APPLICATION HIGHLIGHTS
- Hyperloop Technologies, Inc. is applying for Sales Tax, Modified Business Tax, Personal Property Tax abatements and Catalyst Fund.
- Meets statute for job creation, average wage and capital investment levels.
- Additional capital investment of $2,625,000 for building leasehold improvements.

PROFILE
Hyperloop is the fifth mode of transportation. It will allow the world to transport people and goods inexpensively, safely, and at speeds never thought possible. High energy efficiency coupled with electric propulsion yield an energy elegant, carbon free mode of transportation. And to enable on-demand transport, Hyperloop pods are much smaller than most planes and trains and are designed to depart as often as every 10 seconds. Source: Hyperloop Technologies, Inc.

SIGNIFICANCE OF ABATEMENTS IN THE COMPANY’S DECISION TO RELOCATE/EXPAND
Hyperloop Technology Inc. is finalizing the selection of the Hyperloop Safety, Test, and Development Loop, which must deliver a technically capable site and cost competitive operating environment. As such, performance-based incentives, including modified business tax, sales and use tax, property tax, and transferable tax credits are a significant factor in the decision to locate in Nevada. Source: Hyperloop Technologies, Inc.

REQUIREMENTS

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Statutory %</th>
<th>Application %</th>
<th>Sufficient</th>
<th>% Over / Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Creation</td>
<td>50</td>
<td>89</td>
<td>Yes</td>
<td>78%</td>
</tr>
<tr>
<td>Average Wage</td>
<td>$20.89</td>
<td>$29.19</td>
<td>Yes</td>
<td>40%</td>
</tr>
<tr>
<td>Equipment CapEx (SU &amp; MBT)</td>
<td>$1,000,000</td>
<td>$121,620,000</td>
<td>Yes</td>
<td>12606%</td>
</tr>
<tr>
<td>Equipment CapEx (PP)</td>
<td>$1,000,000</td>
<td>$121,620,000</td>
<td>Yes</td>
<td>12606%</td>
</tr>
</tbody>
</table>

INCENTIVES

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Requested Terms</th>
<th>Estimated $ Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Abmt.</td>
<td>Abated to 2%</td>
<td>$7,418,800</td>
</tr>
<tr>
<td>Modified Business Tax Abmt.</td>
<td>50% for 4 years</td>
<td>$154,100</td>
</tr>
<tr>
<td>Personal Property Tax Abmt.</td>
<td>50% for 10 years</td>
<td>$1,677,097</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$9,249,997</td>
</tr>
<tr>
<td>Catalyst</td>
<td></td>
<td>$750,000</td>
</tr>
</tbody>
</table>

JOB CREATION

<table>
<thead>
<tr>
<th>Contracted</th>
<th>24-Month Projection</th>
<th>5-Year Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>89</td>
<td>89</td>
<td>119</td>
</tr>
</tbody>
</table>

OTHER CAPITAL INVESTMENT

<table>
<thead>
<tr>
<th>Land</th>
<th>Building Purchase</th>
<th>BTS / Building Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>$375,000</td>
<td>$0</td>
<td>$2,625,000</td>
</tr>
</tbody>
</table>

ECONOMIC IMPACT ESTIMATES (10-Year Cumulative)

<table>
<thead>
<tr>
<th>Job Creation</th>
<th>Total Jobs Supported</th>
<th>Total Payroll Supported</th>
<th>Total Output Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>214</td>
<td>$113,516,649</td>
<td>$1,364,508</td>
<td>$287,938,522</td>
</tr>
<tr>
<td>22</td>
<td></td>
<td></td>
<td>$3,692,769</td>
</tr>
</tbody>
</table>

Estimate includes jobs, payroll & output by the company assisted as well as the secondary impacts to other local businesses.

NEW TAX REVENUE ESTIMATES (10-Year Cumulative)

<table>
<thead>
<tr>
<th>Local Taxes</th>
<th>Direct</th>
<th>Indirect</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>$1,860,344</td>
<td>$2,698,239</td>
<td>$4,558,583</td>
</tr>
<tr>
<td>Sales</td>
<td>$104,081</td>
<td>$2,108,342</td>
<td>$2,212,423</td>
</tr>
<tr>
<td>Lodging</td>
<td>$0</td>
<td>$1,364,508</td>
<td>$1,364,508</td>
</tr>
<tr>
<td>State Taxes</td>
<td></td>
<td></td>
<td>$1,336,943</td>
</tr>
<tr>
<td>Property</td>
<td>$109,576</td>
<td>$1,677,097</td>
<td>$1,786,673</td>
</tr>
<tr>
<td>Sales</td>
<td>$2,466,525</td>
<td>$703,803</td>
<td>$3,170,328</td>
</tr>
<tr>
<td>Modified Business</td>
<td>$770,813</td>
<td>$566,130</td>
<td>$1,336,943</td>
</tr>
<tr>
<td>Lodging</td>
<td>$0</td>
<td>$36,474</td>
<td>$36,474</td>
</tr>
<tr>
<td>Total</td>
<td>$5,311,339</td>
<td>$6,420,695</td>
<td>$11,732,034</td>
</tr>
</tbody>
</table>

COST-BENEFIT ASSESSMENT

<table>
<thead>
<tr>
<th>Economic Impact per Abated Dollar</th>
<th>New Total Tax per Abated Dollar</th>
</tr>
</thead>
<tbody>
<tr>
<td>$31</td>
<td>$1.27</td>
</tr>
</tbody>
</table>

EMPLOYEE BENEFITS
- Percentage of health insurance covered by company: 85%.
- Health care package cost per employee - $5,305 annually with options for dependents.
- Overtime, PTO/Sick/Vacation, Retirement Plan, Merit Increases.

NOTES
- Percentage of market outside of Nevada: 100%.
- The company average hourly wage is significantly higher than the statewide hourly average wage of $20.89.
February 19, 2016

Mr. Steve Hill
Executive Director
Governor’s Office of Economic Development
808 W. Nye Lane
Carson City, NV 89703

Dear Mr. Hill:

Hyperloop Technologies, Inc. is submitting an incentives application to the state for the Sales & Use Tax Abatement, Modified Business Tax Abatement, Personal Property Tax Abatement and Catalyst Funds (TTC). We have requested this company be placed on the March 2016 board meeting agenda.

When Hyperloop opens operation in North Las Vegas, they will employ 89 new employees and pay an average hourly wage of $29.19. They will make a capital investment of approximately $121,620,000.00.

This application has the full support of the Las Vegas Global Economic Alliance.

Warmest regards,

[Signature]

Michael Walsh
Vice President of Economic Development
January 4, 2015

Mr. Steve Hill  
Executive Director  
Nevada Governor's Office of Economic Development  
555 E. Washington Ave., Suite 5400

Dear Mr. Hill:

Thank you for the work of the Nevada Governor’s Office of Economic Development to attract Hyperloop Technology, Inc. to Nevada. We appreciate Nevada’s targeted efforts to attract the development of sustainable technologies and logistics innovations.

Please find attached the Application for Incentives and required attachments.

As you are aware, Hyperloop Technology Inc. is finalizing the selection of the Hyperloop Safety, Test and Development Loop (DevLoop), which must deliver a technically capable site and cost competitive operating environment. As such, performance-based incentives, including modified business tax, sales and use tax, property tax, and transferrable tax credits (formerly Catalyst Fund) are a significant factor in the decision to locate in Nevada.

A Nevada DevLoop would support the global implementation of Hyperloop transportation networks for passengers, cargo and trade through research, development and testing of full-scale, full-speed systems. Initial city pairs for the Hyperloop mass transportation system are under review in Europe, Asia and the United States. Core to Hyperloop design is the improved safety and reduced environmental impact of the $1.54 trillion transportation market, which currently makes up 23% of carbon emissions according to the International Energy Agency. By design Hyperloop will enable the most energy efficient freight mode relative to speed of travel.

The DevLoop project is projected to create approximately 89 new, full-time positions at an average annually salary of more than $60,000 in initial operations with projections to grow to 108 by year 5 and 174 by year 10. Additionally 70 construction jobs are anticipated in year 1.

Development operations are projected to begin immediately upon site selection in January 2015 with full scale testing to commence within 12 months. Projected milestones include preconstruction commencement in January 2016, foundation complete and power construction commencement in May 2016, construction complete and site integration underway in September 2016 with testing commencing in November 2016.

A Nevada DEVLOOP would operate 7 days per week up to 24 hours daily.
Co-founded in 2014 by Shervin Pishevar and Brogan BamBrogam, Hyperloop Technologies Inc. employs a team of over 72 full time employees, among the best and brightest hardware builders in the aerospace, automotive, and technology industries, at the company’s three-acre, three-building campus in the downtown Los Angeles Arts District. Hyperloop is led by CEO Rob Lloyd, former President at Cisco Systems, and an experienced board of directors – of which Lloyd is also a member - including Sherpa Ventures managing director Shervin Pishevar, former PayPal COO and Co-Chairman David Sacks, political strategist and former deputy chief of staff to President Obama Jim Messina, Co-Founder and Co-Chairman of Planetary Resources Peter Diamandis, Palantir founder Joe Lonsdale, and former Snapchat COO and Board Advisor Emily White. Leading investors Sherpa Ventures, Formation 8, Zhen Capital, 137 Ventures, Caspian VC, and Khosla Ventures among others financially back Hyperloop. This team, in record time, has designed and developed advanced machinery and testing capability to advance technology for the future of transportation, including state of the art wind tunnels, levitation rigs, test stands and mobile command centers.

Hyperloop is an active supporter and presenter - globally at symposiums worldwide and in its own backyard at university campuses - supporting the advancement of sustainable technologies and reduced carbon emissions. Hyperloop recognizes the importance of community involvement and has held a number of events to support the surrounding homeless population in the neighborhood. Most recently, Hyperloop held a holiday gift drive for youth in permanent supportive housing with the Los Angeles Covenant House. We’ve also hosted the Mayor of Los Angeles at our office headquarters and frequently invite community stakeholders to tour our campus. Hyperloop looks forward to expanding its community involvement as we continue to grow.

If selected, Nevada would be poised to compete for future expansions. In addition to continued annual capital investment in DevLoop demonstration, production innovations in component development and construction are simultaneously underway. Locations that provide an attractive operating environment and move at the speed of technology will be competitive for investments by Hyperloop.

Thank you in advance for your consideration. Should you have any questions, please do not hesitate to contact our team.

Sincerely,

William Mulholland
Vice President of Finance

Confidential, Privileged, Secret
24 February 2016

Mr. Steven D. Hill  
Executive Director  
Nevada Governor’s Office of Economic Development  
555 E. Washington 808 W. Nye Lane  
Carson City, NV 89703

RE: REQUEST FOR CONFIDENTIALITY OF RECORDS AND DOCUMENTS

Dear Executive Director Hill,

On behalf of Hyperloop Technologies, Inc. (the “Company”) we want to thank the Nevada Governor’s Office of Economic Development (“GOED”) for the assistance your agency offered to date. We applied for incentives as part of a competitive site selection process. Under our existing confidentiality determination with GOED, attached hereto, the purpose of this letter is to request pursuant to NRS 231.069 that certain prior and future records and other documents exchanged by and between the Company and its representatives and GOED shall remain or be kept confidential.

Disclosure of the following types of documents could reasonably be expected to result in an unfair competitive injury to the Company because these records and the corporate information contained therein is not available to the general public and is held in confidence by the Company. Further, possession of this information by our competitors or the general public would confer an economic benefit upon them. We therefore ask that GOED make a determination under NRS 231.069 that the following documents contain proprietary or confidential information and that the documents are not public records:

1. Sections of the incentive application relating to business summary, grant summary, board summary, balance sheets, income statements, cash flow statements, employment and employee benefit related information, and other financial information
2. Records that contain financial or pro-forma information regarding the Company or its investment in the proposed Nevada facility; and
3. Records that contain individual personnel information.

Consistent with NRS 360.247(10)(b)(2), the Company recognizes this request for confidentiality cannot include information that has been published for public distribution or is otherwise available to the public generally or in the public domain.

If GOED requires any further demonstration so as to be satisfied as to the proprietary or confidential nature of the information, the Company will readily provide such material upon request.
Thank you for your consideration of this request.

Very truly yours,

Hyperloop Technologies, Inc.
By: Afshin Pishevar
Title: CLO
Date Signed: 24 February 2016
Signature: 


REQUEST FOR CONFIDENTIALITY DETERMINATION

Pursuant to Assembly Bill No. 17, 78th (2015) Session of the Nevada Legislature, and upon the request of applicant Hyperloop Technologies, Inc., the Executive Director of the Office has determined the:

(i) Application Exhibit 5B, Section I-II, Employment Schedule List,
(ii) Application Exhibit 5A, Section I, Capital Equipment List, and
(iii) Company specific financial information, and
(iv) Benefit Summaries,

are confidential proprietary information of the business, are not public records, and shall be redacted in its entirety from the copy of the application that is disclosed to the public.

[Signature]
Steven D. Hill
Executive Director

3/4/16
Date
Company Name: Hyperloop Technologies, Inc.  
Date of Application: November 30, 2015

**Section 1 - Type of Incentives**

Please check all that the company is applying for on this application:

- □ Sales & Use Tax Abatement  
- □ Modified Business Tax Abatement  
- □ Personal Property Tax Abatement  
- □ Other: Catapult Fund,

**Section 2 - Corporate Information**

 COMPANY NAME (Legal name under which business will be transacted in Nevada)  
Hyperloop Technologies, Inc. (or any future legal entities related to Devloop Nevada)

<table>
<thead>
<tr>
<th>CORPORATE ADDRESS</th>
<th>CITY / TOWN</th>
<th>STATE / PROVINCE</th>
<th>ZIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2161 Sacramento Street</td>
<td>Los Angeles</td>
<td>CA</td>
<td>90021</td>
</tr>
</tbody>
</table>

MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above) same as above

<table>
<thead>
<tr>
<th>TELEPHONE NUMBER</th>
<th>WEBSITE</th>
</tr>
</thead>
<tbody>
<tr>
<td>213-800-3270</td>
<td><a href="http://www.hyperlooptech.com">www.hyperlooptech.com</a></td>
</tr>
</tbody>
</table>

COMPANY CONTACT NAME  
William Mulholland

COMPANY CONTACT TITLE  
Vice President of Finance

E-MAIL ADDRESS  
william@hyperlooptech.com

Has your company ever applied and been approved for incentives available by the Governor's Office of Economic Development?  
☐ Yes  ☐ No

If Yes, list the program awarded, date of approval, and status of the accounts (attach separate sheet if necessary):

n/a

**Section 3 - Program Requirements**

Please check two of the boxes below; the company must meet at least two of the three program requirements:

- ☐ A capital investment of $1,000,000 in eligible equipment in urban areas or $250,000 in eligible equipment in rural areas are required. This criteria is businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.

- ☐ New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter following quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.

- ☐ In urban areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly wage. in rural areas, the average hourly wage will equal or exceed the lesser of the county-wide average hourly wage or statewide average hourly wage.

Note: Criteria is different depending on whether the business is in a county whose population is 100,000 or more or a city whose population is 60,000 or more (i.e., "urban" area), or if the business is in a county whose population is less than 100,000 or a city whose population is less than 60,000 (i.e., "rural" area).

**Section 4 - Nevada Facility**

Type of Facility:

- □ Headquarters  
- □ Technology  
- □ Back Office Operations  
- □ Research & Development / Intellectual Property  
- □ Service Provider  
- □ Distribution / Fulfillment  
- □ Manufacturing  
- □ Other:  

PERCENT OF COMPANY'S MARKET OUTSIDE OF NEVADA  
100%

NAICS CODE / SIC  
541712

DESCRIPTION OF COMPANY'S NEVADA OPERATIONS  
Transportation Safety, Test and Development

PROPOSED / ACTUAL NEVADA FACILITY ADDRESS  
Apex Industrial  
North Las Vegas  
Clark County  
ZIP

WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP?  
California; Colorado; Texas
Section 5 - Complete Forms (see additional tabs at the bottom of this sheet for each form listed below)

Check the applicable box when form has been completed.

5 (A) ☐ Equipment List
5 (B) ☐ Employment Schedule
5 (C) ☐ Evaluation of Health Plan

Section 6 - Real Estate & Construction (Fill in either New Operations/Startup or Expansion, not both.)

<table>
<thead>
<tr>
<th>New Operations / Start-Up - Plans Over the Next 10 Years</th>
<th>Expansions - Plans Over the Next 10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part 1. Are you currently/planning on leasing space in Nevada?</td>
<td>Part 1. Are you currently leasing space in Nevada?</td>
</tr>
<tr>
<td>If No, skip to Part 2. If Yes, continue below:</td>
<td>If No, skip to Part 2. If Yes, continue below:</td>
</tr>
<tr>
<td>What year(s)?</td>
<td>What year(s)?</td>
</tr>
<tr>
<td>How much space (sq. ft.)?</td>
<td>How much space (sq. ft.)?</td>
</tr>
<tr>
<td>Annual lease cost of space:</td>
<td>Due to expansion, will you lease additional space?</td>
</tr>
<tr>
<td>Do you plan on making building tenant improvements?</td>
<td>If No, skip to Part 3. If Yes, continue below:</td>
</tr>
<tr>
<td>If No, skip to Part 2. If Yes *, continue below:</td>
<td>Expanding at the current facility or a new facility?</td>
</tr>
<tr>
<td>When to make improvements (month, year)?</td>
<td>What year(s)?</td>
</tr>
<tr>
<td>Jan-2016</td>
<td>How much expanded space (sq. ft.)?</td>
</tr>
<tr>
<td></td>
<td>Annual lease cost of expanded space:</td>
</tr>
<tr>
<td></td>
<td>Do you plan on making building tenant improvements?</td>
</tr>
<tr>
<td></td>
<td>If No, skip to Part 3. If Yes *, continue below:</td>
</tr>
<tr>
<td></td>
<td>When to make improvements (month, year)?</td>
</tr>
<tr>
<td>Part 2. Are you currently/planning on buying an owner occupied facility in Nevada?</td>
<td>Part 2. Are you currently operating at an owner occupied building in Nevada?</td>
</tr>
<tr>
<td>If No, skip to Part 3. If Yes *, continue below:</td>
<td>If No, skip to Part 3. If Yes *, continue below:</td>
</tr>
<tr>
<td>Purchase date, if buying (month, year):</td>
<td>How much space (sq. ft.)?</td>
</tr>
<tr>
<td>How much space (sq. ft.)?</td>
<td>Due to expansion, will you be making building improvements?</td>
</tr>
<tr>
<td>Do you plan on making building improvements?</td>
<td>If No, skip to Part 3. If Yes *, continue below:</td>
</tr>
<tr>
<td>If No, skip to Part 3. If Yes *, continue below:</td>
<td>When to make improvements (month, year)?</td>
</tr>
<tr>
<td>When to make improvements (month, year)?</td>
<td>Jan-2016</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Part 3. Are you currently/planning on building a build-to-suit facility in Nevada?</td>
<td>Part 3. Do you plan on building or buying a new facility in Nevada?</td>
</tr>
<tr>
<td>If Yes *, continue below:</td>
<td>If Yes *, continue below:</td>
</tr>
<tr>
<td>When to break ground, if building (month, year):</td>
<td>Purchase date, if buying (month, year):</td>
</tr>
<tr>
<td>Estimated completion date, if building (month, year):</td>
<td>When to break ground, if building (month, year):</td>
</tr>
<tr>
<td>How much space (sq. ft.)?</td>
<td>Estimated completion date, if building (month, year):</td>
</tr>
<tr>
<td>20,000</td>
<td>How much space (sq. ft.)?</td>
</tr>
</tbody>
</table>

* Please complete Section 7 - Capital Investment for New Operations / Startup.  
* Please complete Section 7 - Capital Investment for Expansions below.

BRIEF DESCRIPTION OF CONSTRUCTION PROJECT AND ITS PROJECTED IMPACT ON THE LOCAL ECONOMY (Attach a separate sheet if necessary):

Project Blade Runner will construct an approximately $57 million safety, test and development loop for transportation. The 3 km facility will be supported by the construction of approximately 15,000-square-feet of fabrication and 5,000-square-feet of warehouse and 0.5 acre power and control facility. Over the first 3 years, more than 100 technical and engineering jobs will be created at average salaries greater than $60,000 annually plus competitive benefits. Additionally, more than 70 direct construction jobs are projected as a result of the project. Continued investment in test and development is projected at more than $50 million annually over the first 10 years.
## Section 7 - Capital Investment (Fill in either New Operations/Startup or Expansion, not both.)

<table>
<thead>
<tr>
<th>New Operations / Start Up</th>
<th>Expansions</th>
</tr>
</thead>
<tbody>
<tr>
<td>How much capital investment is planned? (Breakout below):</td>
<td>How much capital investment is planned? (Breakout below):</td>
</tr>
<tr>
<td>Building Purchase (if buying): $0</td>
<td>Building Purchase (if buying): $0</td>
</tr>
<tr>
<td>Building Costs (if building / making improvements): $2,625,000</td>
<td>Building Costs (if building / making improvements): $0</td>
</tr>
<tr>
<td>Land: $375,000</td>
<td>Land: $0</td>
</tr>
<tr>
<td>Equipment Cost: $121,620,000</td>
<td>Equipment Cost: $0</td>
</tr>
<tr>
<td>Total: $124,620,000</td>
<td>Total: $0</td>
</tr>
</tbody>
</table>

- Is the equipment purchase for replacement of existing equipment? ____________
- Current assessed value of personal property in NV: ____________

(Must attach the most recent assessment from the County Assessor's Office.)

## Section 8 - Employment (Fill in either New Operations/Startup or Expansion, not both.)

<table>
<thead>
<tr>
<th>New Operations / Start Up</th>
<th>Expansions</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many full-time equivalent (FTE*) employees will be created by the end of the first fourth quarter of new operations?: 89</td>
<td>How many full-time equivalent (FTE*) employees will be created by the end of the first fourth quarter of expanded operations?:</td>
</tr>
<tr>
<td>Average hourly wage of these new employees: $29.19</td>
<td>Average hourly wage of these new employees:</td>
</tr>
<tr>
<td>How many FTE employees prior to expansion?:</td>
<td>How many FTE employees prior to expansion?:</td>
</tr>
<tr>
<td>Average hourly wage of these existing employees:</td>
<td>Average hourly wage of these existing employees:</td>
</tr>
<tr>
<td>Total number of employees after expansion:</td>
<td>Total number of employees after expansion:</td>
</tr>
</tbody>
</table>

* FTE represents a permanent employee who works an average of 30 hours per week or more, is eligible for health care coverage, and whose position is a "primary job" as set forth in NAC 360.474.

## Section 9 - Employee Health Insurance Benefit Program

- Is health insurance for employees and an option for dependents offered?: Yes (copy of benefit plan must be attached) No

Package includes (check all that apply):
- ☐ Medical
- ☐ Vision
- ☐ Dental
- ☐ Other: ____________

Qualified after (check one):
- ☐ Upon employment
- ☐ Three months after hire date
- ☐ Six months after hire date
- ☐ Other: ____________

<table>
<thead>
<tr>
<th>Health Insurance Costs:</th>
<th>Percentage of health insurance coverage by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of health insurance for company (annual amount per employee): $5,305.00</td>
<td>Company: 85%</td>
</tr>
<tr>
<td>Health Plan annual out-of-pocket maximum (individual): $4,500.00</td>
<td>Employee: 15%</td>
</tr>
</tbody>
</table>

[Signature page follows]
Section 10 - Certification

I, the undersigned, hereby grant to the Governor’s Office of Economic Development access to all pertinent and relevant records and documents of the aforementioned company. I understand this requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to this application.

Being owner, member, partner, officer or employee with signatory authorization for the company, I do hereby declare that the facts herein stated are true and that all licensing and permitting requirements will be met prior to the commencement of operations. In addition, I and/or the company’s legal counsel have reviewed the terms of the GOED Tax Abatement and Incentives Agreement, the company recognizes this agreement is generally not subject to change, and any material revisions have been discussed with GOED in advance of board approval.

William Mulholland
Name of person authorized for signature

VP of Finance
Title

January 4, 2016
Date

Nevada Governor’s Office of Economic Development
555 E. Washington Ave., Ste 5400 • Las Vegas, Nevada 89101 • 702.486.2700 • (Fax) 702.486.2701 • www.diversifynevada.com
## Site Selection Factors

**Company Name:** Hyperloop Technologies, Inc.  
**County:** Clark

### Section 1 - Site Selection Ratings

Directions: Please rate the select factors by importance to the company's business (1 = very low; 5 = very high). Attach this form to the Incentives Application.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of qualified workforce</td>
<td>5</td>
</tr>
<tr>
<td>Labor costs</td>
<td>3</td>
</tr>
<tr>
<td>Transportation infrastructure</td>
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</tr>
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<td>Transportation costs</td>
<td>2</td>
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<tr>
<td>Real estate availability</td>
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<td>Real estate costs</td>
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<tr>
<td>State and local tax structure</td>
<td>5</td>
</tr>
<tr>
<td>State and local incentives</td>
<td>5</td>
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<tr>
<td>Utility infrastructure</td>
<td>5</td>
</tr>
<tr>
<td>Utility costs</td>
<td>4</td>
</tr>
<tr>
<td>Business permitting &amp; regulatory structure</td>
<td>5</td>
</tr>
<tr>
<td>Access to higher education resources</td>
<td>3</td>
</tr>
</tbody>
</table>

**OTHER FACTORS & RATINGS:**
5(C) Evaluation of Health Plans Offered by Companies

Company Name: Hyperloop Technologies, Inc.  County: Clark County

Total Number of Full-Time Employees: 81

Average Hourly Wage per Employee: $29.19
Average Annual Wage per Employee (implied): $60,711.23

Annual Cost of Health Insurance per Employee: $5,305.00
Percentage of Cost Covered by:
- Company: 85%
- Employee: 15%

Health Plan Annual Out-of-Pocket Maximum: $4,500

Generalized Criteria for Essential Health Benefits (EHB)
[following requirements outlined in the Affordable Care Act and US Code, including 42 USC Section 18022]

Covered employee's premium not to exceed 9.5% of annual wage: 1.5% MMQ

Annual Out-of-Pocket Maximum not to exceed $6,600 (2015): $4,500 MMQ

Minimum essential health benefits covered (Company offers PPO):
- (A) Ambulatory patient services
- (B) Emergency services
- (C) Hospitalization
- (D) Maternity and newborn care
- (E) Mental health/substance use disorder/behavioral health treatment
- (F) Prescription drugs
- (G) Rehabilitative and habilitative services and devices
- (H) Laboratory services
- (I) Preventive and wellness services and chronic disease management
- (J) Pediatric services, including oral and vision care

No Annual Limits on Essential Health Benefits

I, the undersigned, hereby declare to the Governor's Office of Economic Development that the facts herein stated are true, and that I have attached sufficient plan information for GOED to independently confirm the same.

William Mulholland
Name of person authorized for signature

VP of Finance
Title

Signature
1/4/2016
Date
Employment Schedule, Detailed

The Office has determined the detailed employment schedule as described in this application constitutes confidential proprietary information of Hyperloop Technologies, Inc., and is not a public record.
Capital Equipment List, Detailed

The Office has determined the detailed capital equipment list as described in this application constitutes confidential proprietary information of Hyperloop Technologies, Inc., and is not a public record.
Benefit Summaries, Detailed

The Office has determined the detailed benefit summaries as described in this application constitutes confidential proprietary information of Hyperloop Technologies, Inc., and is not a public record.
21ST CENTURY TRANSPORTATION
TRANSPORTATION CIRCA 2016
### Traditional Modes Antiquated

<table>
<thead>
<tr>
<th>Expensive</th>
<th>Filthy &amp; Dangerous</th>
<th>Unsustainable</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>BOAT</th>
<th>TRAIN</th>
<th>TRUCK</th>
<th>AIRPLANE</th>
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</thead>
</table>
| Cost Effective | | | | | ![ ]
| High Speed | | | | ![ ]
| Ultra Safe | | | ![ ]|
| Weatherproof | | | |
| Energy Efficient | ![ ] | ![ ] | | |
| Carbon Free | ![ ] | | ![ ]|
| On-Demand | | ![ ] | | |
| Unrestrictive ROW | ![ ] | | ![ ]|
| Driverless | | | ![ ]|

Hyperloop Technologies Inc. Business Confidential
“In Chicago, the nation’s biggest rail center, congestion is so bad that it takes a freight train longer to get through the city limits than it does to get to Los Angeles.”
FILTHY & DANGEROUS

23% Pollution / Emissions from Transportation sector

“Most US Railroads won’t meet deadline for safety control” – FRA Report to Congress

1.2MM 2010 Global Motor Vehicle Deaths

2.3K 2014 U.S. Highway-Rail Grade Accidents

Hyperloop Technologies Inc. Business Confidential
Sources in appendix
With demand expected to grow rapidly…

- **2x** Increase in port volume by 2020 from 2012
- **80%** Increase in passenger miles in 30 years
- **88%** Increase in freight tonnage by 2035 from 2012

…What is the solution?

- Bigger Airports?
- More Rail Lines?
- More Cargo Ships?
- More Trucks?
- Wider Highways?
- Bigger Ports?

Sources in appendix
THE 5TH MODE OF TRANSPORT

“It’s a cross between a Concorde, a rail gun, and an air hockey table.”

- ELON MUSK
HOW HYPERLOOP WORKS

- Transport occurs inside fully enclosed tube
- Electric propulsion drives and brakes pod
- Ultra low-pressure environment
- Levitation
- Compressor
  - Ingests air instead of displacing it

Features:
- Weatherproof: No costly delays
- Unrestricted ROW
- Carbon Free
- Cost Effective
- Driverless
- Ultra Safe: Electric & Air Braking
- High Speed: >1,100 km/h
- Energy Efficient
- On-demand: 10 Second Interval

Hyperloop Technologies Inc. Business Confidential
MOVEMENT OF CARGO & PEOPLE

CARGO

- Transports 1 or 2 FEU (forty foot equivalent unit)
- Ship a pod every 10 seconds
- Provides cost-effective and fast method of shipping time sensitive goods
- Travels faster than passengers due to allowable g-loading

PEOPLE

- A tube/pod system designed for cargo and people
- Includes stringent safety and escape measures
- Pods have ECLS (Environmental Controls & Life Support) System
GO ANYWHERE

LAND

- Removes need for grading
- Easily crosses natural barriers
  - Bridges are cheaper due to low mass per pod
  - Tunnels are cheaper due to tube’s resistance to external pressure
- Does not restrict access or R.O.W.
- Reaches city centers above grade or via tunnel

WATER

- Eliminates R.O.W. issues
- Enables offshore ports which can deliver goods to inland ports via minor tunneling
- Reallocates waterfront property
THE FUTURE OF THE FUTURE™

- ENABLES an on-demand economy
- TRANSFORMS cities
- RESHAPES shipping and logistics industries
- UNLOCKS real estate value
- PROFOUNDLY IMPACTS human behavior and our interaction with the Earth
- REDUCES pollution

The faster, cleaner, cheaper, greener mode of transport.

<table>
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<tr>
<th>Feature</th>
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<th>Truck</th>
<th>Airplane</th>
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<td>Ultra Safe</td>
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<td>On-Demand</td>
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<td>Unrestrictive of ROW</td>
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</table>
WORLD CLASS BOARD OF DIRECTORS

SHERVIN PISHEVAR
FOUNDER
INVESTOR

DAVID SACKS
COO
ZENEFITS
INVESTOR

ROB LLOYD
PRESIDENT
COO
Cisco

EMILY WHITE
COO
BOD
Google

JIM MESSINA
Political strategist and former deputy chief of staff to President Obama. Chief advisor to David Cameron’s re-election campaign

PETER DIAMANDIS
FOUNDER
XPRIZE
AUTHOR

JOE LONSDALE
FOUNDER
formation
INVESTOR
Palantir
Oculus
OUR TEAM

As of Jan 2016:

• 90+ full time employees
• 60+ in engineering
INNOVATION CAMPUS
CORE ENGINEERING

TUBE MFG

POD AERO & THERMODYNAMICS

LEVITATION

LINEAR PROPULSION
TUBE DEVELOPMENT

- Vacuum and weld integrity testing of 3.3m diameter tube
- 300m+ tube delivered Dec 2015
- Additional ~1800m scheduled for Apr/May 2016 delivery
AERODYNAMICS TESTING

- Operational high-speed low-pressure wind tunnel
  - Designed and built unique rig in-house in 10 weeks
- Validation of pod and compressor aero CFD
  - Advanced 2D blade design optimization
  - Performance mapping
LEVITATION DEVELOPMENT

- Controlled pressure (near vacuum) environment
- Spinning wheel creates relative velocity > 1,100 km/h
- Using existing autoclave for vacuum section
- Rig designed to test air bearings as well as maglev technologies
CUSTOM DESIGNING OUR OWN LINEAR SYNCHRONOUS MOTOR

- 20m of stator windings received in house
  - Patent pending on modular configuration

VARIABLE FREQUENCY DRIVES (VFD) FOR PROPULSION OPEN AIR TEST (POAT) AND DEV LOOP

- Custom designing our own VFD for Production
- Ramping up high-power expertise in-house
Propulsion Validation

0-540 km/h in 2 sec in Q1 2016

- Custom linear electric motor designed for full speed operation at 300 m/s
- Power electronics and supporting medium voltage power & signal conditioning components
- Validates fully automated controls
DEVELOPMENT LOOP

- Length: 3.2 km
- Speed > 1,100 km/h
- System level demonstration of all core elements:
  - Ultra-low pressure environment
  - Compressor
  - Levitation
  - Electric propulsion

Full Scale, Full Speed, Fully Operational in Q4 2016

Kitty Hawk Moment
MARKET OPPORTUNITY
REVENUE STREAMS – OWN & OPERATE

- Market Driven Fare
- Revenue Sharing Partnerships
- Advertising
- Station Leases
- Monetize ROW
  - Electricity
  - Pipeline
  - Communications
- Integration/Revenue Sharing with Local Market Last Mile:
  - Uber/Lyft Parking/Partnerships
  - Hotels
  - Parking
  - Restaurants
  - Customer Packages
- Tubes:
  - Sell Extra Solar Power
  - CO2 Trading

Hyperloop Technologies Inc. Business Confidential
REVENUE STREAMS – BUILD & TRANSFER

- **Operator revenue share – fare & ads**
- **Pod CapEx**
- **Pod Leasing**
- **Pod Maintenance**
- **Station CapEx**
- **Logistics & Network Management**
- **Tube CapEx**
- **Tubeway Maintenance**
- **Monetize ROW**
  - Electricity
  - Pipeline
  - Communications
• Offshore docks & dry ports
• New cities
• Distributed cities
• Distributed factories
• Fully customizable system
• Simplified multi-national customs via closed system with no access except at entry & destination

CREATES ENDLESS OPPORTUNITIES
VISION

- Team building
- Partner building
- POAT
- Dev Loop
- Parallel production engineering

- 1st Loop operational
- Actively constructing 3 loops
- Global supply chain
- Technology fully commercialized

- Advanced technologies implemented
- Extensive deployment with 10 loops operational

- Tunneling
- Reshape landscape of the Earth
- Transform society

Today 2020 2025 2030
THE TIME IS NOW

INDUSTRY
Needs disruption
Is unsustainable

SOLUTION
Hyperloop —
will solve industry
problems and change
the world

ENGINEERING
Focused on full system
Dev Loop demonstration
AND production
innovations simultaneously

STRONG TEAM
Hyperloop is a team
of innovators AND
builders poised
to execute

OPPORTUNITY
Hyperloop will capture a
sizable portion of trillion
dollar industries
• **Slide 4**

• **Slide 5**

• **Slide 6**
Hyperloop Technologies, Inc.

Catalyst Fund Application (TTC)
to
Governor’s Office Of Economic Development

Governor’s Office of Economic Development

Las Vegas 702-486-2700
Reno 775-687-9900
Toll Free 800-336-1600
Governor's Office of Economic Development
Catalyst Fund Application (TTC) from Business Applicant

Applicant Information

BUSINESS SUBMITTING: Hyperloop Technologies, Inc.

Authorized Representative
Name: William Mulholland
Title: Vice President of Finance
Organization: Hyperloop Technologies, Inc.
Street Address: 2161 Sacramento Street, Los Angeles CA 90021
Mailing Address: 2161 Sacramento Street, Los Angeles CA 90021
Phone Number: 213-800-3270
Email Address: william@hyperlooptech.com

To the best of my knowledge and belief, the information contained in this Catalyst Fund Application is true and correct, as evidenced by my signature below.

Signature [Signature]
(Company Representative) Date 2-24-16
BUSINESS SUMMARY

Describe the proposed new business or expansion in a brief summary including the applicant's business structure:

A Nevada DevLoop would support the global implementation of Hyperloop transportation networks for passengers, cargo and trade through research, development and testing of full-scale, full-speed systems. Initial city pairs for the Hyperloop mass transportation system are under review in Europe, Asia and the United States. Core to Hyperloop design is the improved safety and reduced environmental impact of the $154 trillion transportation market, which currently makes up 23% of carbon emissions according to the International Energy Agency. By design Hyperloop will enable the most energy efficient freight mode relative to speed of travel.

☐ Attach a copy of a company presentation

Total real property investment – $3,000,000

Total personal property investment – $121,620,000

Projected start date – Jan 2016        Completion date – Nov 2016

☐ Attach a schedule of jobs created with skills identified

Number of primary jobs that will be new to Nevada - 89    Average wage of new jobs – $29.19

Cost of employee healthcare benefits (annual premiums paid by employer) - $5,305

Percentage paid by employer – 85%

Healthcare Summary (check all that apply):
☐ Medical       ☐ Dental       ☐ Vision       ☐ Disability       ☐ Life Insurance       ☐ Dependent Coverage

☐ Attach a schedule of employee benefits used in recruiting

Other Employee Benefits – 401K, Overtime, PTO/Sick/Vacation, Merit Increases
### PROJECT CHARACTERISTICS (Check all that apply)

- [x] Construct New Facility
- [ ] Expand/Renovate Existing Facility
- [x] Purchase Machinery & Equipment
- [x] New Business / Start-up
- [ ] Relocation from Out-of-State
- [ ] Relocation within Nevada

### INDUSTRY CLUSTER

- [ ] Aerospace and Defense
- [ ] Agriculture
- [ ] Business IT Ecosystems
- [x] Other: R&D, Transportation Safety and Development
- [ ] Health & Medical Services
- [ ] Logistics & Operations
- [ ] Mining & Materials
- [ ] Renewable Energy
- [ ] Tourism, Gaming & Entertainment

### A Statement of project relevance to supply chains, sectors and clusters targeted by the State Plan for Economic Development:

This project is another piece in Nevada’s efforts to attract the development of sustainable technologies and logistics innovations. As stated above DevLoop Nevada would support the global implementation of Hyperloop transportation networks for passengers, cargo and trade through research, development and testing of full-scale, full-speed systems.

### GRANT SUMMARY

**Amount Requested:**

Award Per FTE: $7,500

**Disbursement Terms:**

Year 1 – For new primary jobs which pay average wage ($25.00):
No payment if less than 15 primary jobs are created
$7,500 per job created up to 34 new jobs; and

Year 2 – For new incremental primary jobs, and a company average wage ($25.00):
No payment if less than 15 incremental primary jobs are created
$7,500 per job created up to 33 new incremental jobs.

Year 3 – For new incremental primary jobs, and a company average wage ($25.00):
No payment if less than 15 incremental primary jobs are created
$7,500 per job created up to 33 new incremental jobs.
Maximum Payment per Year:

Year 1: $255,000
Year 2: $247,500
Year 3: $247,500

*The maximum aggregate amount paid under this program shall not exceed $750,000.
**At applicant's election, Year 1 can cover a period of less than twelve months.

The Proposed plans, projects, or programs to which the grant will apply:

Incentives are applied for the location of an advanced transportation safety, development and test campus (DEVLOOP). Construction will commence immediately upon site selection with full scale testing to begin within 12 months. Projected milestones include foundation completion and power construction commencement in May 2016, construction completion and site integration beginning in September 2016 with testing commencing in November 2016. DEVLOOP will operate 7 days per week up to 24 hours daily. At full operation, DEVLOOP will conduct approximately 40 full-scale tests per month by 2017. Fabrication, integration and command center operations will also be a part of the development campus.

The expected benefits of the grant expressed as jobs, investments, and wage levels:

Hyperloop Technologies Inc. plans to hire 119 full-time employees over a five year period at and average hourly wage exceeding a notable $29, along with above average health insurance and other employee benefits. Hyperloop is also estimating a capital investment of over $121 million dollars in just a two year period.

A statement on the significance of this grant to the company’s described plans:

Hyperloop Technologies Inc. is finalizing the selection of the Hyperloop Safety, Test and Development Loop (DevLoop), which must deliver a technically capable site and cost competitive operating environment. As such, performance-based incentives, including modified business tax, sales and use tax, property tax, and transferrable tax credits (Catalyst Fund) are a significant factor in the decision to locate in Nevada.

A statement on the estimated return-on-investment to the state in job creation, wage levels and capital investment for the term of the proposed grant:

ECONOMIC IMPACT ESTIMATES** (10-Year Cumulative)

Total Jobs Supported** 214
Total Payroll Supported $113,516,649
Total Output Estimate $287,938,522

** Estimate includes jobs, payroll & output by the company assisted as well as the secondary impacts to other local businesses. These impacts only reflect first year jobs required under the company's abatement application.
NEW TAX REVENUE ESTIMATES (10-Year Cumulative)

<table>
<thead>
<tr>
<th>Local Taxes</th>
<th>Direct</th>
<th>Indirect</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Property</td>
<td>$1,860,344</td>
<td>$2,698,239</td>
<td>$4,558,583</td>
</tr>
<tr>
<td>Sales</td>
<td>$104,081</td>
<td>$2,108,342</td>
<td>$2,212,423</td>
</tr>
<tr>
<td>Lodging</td>
<td>$0</td>
<td>$145,894</td>
<td>$145,894</td>
</tr>
</tbody>
</table>

State Taxes

| Property        | $109,576   | $161,813   | $271,389     |
| Sales           | $2,466,525 | $703,803   | $3,170,328   |
| Modified Business| $770,813  | $566,130   | $1,336,943   |
| Lodging         | $0         | $36,474    | $36,474      |

Total          | $5,311,339 | $6,420,695 | $11,732,034 |

COST-BENEFIT ASSESSMENT**

<table>
<thead>
<tr>
<th>Econ. Impact/Abated $</th>
<th>New Tax/Abated $</th>
</tr>
</thead>
<tbody>
<tr>
<td>$31</td>
<td>$1.27</td>
</tr>
</tbody>
</table>

** Does not include impacts related to the Catalyst Fund grant.
Schedule of jobs to be created during Catalyst Fund grant period (Exhibit "A")

Schedule of proposed employee health insurance benefits (Exhibit "B")

3-year financial statements for the business, audited preferred (Exhibit "C")

Note: Unaudited financials for 2015 and January 2016 available only.