) For each qualified project an assessment of whether the participants in the qualified project are making satisfactory progress towards meeting the investment requirements necessary to support the determination by the Office that the project is a qualified project; and
- (e) Any other information requested by the Legislature.

If further information is required, please contact me at your convenience.

Sincerely,



Mike Dang
Director of Business Operations

cc: Steve Hill, Ryan Smith

Faraday Future Quarterly Activity Report

Quarter Ending December 31, 2016

FF Q4 2016 reporting requirements and responses to NRS 360.895, Subsection 2:

a. The dollar amount of the abatements approved for the Lead participant in the Project:

During Q4 2016 the dollar amount of the abatements approved for the lead participant was **\$241,254**, and the 2016 year-end total amount was **\$397,927**. These abatements were allocated to a trust fund controlled by the Nevada Department of Taxation.

b. The number of employees engaged in construction of each qualified project who are residents of Nevada, and the number of employees employed by each participant in each qualified project who are residents of Nevada;

During Q4 2016, at the peak of onsite activities **176** construction workers were employed of which **101** were residents of Nevada; at the completion of Phase I onsite activities for Q4 2016 there were 16 construction workers employed of which 6 were residents of Nevada. Further, at the peak of onsite activities Project-to-date (“PTD”), including this reporting period, there were **327** construction workers of which **192** were residents of Nevada.

During Q4 2016, there were **10** additional employees employed by the sole participant, FF, of which **5** employees were residents of Nevada. For the Project-to-date (“PTD”) there are **24** employees employed by FF, of which **9** employees were residents of Nevada when they were hired.

c. The Number of Qualified Employees employed by each Participant in the Project and the total amount of wages paid to these persons:

The NRS 360.891 definition of a qualified employee includes a requirement that such an employee have been employed “for at least the last 3 consecutive months of the fiscal year,” meaning April, May and June of the prior State of Nevada fiscal year. It also includes a requirement that such an employee be employed “by a participant at the site of the qualified project.” As such, as of this time there can be no qualified employees any earlier than July 1 of 2017 and until they are able to be located at the site. There were no qualified employees employed during the Q4 reporting period and, therefore, there were no wages paid to such employees.

d. For the Project, an assessment of whether the Participants in the Project are making satisfactory progress towards meeting the investment requirements necessary to support the determination by the Office that the Project is a Qualified Project:

Through Q4 2016 FF accomplished the completion of Phase I of the project including the following:

1. Capital Investment of \$160,000,000.
2. Completed all site demolition work.
3. Graded and moved over 2.5 million cubic yard of earth on site.
4. Completed installation of the underground sewer.
5. Completed grading with the exception of the north and south channels not required for this phase.
6. Certified that the pad for the factory building is at grade and ready for the start of foundations.
7. Established On-site offices for both Faraday Future employees and the General Contractor.
8. Leased additional interim office and meeting space in the city of North Las Vegas.

e. Any other information requested by the Legislature.

No further information requested at this time for this report.